

# SENATE BILL REPORT

## ESSB 6130

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As Amended by House, February 17, 2010

**Title:** An act relating to amending provisions related to Initiative No. 960

**Brief Description:** Amending provisions related to Initiative Measure No. 960.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senator Prentice).

**Brief History:**

**Committee Activity:** Ways & Means: 2/09/10 [DPS, DNP].

Passed Senate: 2/10/10, 26-22.

Passed House: 2/17/10, 51-47.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 6130 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Fairley, Keiser, Kline, Kohl-Welles, McDermott, Murray, Oemig, Pridemore, Regala and Rockefeller.

**Minority Report:** Do not pass.

Signed by Senators Brandland, Hewitt, Honeyford, Parlette, Pflug and Schoesler.

**Staff:** Dianne Criswell (786-7433)

**Background:** Initiative 960 (I-960), adopted by the voters in 2007, established by statute certain requirements related to any action of the Legislature which raises taxes or fees.

Cost Projections, Notice of Public Hearings, and Information on Bill Sponsorship. The Office of Financial Management (OFM) must determine the ten-year cost to the taxpayers of any bill raising taxes or fees. The results must be distributed by public press release and emailed to legislators, the media, and the public. The press release for any bill raising taxes or fees must be published upon bill introduction, any public hearing scheduled on such a bill, committee approval, and approval by the Senate or the House. The initial press release upon bill introduction must include contact information for legislators who are sponsors or co-sponsors of the bill. The press release for scheduled hearing must include the contact information for the legislative committee members. The press release for committee approval

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or approval by the Senate or House must include the names of legislators, their contact information, and how they voted.

Legislative Approval by Two-Thirds or Voter-Approval of Tax Increases. Legislation raising taxes must receive a two-thirds vote of the members of the Senate and the House. Tax increases may be referred to the voters for their approval or rejection.

Raises taxes is defined by I-960 as any action or combination of actions by the Legislature that increases state tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the General Fund.

Advisory Vote of the People on Tax Increases. If a legislative bill raising taxes is blocked from a public vote or is not referred to the voters, a measure for an advisory vote by the people is required and must be placed on the next general election ballot. Blocked from a public vote is defined by I-960 as including adding an emergency clause to a bill increasing taxes, bonding or contractually obligating taxes, or otherwise preventing a referendum on a bill increasing taxes. If the bill involves more than one revenue source, each tax being increased must be subject to a separate advisory vote of the people. The voter pamphlet entry for advisory votes on a tax increase must be two pages long and must include a ten-year projection of the fiscal impact of the tax on the taxpayers and a description of how each member of the Legislature voted on the tax increase.

Legislative Approval of Fee Increases. No fee may be imposed or increased by a state agency without prior legislative approval.

**Summary of Engrossed Substitute Bill:** After July 1, 2011, notices and cost projections are required for bills which raise taxes or increase fees. After July 1, 2011, two-thirds majority is required to raise taxes. After July 1, 2011, a tax advisory vote is required for any tax increase not referred to voters or otherwise blocked from public vote. Provides an emergency clause, taking effect immediately.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Staff Summary of Public Testimony:** None.

**Persons Testifying:** No one.

**House Amendment(s):** The amended bill eliminates the provision that would have suspended the public notification requirements for tax and fee increases through July 1, 2011 (i.e., current law is retained).