

SENATE BILL REPORT

SJR 8212

As of January 29, 2016

Brief Description: Requiring a two-thirds majority vote of the legislature to raise taxes, a simple majority vote to impose or raise fees, and no advisory vote.

Sponsors: Senators Ericksen, Benton, Padden, Sheldon, Rivers, Miloscia and Angel.

Brief History:

Committee Activity: Government Operations & Security: 2/04/16.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

Staff: Karen Epps (786-7424)

Background: Initiative 601, enacted by the voters in 1993, required a two-thirds vote of both houses of the Legislature for any action that raised state taxes. Initiative 960 (I-960), enacted in 2007, reinstated this supermajority vote requirement for tax increases not approved by referendum to the voters. I-960 also required prior legislative approval of any new or increased state fees. Initiative 960 passed in 2007 and required, in part, that after July 1, 2011, legislative action raising taxes that is blocked from a public vote or not referred to the people, must be placed on the next general election ballot for an advisory vote of the people. If legislation involves more than one revenue source, each tax being increased must be a separate measure for an advisory vote. In 2010, the Legislature suspended until July 1, 2011, the two-thirds vote requirement for state tax increases, but did not modify the provisions of I-960 regarding prior legislative approval of fee increases.

Initiative 1053 (I-1053), adopted by the voters at the 2010 general election, reinstated the requirement that a two-thirds majority is required to raise taxes. I-1053 also restated that new or increased state fees must be approved by a majority vote in both houses of the Legislature. Initiative 1185 (I-1185), approved by the voters in November 2012, has the same general requirement of legislative authorization for new or increased state fees and a two-thirds supermajority vote for actions which raise taxes. I-1185 took effect on December 6, 2012. The Legislature temporarily suspended the supermajority vote requirement to raise taxes in 2002, 2005, and 2010. The statutory supermajority vote requirement for tax increases was declared unconstitutional in a 6–3 decision by the state Supreme Court on February 28, 2013, *League of Education Voters v. State* (176 Wn.2d 808).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Initiative 1366 (I-1366), adopted by the voters at the 2015 general election, would decrease the state retail sales tax rate on April 15, 2016, from 6.5 percent to 5.5 percent. The sales tax rate would not be decreased if, by April 15, 2016, two-thirds of both legislative houses refer to the ballot a vote on a constitutional amendment that requires two-thirds legislative approval or voter approval to raise taxes, and majority legislative approval to set the amount of a fee increase. Additionally, I-1366 defined terms, including:

- raising taxes means: any action or combination of actions by the State Legislature that increases state tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund; and
- majority legislative approval for fee increases means: only the Legislature may set a fee increase's amount and must list it in a bill so it can be subject to the 10-year cost projection and other accountability procedures required by statute.

Summary of Bill: A two-thirds vote of both the House of Representatives and the Senate is required to raise taxes. Raising taxes means any action or combination of actions by the Legislature that increases state revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund.

A fee may only imposed or increased in any fiscal year if it is legislatively approved with at least a simple majority vote in both the House of Representatives and the Senate is required to impose or increase a fee in any fiscal year. Legislative approval cannot occur in an omnibus appropriations act.

Any action or combination of actions by the Legislature that raises taxes is not required to be submitted to the people for an advisory vote.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect upon approval and ratification at the next general election.