

INITIATIVE 1053

To the People

Chapter 1, Laws of 2011

TAX AND FEE INCREASES IMPOSED BY STATE GOVERNMENT

EFFECTIVE DATE: 12/02/10

Approved by the  
People of the State of Washington  
in the General Election on  
November 2, 2010

ORIGINALLY FILED

January 5, 2010

**Secretary of State**

1 AN ACT Relating to tax and fee increases imposed by state  
2 government; amending RCW 43.135.035 and 43.135.055; adding a new  
3 section to chapter 43.135 RCW; creating new sections; repealing RCW  
4 43.135.035; and providing contingent effective dates.  
5 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

6 **INTENT**

7 NEW SECTION. **Sec. 1.** This initiative should deter the governor  
8 and the legislature from sidestepping, suspending or repealing any of  
9 Initiative 960's policies in the 2010 legislative session. But  
10 regardless of legislative action taken during the 2010 legislative  
11 session concerning Initiative 960's policies, the people intend, by the  
12 passage of this initiative, to require either two-thirds legislative  
13 approval or voter approval for tax increases and majority legislative  
14 approval for fee increases. These important policies ensure that  
15 taking more of the people's money will always be an absolute last  
16 resort.

1       **PROTECTING TAXPAYERS BY REQUIRING EITHER TWO-THIRDS LEGISLATIVE**  
2       **APPROVAL OR VOTER APPROVAL FOR STATE GOVERNMENT TO RAISE TAXES**  
3       **(sections 2 and 3 take effect if the 2010 legislature suspends or**  
4       **repeals the two-thirds legislative vote requirement for tax increases)**

5       NEW SECTION.   **Sec. 2.** A new section to chapter 43.135 RCW is added  
6 and reads as follows:

7       (1) After July 1, 1995, any action or combination of actions by the  
8 legislature that raises taxes may be taken only if approved by at least  
9 two-thirds legislative approval in both the house of representatives  
10 and the senate. Pursuant to the referendum power set forth in Article  
11 II, section 1(b) of the state Constitution, tax increases may be  
12 referred to the voters for their approval or rejection at an election.

13       (2) (a) If the legislative action under subsection (1) of this  
14 section will result in expenditures in excess of the state expenditure  
15 limit, then the action of the legislature shall not take effect until  
16 approved by a vote of the people at a November general election. The  
17 state expenditure limit committee shall adjust the state expenditure  
18 limit by the amount of additional revenue approved by the voters under  
19 this section. This adjustment shall not exceed the amount of revenue  
20 generated by the legislative action during the first full fiscal year  
21 in which it is in effect. The state expenditure limit shall be  
22 adjusted downward upon expiration or repeal of the legislative action.

23       (b) The ballot title for any vote of the people required under this  
24 section shall be substantially as follows:

25       "Shall taxes be imposed on . . . . . in order to allow a  
26 spending increase above last year's authorized spending adjusted for  
27 personal income growth?"

28       (3) (a) The state expenditure limit may be exceeded upon declaration  
29 of an emergency for a period not to exceed twenty-four months by a law  
30 approved by a two-thirds vote of each house of the legislature and  
31 signed by the governor. The law shall set forth the nature of the  
32 emergency, which is limited to natural disasters that require immediate  
33 government action to alleviate human suffering and provide humanitarian  
34 assistance. The state expenditure limit may be exceeded for no more  
35 than twenty-four months following the declaration of the emergency and  
36 only for the purposes contained in the emergency declaration.

37       (b) Additional taxes required for an emergency under this section  
38 may be imposed only until thirty days following the next general

1 election, unless an extension is approved at that general election.  
2 The additional taxes shall expire upon expiration of the declaration of  
3 emergency. The legislature shall not impose additional taxes for  
4 emergency purposes under this subsection unless funds in the education  
5 construction fund have been exhausted.

6 (c) The state or any political subdivision of the state shall not  
7 impose any tax on intangible property listed in RCW 84.36.070 as that  
8 statute exists on January 1, 1993.

9 (4) If the cost of any state program or function is shifted from  
10 the state general fund to another source of funding, or if moneys are  
11 transferred from the state general fund to another fund or account, the  
12 state expenditure limit committee, acting pursuant to RCW  
13 43.135.025(5), shall lower the state expenditure limit to reflect the  
14 shift. For the purposes of this section, a transfer of money from the  
15 state general fund to another fund or account includes any state  
16 legislative action taken that has the effect of reducing revenues from  
17 a particular source, where such revenues would otherwise be deposited  
18 into the state general fund, while increasing the revenues from that  
19 particular source to another state or local government account. This  
20 subsection does not apply to: (a) The dedication or use of lottery  
21 revenues under RCW 67.70.240(3), in support of education or education  
22 expenditures; or (b) a transfer of moneys to, or an expenditure from,  
23 the budget stabilization account.

24 (5) If the cost of any state program or function and the ongoing  
25 revenue necessary to fund the program or function are shifted to the  
26 state general fund on or after January 1, 2007, the state expenditure  
27 limit committee, acting pursuant to RCW 43.135.025(5), shall increase  
28 the state expenditure limit to reflect the shift unless the shifted  
29 revenue had previously been shifted from the general fund.

30 (6) For the purposes of this chapter, "raises taxes" means any  
31 action or combination of actions by the legislature that increases  
32 state tax revenue deposited in any fund, budget, or account, regardless  
33 of whether the revenues are deposited into the general fund.

34 NEW SECTION. **Sec. 3.** RCW 43.135.035 (Tax legislation--Referral to  
35 voters--Conditions and restrictions--Ballot title--Declarations of  
36 emergency--Taxes on intangible property--Expenditure limit to reflect

1 program cost shifting or fund transfer) and 2009 c 479 s 36 are each  
2 repealed.

3 **PROTECTING TAXPAYERS BY REQUIRING EITHER TWO-THIRDS LEGISLATIVE**  
4 **APPROVAL OR VOTER APPROVAL FOR STATE GOVERNMENT TO RAISE TAXES**  
5 **(section 4 takes effect if the 2010 legislature does not suspend or**  
6 **repeal the two-thirds legislative vote requirement for tax increases)**

7 **Sec. 4.** RCW 43.135.035 and 2009 c 479 s 36 are each amended to  
8 read as follows:

9 (1) After July 1, 1995, any action or combination of actions by the  
10 legislature that raises taxes may be taken only if approved by ((a)) at  
11 least two-thirds ((~~vote of each house of the legislature~~)) legislative  
12 approval in both the house of representatives and the senate, and then  
13 only if state expenditures in any fiscal year, including the new  
14 revenue, will not exceed the state expenditure limits established under  
15 this chapter. Pursuant to the referendum power set forth in Article  
16 II, section 1(b) of the state Constitution, tax increases may be  
17 referred to the voters for their approval or rejection at an election.

18 (2) (a) If the legislative action under subsection (1) of this  
19 section will result in expenditures in excess of the state expenditure  
20 limit, then the action of the legislature shall not take effect until  
21 approved by a vote of the people at a November general election. The  
22 state expenditure limit committee shall adjust the state expenditure  
23 limit by the amount of additional revenue approved by the voters under  
24 this section. This adjustment shall not exceed the amount of revenue  
25 generated by the legislative action during the first full fiscal year  
26 in which it is in effect. The state expenditure limit shall be  
27 adjusted downward upon expiration or repeal of the legislative action.

28 (b) The ballot title for any vote of the people required under this  
29 section shall be substantially as follows:

30 "Shall taxes be imposed on . . . . . in order to allow a  
31 spending increase above last year's authorized spending adjusted for  
32 personal income growth?"

33 (3) (a) The state expenditure limit may be exceeded upon declaration  
34 of an emergency for a period not to exceed twenty-four months by a law  
35 approved by a two-thirds vote of each house of the legislature and  
36 signed by the governor. The law shall set forth the nature of the

1 emergency, which is limited to natural disasters that require immediate  
2 government action to alleviate human suffering and provide humanitarian  
3 assistance. The state expenditure limit may be exceeded for no more  
4 than twenty-four months following the declaration of the emergency and  
5 only for the purposes contained in the emergency declaration.

6 (b) Additional taxes required for an emergency under this section  
7 may be imposed only until thirty days following the next general  
8 election, unless an extension is approved at that general election.  
9 The additional taxes shall expire upon expiration of the declaration of  
10 emergency. The legislature shall not impose additional taxes for  
11 emergency purposes under this subsection unless funds in the education  
12 construction fund have been exhausted.

13 (c) The state or any political subdivision of the state shall not  
14 impose any tax on intangible property listed in RCW 84.36.070 as that  
15 statute exists on January 1, 1993.

16 (4) If the cost of any state program or function is shifted from  
17 the state general fund to another source of funding, or if moneys are  
18 transferred from the state general fund to another fund or account, the  
19 state expenditure limit committee, acting pursuant to RCW  
20 43.135.025(5), shall lower the state expenditure limit to reflect the  
21 shift. For the purposes of this section, a transfer of money from the  
22 state general fund to another fund or account includes any state  
23 legislative action taken that has the effect of reducing revenues from  
24 a particular source, where such revenues would otherwise be deposited  
25 into the state general fund, while increasing the revenues from that  
26 particular source to another state or local government account. This  
27 subsection does not apply to: (a) The dedication or use of lottery  
28 revenues under RCW 67.70.240(3), in support of education or education  
29 expenditures; or (b) a transfer of moneys to, or an expenditure from,  
30 the budget stabilization account.

31 (5) If the cost of any state program or function and the ongoing  
32 revenue necessary to fund the program or function are shifted to the  
33 state general fund on or after January 1, 2007, the state expenditure  
34 limit committee, acting pursuant to RCW 43.135.025(5), shall increase  
35 the state expenditure limit to reflect the shift unless the shifted  
36 revenue had previously been shifted from the general fund.

37 (6) For the purposes of this chapter (~~(1, Laws of 2008)~~), "raises  
38 taxes" means any action or combination of actions by the legislature

1 that increases state tax revenue deposited in any fund, budget, or  
2 account, regardless of whether the revenues are deposited into the  
3 general fund.

4 **PROTECTING TAXPAYERS BY REQUIRING MAJORITY LEGISLATIVE APPROVAL**  
5 **FOR STATE GOVERNMENT TO INCREASE FEES**

6 **Sec. 5.** RCW 43.135.055 and 2008 c 1 s 14 are each amended to read  
7 as follows:

8 (1) ~~((No))~~ A fee may only be imposed or increased in any fiscal  
9 year ~~((without prior legislative approval))~~ if approved with majority  
10 legislative approval in both the house of representatives and the  
11 senate and must be subject to the accountability procedures required by  
12 RCW 43.135.031.

13 (2) This section does not apply to an assessment made by an  
14 agricultural commodity commission or board created by state statute or  
15 created under a marketing agreement or order under chapter 15.65 or  
16 15.66 RCW, or to the forest products commission, if the assessment is  
17 approved by referendum in accordance with the provisions of the  
18 statutes creating the commission or board or chapter 15.65 or 15.66 RCW  
19 for approving such assessments.

20 **CONSTRUCTION CLAUSE**

21 NEW SECTION. **Sec. 6.** The provisions of this act are to be  
22 liberally construed to effectuate the intent, policies, and purposes of  
23 this act.

24 **SEVERABILITY CLAUSE**

25 NEW SECTION. **Sec. 7.** If any provision of this act or its  
26 application to any person or circumstance is held invalid, the  
27 remainder of the act or the application of the provision to other  
28 persons or circumstances is not affected.

29 **MISCELLANEOUS**

1        NEW SECTION.    **Sec. 8.**    This act shall be known and cited as Save  
2    The 2/3's Vote For Tax Increases Act of 2010.

3        NEW SECTION.    **Sec. 9.**    Sections 2 and 3 of this act take effect if,  
4    during the 2010 legislative session, the legislature amends or repeals  
5    RCW 43.135.035.

6        NEW SECTION.    **Sec. 10.**    Section 4 of this act takes effect if,  
7    during the 2010 legislative session, the legislature does not amend or  
8    repeal RCW 43.135.035.

Originally filed in Office of Secretary of State January 5, 2010.  
Approved by the People of the State of Washington in the General  
Election on November 2, 2010.