

Initiative Measure No. 541

filed November 26, 2012

TAXPAYER PROTECTION ACT

COMPLETE TEXT

AN ACT Relating to providing short-term and long-term protection from state and local taxes and fees; amending RCW 43.135.055, 29A.72.283, 29A.32.070, 43.135.031, and 43.135.041; adding new sections to chapter 43.135 RCW; and creating new sections.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

INTENT

NEW SECTION. **Sec. 1.** The people insist that taxpayers be protected and that government taking more of the people's money will always be an absolute last resort. This measure prohibits state and local tax and fee increases for the next two years and requires people's advisory votes on whether to amend the constitution to require two-thirds legislative approval to raise taxes. This act provides short-term and long-term protection from state and local taxes and fees, giving our state's economy a chance to recover.

The people want the legislature to approve, and refer to voters for ratification, a constitutional amendment requiring either two-thirds legislative approval or majority voter approval for raising taxes as defined by and as required by Initiative 960, approved by voters in 2007, Initiative 1053, approved by voters in 2010, and Initiative 1185, approved by voters in 2012.

PROTECTING TAXPAYERS BY PROHIBITING

TAX AND FEE INCREASES BY STATE GOVERNMENT FOR THE NEXT 2 YEARS

NEW SECTION. **Sec. 2.** A new section is added to chapter 43.135 RCW to read as follows:

Tax increases are prohibited for the next two years. Pursuant to Article II, section 41 of the state Constitution, the legislature may

amend this act and impose a tax increase with a two-thirds vote in the house of representatives and senate. Pursuant to the referendum power set forth in Article II, section 1(b) of the state Constitution, the legislature may, with a simple majority vote, refer a bill raising taxes to the ballot and be approved by a majority vote of the people.

(a) For the purposes of this chapter, "tax increases" means any action or combination of actions by the state legislature that:

(i) Delegates authority to another governmental entity to raise a tax;
or

(ii) Increases state tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund.

(b) For the purposes of this section, "for the next two years" means the two years following the voters' approval of this act and continuing through December 31, 2015.

Sec. 3. RCW 43.135.055 and 2011 c 1 s 5 are each amended to read as follows:

(1) (~~(A fee may only be imposed or increased in any fiscal year if approved with a simple majority vote in both the house of representatives and the senate and must be subject to the accountability procedures required by RCW 43.135.031)~~). Fee increases are prohibited for the next two years. Pursuant to Article II, section 41 of the state Constitution, the legislature may amend this act and impose a fee increase with a two-thirds vote in the house of representatives and senate. Pursuant to the referendum power set forth in Article II, section 1(b) of the state Constitution, fee increases may be referred to the voters for their approval or rejection at an election.

(a) For the purposes of this section, "fee increases" means any action or combination of actions by the legislature that:

(i) Delegates authority to another governmental entity to increase a fee; or

(ii) Increases state fee revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund.

(b) For the purposes of this section, "for the next two years" means the two years following the voters' approval of this act and continuing through December 31, 2015.

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

**PROTECTING TAXPAYERS BY PROHIBITING
TAX AND FEE INCREASES BY LOCAL GOVERNMENTS FOR THE NEXT 2 YEARS**

NEW SECTION. **Sec. 4.** Tax increases are prohibited by local governments for the next two years.

(a) For the purposes of this section, "tax increases" means any action or combination of actions by a local government that:

(i) Delegates authority to another governmental entity to raise a tax;
or

(ii) Increases the local government's tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund.

(b) For the purposes of this section, "local governments" means local taxing districts.

(c) For the purposes of this section, "for the next two years" means the two years following the voters' approval of this act and continuing through December 31, 2015.

(d) This section does not apply to tax increases referred to the ballot and approved by voters at an election.

NEW SECTION. **Sec. 5.** Fee increases are prohibited by local governments for the next two years.

(a) For the purposes of this section, "fee increases" means any action or combination of actions by a local government that:

(i) Delegates authority to another governmental entity to raise a fee;
or

(ii) Increases the local government's fee revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund.

(b) For the purposes of this section, "local governments" means local taxing districts.

(c) For the purposes of this section, "for the next two years" means the two years following the voters' approval of this act and continuing through December 31, 2015.

(d) This section does not apply to fee increases referred to the ballot and approved by voters at an election.

**LET THE VOTERS DECIDE ON A CONSTITUTIONAL AMENDMENT
REQUIRING EITHER A TWO-THIRDS VOTE OF THE LEGISLATURE
OR MAJORITY VOTE OF THE PEOPLE TO RAISE TAXES**

NEW SECTION. **Sec. 6.** A new section is added to chapter 43.135 RCW to read as follows:

(1) A measure for an advisory vote of the people for a constitutional amendment requiring two-thirds legislative approval or majority voter approval for raising taxes is required and must be placed on each general election ballot under this chapter.

(2) No later than the first of August, the attorney general will send written notice to the secretary of state of the legislature's failure to let the people vote on a constitutional amendment requiring two-thirds legislative approval or majority voter approval for raising taxes. Within five days of receiving such written notice from the attorney general, the secretary of state will assign a serial number for a measure for an advisory vote of the people and transmit one copy of the measure bearing its serial number to the attorney general as required by RCW 29A.72.040. Saturdays, Sundays, and legal holidays are not counted in calculating the time limits in this subsection.

(3) The requirements in this section only take effect if the legislature blocks the people from voting on a constitutional amendment requiring two-thirds legislative approval or majority voter approval for raising taxes. If the legislature lets the people vote on a constitutional amendment requiring two-thirds legislative approval or majority voter approval for raising taxes, then the requirements of this section do not take effect; an advisory vote is not necessary if the legislature stops blocking a binding vote.

Sec. 7. RCW 29A.72.283 and 2008 c 1 s 8 are each amended to read as follows:

Within five days of receipt of a measure for an advisory vote of the people from the secretary of state under RCW 29A.72.040 the attorney

general shall formulate a short description (~~(not exceeding thirty-three words and)~~), not subject to appeal, of each tax increase and of each failure of the legislature to let the people vote on a constitutional amendment under section 6 of this act and shall transmit a certified copy of such short description meeting the requirements of this section to the secretary of state.

(a) The description for each tax increase must be formulated and displayed on the ballot substantially as follows:

"The legislature imposed, without a vote of the people, (identification of tax and description of increase), costing (most up-to-date ten-year cost projection, expressed in dollars and rounded to the nearest million) in its first ten years, for government spending. This tax increase should be:

Repealed . . . []
Maintained . . . []"

(b) The description for the failure of the legislature to let the people vote on a constitutional amendment under section 6 of this act must be formulated and displayed on the ballot substantially as follows:

"Do you support or oppose having the legislature refer to a vote of the people a constitutional amendment requiring two-thirds legislative approval or majority voter approval for raising taxes?"

Support letting the people vote . . . []
Oppose letting the people vote . . . []"

Saturdays, Sundays, and legal holidays are not counted in calculating the time limits in this section. (~~(The words "This tax increase should be: Repealed . . . [] Maintained . . . []" are not counted in the thirty-three word limit for a short description under this section.)~~)

Sec. 8. RCW 29A.32.070 and 2009 c 415 s 5 are each amended to read as follows:

The secretary of state shall determine the format and layout of the voters' pamphlet published under RCW 29A.32.010. The secretary of state shall print the pamphlet in clear, readable type on a size, quality, and weight of paper that in the judgment of the secretary of state best serves
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the voters. The pamphlet must contain a table of contents. Measures and arguments must be printed in the order specified by RCW 29A.72.290.

The voters' pamphlet must provide the following information for each statewide issue on the ballot except measures for an advisory vote of the people whose requirements are provided in subsections (11) and (12) of this section:

- (1) The legal identification of the measure by serial designation or number;
- (2) The official ballot title of the measure;
- (3) A statement prepared by the attorney general explaining the law as it presently exists;
- (4) A statement prepared by the attorney general explaining the effect of the proposed measure if it becomes law;
- (5) The fiscal impact statement prepared under RCW 29A.72.025;
- (6) The total number of votes cast for and against the measure in the senate and house of representatives, if the measure has been passed by the legislature;
- (7) An argument advocating the voters' approval of the measure together with any statement in rebuttal of the opposing argument;
- (8) An argument advocating the voters' rejection of the measure together with any statement in rebuttal of the opposing argument;
- (9) Each argument or rebuttal statement must be followed by the names of the committee members who submitted them, and may be followed by a telephone number that citizens may call to obtain information on the ballot measure;
- (10) The full text of (~~the~~) each measure;
- (11) Two pages (front and back of one page and front and back of a second page) shall be provided in the general election voters' pamphlet for each measure for an advisory vote of the people under RCW 43.135.041 and shall consist of the serial number assigned by the secretary of state under RCW 29A.72.040, the short description formulated by the attorney general under RCW 29A.72.283, the tax increase's most up-to-date ten-year cost projection, including a year-by-year breakdown, by the office of financial management under RCW 43.135.031, and the names of the legislators, and their contact information, and how they voted on the increase upon final passage so they can provide information to, and answer questions from, the public. For the purposes of this subsection, "names of legislators, and their contact information" includes each legislator's position (senator or

representative), first name, last name, party affiliation (for example, Democrat or Republican), city or town they live in, office phone number, and office e-mail address.

(12) The front of one page must be provided in the general election voters' pamphlet for each measure for an advisory vote of the people under section 6 of this act and must consist of the serial number assigned by the secretary of state under RCW 29A.72.040, the short description formulated by the attorney general under RCW 29A.72.283, and the following:

(i) "Over the past twenty years, the voters of Washington have, five times, overwhelmingly passed initiatives requiring either a two-thirds vote of the legislature or majority vote of the people to raise taxes. Despite this clear message from the people, not once has the legislature given the voters the opportunity to vote on a 2/3 for taxes constitutional amendment. Then, in 2013, the voters approved Initiative ... (initiative number assigned to this act) that specifically told the legislature that the people want the opportunity to vote on a 2/3 for taxes constitutional amendment mirroring voter-approved I-960/I-1053/I-1185. Even so, the Legislature again blocked the people from voting on it this year.

It is long overdue for the legislature to give the voters the chance to decide, once and for all, on a 2/3 for taxes constitutional amendment mirroring voter-approved I-960/I-1053/I-1185."

(ii) If the governor signs into law a bill that raises taxes, then the following must appear immediately below the text in this subsection:

"During this year's legislative session, rather than keep his promise to veto any tax increase, the governor signed into law the following tax increases:"

(iii) Immediately below the text in this subsection, the following information must be listed on the page:

(A) The bill number for the legislation signed into law by the governor that raises taxes; and

(B) The most current ten-year cost projection by the office of financial management under RCW 43.135.031 for the legislation signed into law by the governor that raises taxes.

STATUTORY REFERENCE UPDATES

Sec. 9. RCW 43.135.031 and 2008 c 1 s 2 are each amended to read as follows:

(1) For any bill introduced in either the house of representatives or the senate that raises taxes or fees as defined by (~~RCW 43.135.035 or increases fees~~) sections 2 and 3 of this act, the office of financial management must expeditiously determine its cost to the taxpayers in its first ten years of imposition, must promptly and without delay report the results of its analysis by public press release via e-mail to each member of the house of representatives, each member of the senate, the news media, and the public, and must post and maintain these releases on its web site. Any ten-year cost projection must include a year-by-year breakdown. For any bill containing more than one revenue source, a ten-year cost projection for each revenue source will be included along with the bill's total ten-year cost projection. The press release shall include the names of the legislators, and their contact information, who are sponsors and cosponsors of the bill so they can provide information to, and answer questions from, the public.

(2) Any time any legislative committee schedules a public hearing on a bill that raises taxes or fees as defined by (~~RCW 43.135.035 or increases fees~~) sections 2 and 3 of this act, the office of financial management must promptly and without delay report the results of its most up-to-date analysis of the bill required by subsection (1) of this section and the date, time, and location of the hearing by public press release via e-mail to each member of the house of representatives, each member of the senate, the news media, and the public, and must post and maintain these releases on its web site. The press release required by this subsection must include all the information required by subsection (1) of this section and the names of the legislators, and their contact information, who are members of the legislative committee conducting the hearing so they can provide information to, and answer questions from, the public.

(3) Each time a bill that raises taxes or fees as defined by (~~RCW 43.135.035 or increases fees~~) sections 2 and 3 of this act is approved by any legislative committee or by at least a simple majority in either the house of representatives or the senate, the office of financial management must expeditiously reexamine and redetermine its ten-year cost projection due to amendment or other changes during the legislative process, must promptly and without delay report the results of its most up-to-date analysis by public press release via e-mail to each member of the house of representatives, each member of the senate, the news media, and the

public, and must post and maintain these releases on its web site. Any ten-year cost projection must include a year-by-year breakdown. For any bill containing more than one revenue source, a ten-year cost projection for each revenue source will be included along with the bill's total ten-year cost projection. The press release shall include the names of the legislators, and their contact information, and how they voted on the bill so they can provide information to, and answer questions from, the public.

(4) For the purposes of this section, "names of legislators, and their contact information" includes each legislator's position (senator or representative), first name, last name, party affiliation (for example, Democrat or Republican), city or town they live in, office phone number, and office e-mail address.

(5) For the purposes of this section, "news media" means any member of the press or media organization, including newspapers, radio, and television, that signs up with the office of financial management to receive the public press releases by e-mail.

(6) For the purposes of this section, "the public" means any person, group, or organization that signs up with the office of financial management to receive the public press releases by e-mail.

Sec. 10. RCW 43.135.041 and 2010 c 4 s 3 are each amended to read as follows:

(1) (a) After July 1, 2011, if legislative action raises taxes as defined by (~~RCW 43.135.035~~) section 2 of this act is blocked from a public vote or is not referred to the people by a referendum petition found to be sufficient under RCW 29A.72.250, a measure for an advisory vote of the people is required and shall be placed on the next general election ballot under this chapter.

(b) If legislative action raising taxes enacted after July 1, 2011, involves more than one revenue source, each tax being increased shall be subject to a separate measure for an advisory vote of the people under the requirements of this chapter.

(2) No later than the first of August, the attorney general will send written notice to the secretary of state of any tax increase that is subject to an advisory vote of the people, under the provisions and exceptions provided by this chapter. Within five days of receiving such written notice from the attorney general, the secretary of state will assign a serial number for a measure for an advisory vote of the people and transmit one copy of the measure bearing its serial number to the

attorney general as required by RCW 29A.72.040, for any tax increase identified by the attorney general as needing an advisory vote of the people for that year's general election ballot. Saturdays, Sundays, and legal holidays are not counted in calculating the time limits in this subsection.

(3) For the purposes of this section, "blocked from a public vote" includes adding an emergency clause to a bill increasing taxes, bonding or contractually obligating taxes, or otherwise preventing a referendum on a bill increasing taxes.

(4) If legislative action raising taxes is referred to the people by the legislature or is included in an initiative to the people found to be sufficient under RCW 29A.72.250, then the tax increase is exempt from an advisory vote of the people under this chapter.

CONSTRUCTION CLAUSE

NEW SECTION. **Sec. 11.** The provisions of this act are to be liberally construed to effectuate the intent, policies, and purposes of this act.

SEVERABILITY CLAUSE

NEW SECTION. **Sec. 12.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

MISCELLANEOUS

NEW SECTION. **Sec. 13.** This act is known and may be cited as "Taxpayer Protection Act of 2013".

-- END --