

FORMATTING NOTE:

In initiatives, legislative bills and other proposed measures, language that is to be deleted from current statutes is represented by a "strikethrough" character and language that is to be added is underlined. Because these special characters cannot be formatted in all Internet browsers, a different set of symbols is used for presenting these proposals on-line. The symbols are as follows:

- Text that is surrounded by (({- text here -})) is text that will be DELETED FROM the existing statute if the proposed measure is approved.
- Text that is surrounded by {+ text here +} is text that will be ADDED TO the existing statute if the proposed measure is approved.
- {+ NEW SECTION+} (found at the beginning of a section or paragraph) indicates that ALL of the text in that section will become law if the proposed measure is approved.

* * *

INITIATIVE 251

AN ACT Relating to government revenue by limiting the growth of state tax revenue and requiring excess state tax revenue be refunded to taxpayers by reducing property taxes; adding a new section to chapter 82.02 RCW; creating a new section; and providing an effective date.

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

LIMITING ANNUAL INCREASES IN TOTAL STATE TAX REVENUE TO THE RATE OF INFLATION AND REQUIRING EXCESS STATE TAXES BE REFUNDED TO TAXPAYERS BY REDUCING PROPERTY TAXES

{+ NEW SECTION. +} Sec. 1. A new section is added to chapter 82.02 RCW to read as follows:

(1) Starting with the level of total state tax revenue received in the year 2000, annual increases in total state tax revenue shall be limited to the rate of inflation and excess state tax revenue shall be refunded to the taxpayers by reducing property taxes.

(2) For purposes of this section, "total state tax revenue" means the aggregate of government revenue generated from taxes and fees at the state level, including, but not necessarily limited to, sales and use taxes; property taxes; business and occupation taxes; fuel taxes; and other state tax and fee revenue sources.

(3) For purposes of this section, "total state tax revenue" does not include revenue generated from college tuition; revenue from unemployment insurance premiums; revenue from workers' compensation premiums; revenue from Washington state health care authority insurance premiums; revenue from the sale of real property or timber; revenue earned by pension and investment trust funds or accounts solely for plan benefits of the various state public employee retirement systems; and revenues received from the federal government.

(4) For the purposes of this section, "rate of inflation" means the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve-month period by the bureau of economic analysis of the federal department of commerce in September of the year before the taxes are poolable.

(5) For the purposes of this section, "excess" means total state

tax revenues received above the limit each year as established by this act.

(6) The legislature shall adopt legislation to refund excess state tax revenue by reducing property taxes each year.

(7) Refunds may be reduced or eliminated by any specific emergency measure authorized by vote of two-thirds of the members of each house of the legislature and expiring not later than the first day of the subsequent legislative session. In the event refunds are reduced or eliminated as a result of such emergency, the total state tax revenue limit of the subsequent year shall be the same as if there had been no emergency.

CONSTRUCTION CLAUSE

{+ NEW SECTION. +} Sec. 2. The provisions of this act are to be liberally construed to effectuate the policies and purposes of this act.

SEVERABILITY CLAUSE

{+ NEW SECTION. +} Sec. 3. 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.

EFFECTIVE DATE

{+ NEW SECTION. +} Sec. 4. This act takes effect January 1, 2002.

--- END ---