

INITIATIVE 791

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 791 to the People is a true and correct copy as it was received by this office.

1 AN ACT Relating to reestablishing, protecting, and strengthening
2 the state expenditure limit; amending RCW 43.135.025, 43.135.035,
3 43.135.045, 43.135.051, and 43.135.060; adding new sections to chapter
4 43.135 RCW; creating new sections; and repealing RCW 43.135.055 and
5 43.135.080.

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

7 NEW SECTION. **Sec. 1.** (1) The people find and declare that:

8 (a) The current budget system in the state of Washington and
9 policies adopted by the legislature in the 2001-2003 biennium are
10 contrary to the long-term fiscal stability of state government;

11 (b) The legislature has defied the will of the people as expressed
12 in Initiative Measure No. 601 by making substantial changes to the
13 initiative that render it ineffectual in controlling the growth of
14 state government spending and taxes;

15 (c) Since the enactment of the state expenditure limit in 1993, and
16 prior to changes made by the legislature, the state made more efficient
17 use of its tax resources while adequately funding all essential state
18 services and during that time exceeded its paramount duty to provide a

1 basic education for the children of this state by providing significant
2 enhancements for the common schools;

3 (d) Changes to the expenditure limit have allowed state government
4 spending to increase beyond the Initiative Measure No. 601 limits by
5 transferring money and programs among different state accounts;

6 (e) The emergency reserve fund created by Initiative Measure No.
7 601 was substantially altered by the legislature. This has exacerbated
8 the current budget situation by reducing the resources available to
9 fund government services and provide for emergencies;

10 (f) Legislative action altering the intent and purpose of
11 Initiative Measure No. 601 has encouraged the legislature to resort to
12 policies of questionable long-term fiscal stability, such as selling
13 bonds based on future tobacco settlement payments;

14 (g) The legislature has changed Initiative Measure No. 601 to avoid
15 the need to ask for voter approval of tax increases; and

16 (h) There are a significant number of accounts and funds not
17 subject to the current expenditure limit that should appropriately be
18 included within an overall state expenditure limit.

19 (2) Therefore, it is the intent of the people that this act shall:

20 (a) Reestablish a comprehensive state expenditure limit based on
21 the principle that state government expenditure growth should not
22 exceed a fiscal growth factor that reflects the increase in inflation
23 and population;

24 (b) Strengthen the state expenditure limit by expanding it to
25 appropriate funds and accounts within the state treasury and by
26 eliminating opportunities to circumvent the intent of the expenditure
27 limit;

28 (c) Establish an effective emergency reserve fund to ensure that
29 adequate moneys are available to fund vital government services in
30 times of economic recession or natural catastrophe;

31 (d) Provide for voter approval of tax and fee increases;

32 (e) Avoid over funding and under funding state programs by
33 providing stability, consistency, and long-range planning; and

34 (f) Provide that revenue collected in excess of the expenditure
35 limit and that required for the emergency reserve fund is spent on
36 common school construction, higher education capital construction, and
37 traffic congestion relief.

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

3 Unless the context clearly requires otherwise, the definitions in
4 this section apply throughout this chapter.

5 (1) "Change in population" means the percentage change in state
6 population as forecasted by the office of financial management.

7 (2) "Expenditure" has its ordinary meaning and also includes the
8 following:

9 (a) Any movement of money out of a limited account, unless the
10 transfer is to another limited account; and

11 (b) Any action or combination of actions taken by the legislature
12 after July 1, 2002, that has the effect of directly or indirectly
13 reducing revenues to a limited account, where such revenues would
14 otherwise be deposited into a limited account, and directly or
15 indirectly increasing financial support for a nonlimited state account
16 or a local government program, service, project, facility, or activity.

17 (3) "Fiscal growth factor" for a fiscal year means inflation plus
18 the change in population for that fiscal year.

19 (4) "Inflation" means the percentage change in the implicit price
20 deflator for personal consumption expenditures for the United States,
21 as forecasted in the official state economic and revenue forecast under
22 chapter 82.33 RCW.

23 (5) "Limited account" means all accounts or funds that are subject
24 to the allotment procedures under chapter 43.88 RCW, including the
25 state general fund, except:

26 (a) Debt service funds or accounts that accumulate resources solely
27 for the payment of general, long-term debt principal and interest;

28 (b) Capital project funds or accounts that account solely for the
29 receipt and disbursement of resources used for the acquisition,
30 construction, or improvement of major capital facilities;

31 (c) Enterprise funds or accounts that account solely for state
32 operations that are financed and operated in a manner similar to
33 private business enterprises where the state's intent is that the cost
34 of providing goods and services to the general public on a continuing
35 basis be financed or recovered primarily through use charges;

36 (d) Internal service funds that account solely for state activities
37 that provide goods and services to other governmental departments or
38 agencies on a cost-reimbursement basis;

1 (e) Expendable trust funds or accounts that account solely for
2 assets held by the state in a trustee capacity where the principal and
3 interest may be expended in the course of the funds' designated
4 operations;

5 (f) Nonexpendable trust funds or accounts that account solely for
6 assets held by the state in a trustee capacity where only the interest
7 income derived from the trust principal may be expended for the funds'
8 designated operations and the funds' or accounts' principal is
9 preserved intact;

10 (g) Pension and investment trust funds or accounts that account
11 solely for transactions, assets, liabilities, and net assets available
12 for plan benefits of the various state public employee retirement
13 systems and local government pooled investment activities;

14 (h) Agency funds or accounts that account solely for the receipt
15 and disbursement of a tax, fee, deposit, or deduction, or other
16 property collected by the state, acting in the capacity of an agent,
17 for distribution to other governmental units or organizations;

18 (i) Any fund or account that accounts solely for the receipt and
19 disbursement of moneys that have been dedicated for specific purposes
20 by the state Constitution; and

21 (j) Any fund or account that accounts solely for the receipt and
22 disbursement of moneys for revolving loans to local governments for
23 major infrastructure projects.

24 (6) "Raises revenue" means a new tax or fee, the expansion in the
25 base of any tax or fee, a monetary increase in an existing tax or fee,
26 an increase in the rate of a tax or fee, an expansion in the legal
27 definition of a tax or fee base, the removal of all or part of any
28 exemption or deduction from any tax or fee, or an extension of an
29 expiring tax or fee.

30 **Sec. 3.** RCW 43.135.025 and 2000 2nd sp.s. c 2 s 1 are each amended
31 to read as follows:

32 (1) The state shall not expend from (~~the general fund~~) a limited
33 account during any fiscal year state moneys in excess of the state
34 expenditure limit established under this chapter.

35 (2) Except pursuant to a declaration of emergency under RCW
36 43.135.035 or pursuant to an appropriation under RCW
37 43.135.045(~~(+4)(b)~~), the state treasurer shall not issue or redeem any
38 check, warrant, or voucher that will result in a state (~~general fund~~)

1 expenditure from a limited account for any fiscal year in excess of the
2 state expenditure limit established for that account under this
3 chapter. A violation of this subsection constitutes a violation of RCW
4 43.88.290 and shall subject the state treasurer to the penalties
5 provided in RCW 43.88.300.

6 (3) The state expenditure limit for a limited account in any fiscal
7 year shall be the previous fiscal year's state expenditure limit for
8 that account increased by a percentage ((rate)) that equals the fiscal
9 growth factor.

10 (4) For purposes of computing the state expenditure limit for a
11 limited account for the fiscal year beginning July 1, ((1995)) 2002,
12 the phrase "the previous fiscal year's state expenditure limit" means
13 the total state expenditures from ((the state general fund)) that
14 limited account, not including federal funds, for the fiscal year
15 beginning July 1, ((1989)) 2001, plus the fiscal growth factor. ((This
16 calculation is then computed for the state expenditure limit for fiscal
17 years 1992, 1993, 1994, and 1995, and as required under RCW
18 43.135.035(4).))

19 (5) A state expenditure limit committee is established for the
20 purpose of determining and adjusting the state expenditure limit for
21 each limited account as provided in this chapter. The members of the
22 state expenditure limit committee are the director of financial
23 management, the attorney general or the attorney general's designee,
24 and the chairs and ranking minority members of the senate committee on
25 ways and means and the house of representatives committee on
26 appropriations. ((All actions of the state expenditure limit committee
27 taken pursuant to this chapter require an affirmative vote of at least
28 three members.)) Adjustments to the expenditure limit for a limited
29 account, other than the adjustment for the fiscal growth factor, may
30 only be made by a two-thirds vote of the members of the state
31 expenditure limit committee.

32 (6) Each November, the state expenditure limit committee shall
33 adjust the expenditure limit for each limited account for the preceding
34 fiscal year based on actual expenditures and known changes in the
35 fiscal growth factor ((and then project an)), calculate state
36 expenditure limits for the next ((two)) fiscal year((s)), and project
37 state expenditure limits for the following fiscal year. If, by
38 November 30th, the state expenditure limit committee has not adopted
39 the state expenditure limit adjustments ((and projected expenditure

1 limit)) as provided in subsection (5) of this section, the attorney
2 general or his or her designee shall adjust ((or project)) the
3 expenditure limits, as necessary.

4 ((~~(7) "Fiscal growth factor" means the average of the sum of
5 inflation and population change for each of the prior three fiscal
6 years.~~

7 ~~(8) "Inflation" means the percentage change in the implicit price
8 deflator for the United States for each fiscal year as published by the
9 federal bureau of labor statistics.~~

10 ~~(9) "Population change" means the percentage change in state
11 population for each fiscal year as reported by the office of financial
12 management.)~~)

13 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.135 RCW
14 to read as follows:

15 (1) If the cost of a federal, state, or local government program,
16 service, project, facility, or activity is transferred to or from a
17 limited account on or after July 1, 2002, the state expenditure limit
18 committee shall increase or decrease, as the case may be, the
19 expenditure limit for that limited account to reflect the transfer.
20 The legislature, in consultation with the office of financial
21 management or its successor agency, shall determine the costs of the
22 federal, state, or local government program, service, project,
23 facility, or activity transferred under this subsection.

24 (2)(a) If moneys are moved from a limited account to another
25 limited account, the state expenditure limit committee shall decrease
26 the expenditure limit for the limited account from which the money is
27 moved and shall increase the expenditure limit for the limited account
28 into which the money is moved to reflect the movement of the moneys.

29 (b) If moneys are moved from a nonlimited account to a limited
30 account, the state expenditure limit committee shall increase the
31 expenditure limit for the limited account into which the money is moved
32 to reflect the movement of the moneys.

33 (3)(a) If any action or combination of actions taken by the
34 legislature after July 1, 2002, has the effect of directly or
35 indirectly reducing a particular revenue source to a nonlimited
36 account, when such a revenue source would otherwise be deposited into
37 that nonlimited account, and directly or indirectly increasing revenues
38 from that particular revenue source for a limited account, the state

1 expenditure limit committee shall increase the expenditure limit for
2 the affected limited account to reflect the increase from the
3 particular revenue source.

4 (b) If any action or combination of actions taken by the
5 legislature after July 1, 2002, has the effect of directly or
6 indirectly reducing revenues from a particular source to a limited
7 account, when such a revenue source would otherwise be deposited into
8 that limited account, and directly or indirectly increasing revenues
9 from that particular source for another limited account, the state
10 expenditure limit committee shall decrease the expenditure limit for
11 the limited account from which the particular revenue source is taken
12 and increase the expenditure limit for the limited account into which
13 the particular revenue source is directed.

14 **Sec. 5.** RCW 43.135.035 and 2002 c 33 (SB 6819) s 1 are each
15 amended to read as follows:

16 (1) After July 1, ~~((1995))~~ 2002, any action or combination of
17 actions ~~((by the legislature))~~ that raises ~~((state))~~ revenue ~~((or~~
18 ~~requires revenue neutral tax shifts))~~ for a limited account may be
19 taken only if approved by a two-thirds vote of each house of the
20 legislature, and then only if state expenditures in any fiscal year,
21 including the ~~((new))~~ revenue resulting from the legislative action
22 taken under this subsection, will not exceed the state expenditure
23 limit~~((s))~~ established under this chapter for that limited account.
24 ~~((However, during the 2001-2003 biennium, any action or combination of~~
25 ~~actions by the legislature that raises state revenue or requires~~
26 ~~revenue neutral tax shifts may be taken only if approved by a majority~~
27 ~~vote of each house, and then only if state expenditures in any fiscal~~
28 ~~year, including the new revenue, will not exceed the state expenditure~~
29 ~~limits established under this chapter.))~~

30 (2)(a) If the legislative action under subsection (1) of this
31 section will result in expenditures in excess of the state expenditure
32 limit for a limited account, then the action of the legislature shall
33 not take effect until approved by a vote of the people at a November
34 general election. The ~~((office of financial management))~~ state
35 expenditure limit committee shall adjust the state expenditure limit
36 for that limited account by the amount of additional revenue approved
37 by the voters under this section. This adjustment shall not exceed the
38 amount of revenue generated by the legislative action during the first

1 full fiscal year in which it is in effect. The state expenditure limit
2 for that limited account shall be adjusted downward upon expiration or
3 repeal of the legislative action.

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

6 "Shall taxes or fees be imposed on in order to allow
7 a spending increase above (~~last year's authorized spending adjusted~~
8 ~~for inflation and population increases~~) the currently authorized state
9 expenditure limit for the account?"

10 (3)(a) The state expenditure limit for any limited account may be
11 exceeded upon declaration of an emergency for a period not to exceed
12 twenty-four months by a law approved by a two-thirds vote of each house
13 of the legislature and signed by the governor. The law shall set forth
14 the nature of the emergency, which is limited to natural disasters that
15 require immediate government action to alleviate human suffering and
16 provide humanitarian assistance. The state expenditure limit for any
17 limited account may be exceeded for no more than twenty-four months
18 following the declaration of the emergency and only for the purposes
19 contained in the emergency declaration.

20 (b) Additional taxes or fees required for an emergency under this
21 section may be imposed only until thirty days following the next
22 general election, unless an extension is approved at that general
23 election. The additional taxes shall expire upon expiration of the
24 declaration of emergency. The legislature shall not impose additional
25 taxes or fees for emergency purposes under this subsection unless funds
26 in the education construction fund and the higher education capital
27 construction fund have been exhausted.

28 (c) The state or any political subdivision of the state shall not
29 impose any tax on intangible property listed in RCW 84.36.070 as that
30 statute exists on January 1, (~~1993~~) 2000.

31 (~~(4) If the cost of any state program or function is shifted from~~
32 ~~the state general fund on or after January 1, 1993, to another source~~
33 ~~of funding, or if moneys are transferred from the state general fund to~~
34 ~~another fund or account, the state expenditure limit committee, acting~~
35 ~~pursuant to RCW 43.135.025(5), shall lower the state expenditure limit~~
36 ~~to reflect the shift. For the purposes of this section, a transfer of~~
37 ~~money from the state general fund to another fund or account includes~~
38 ~~any state legislative action taken after July 1, 2000, that has the~~

1 effect of reducing revenues from a particular source, where such
2 revenues would otherwise be deposited into the state general fund,
3 while increasing the revenues from that particular source to another
4 state or local government account. This subsection does not apply to
5 the dedication or use of lottery revenues under RCW 67.70.240(3) or
6 property taxes under RCW 84.52.068, in support of education or
7 education expenditures.

8 (5) If the cost of any state program or function is shifted to the
9 state general fund on or after January 1, 2000, from another source of
10 funding, or if moneys are transferred to the state general fund from
11 another fund or account, the state expenditure limit committee, acting
12 pursuant to RCW 43.135.025(5), shall increase the state expenditure
13 limit to reflect the shift.)

14 **Sec. 6.** RCW 43.135.045 and 2002 c 33 (SB 6819) s 2 are each
15 amended to read as follows:

16 (1) The emergency reserve fund is established in the state
17 treasury. ((During each fiscal year, the state treasurer shall deposit
18 in the emergency reserve fund all general fund state revenues in
19 excess of the state expenditure limit for that fiscal year. Deposits
20 shall be made at the end of each fiscal quarter based on projections of
21 state revenues and the state expenditure limit. The treasurer shall
22 make transfers between these accounts as necessary to reconcile actual
23 annual revenues and the expenditure limit for fiscal year 2000 and
24 thereafter.

25 (2) The legislature may appropriate moneys from the emergency
26 reserve fund only with approval of at least two thirds of the members
27 of each house of the legislature, and then only if the appropriation
28 does not cause total expenditures to exceed the state expenditure limit
29 under this chapter. However, during the 2001-2003 biennium, the
30 legislature may transfer moneys from the emergency reserve fund to the
31 general fund only with approval of a majority of the members of each
32 house of the legislature, and then only if the appropriation does not
33 cause total expenditures to exceed the state expenditure limit under
34 this chapter.

35 (3) The emergency reserve fund balance shall not exceed five
36 percent of annual general fund state revenues as projected by the
37 official state revenue forecast. Any balance in excess of five percent
38 shall be transferred on a quarterly basis by the state treasurer as

1 follows:—Seventy five percent to the student achievement fund hereby
2 created in the state treasury and twenty five percent to the general
3 fund balance.—The treasurer shall make transfers between these
4 accounts as necessary to reconcile actual annual revenues for fiscal
5 year 2000 and thereafter.—When per student state funding for the
6 maintenance and operation of K-12 education meets a level of no less
7 than ninety percent of the national average of total funding from all
8 sources per student as determined by the most recent published data
9 from the national center for education statistics of the United States
10 department of education, as calculated by the office of financial
11 management, further deposits to the student achievement fund shall be
12 required only to the extent necessary to maintain the ninety percent
13 level.—Remaining funds are part of the general fund balance and these
14 funds are subject to the expenditure limits of this chapter.

15 (4) The education construction fund is hereby created in the state
16 treasury.

17 (a) Funds may be appropriated from the education construction fund
18 exclusively for common school construction or higher education
19 construction.

20 (b) Funds may be appropriated for any other purpose only if
21 approved by a two thirds vote of each house of the legislature and if
22 approved by a vote of the people at the next general election.—An
23 appropriation approved by the people under this subsection shall result
24 in an adjustment to the state expenditure limit only for the fiscal
25 period for which the appropriation is made and shall not affect any
26 subsequent fiscal period.

27 (5) Funds from the student achievement fund shall be appropriated
28 to the superintendent of public instruction strictly for distribution
29 to school districts to meet the provisions set out in the student
30 achievement act.—Allocations shall be made on an equal per full-time
31 equivalent student basis to each school district.

32 (6) Earnings of the emergency reserve fund under RCW
33 43.84.092(4)(a) shall be transferred quarterly to the multimodal
34 transportation account, except for those earnings that are in excess of
35 thirty five million dollars each fiscal year.—Within thirty days
36 following any fiscal year in which earnings transferred to the
37 multimodal transportation account under this subsection did not total
38 thirty five million dollars, the state treasurer shall transfer from
39 the emergency reserve fund an amount necessary to bring the total

1 deposited in the multimodal transportation account under this
2 subsection to thirty five million dollars. The revenues to the
3 multimodal transportation account reflected in this subsection provide
4 ongoing support for the transportation programs of the state. However,
5 it is the intent of the legislature that any new long term financial
6 support that may be subsequently provided for transportation programs
7 will be used to replace and supplant the revenues reflected in this
8 subsection, thereby allowing those revenues to be returned to the
9 purposes to which they were previously dedicated.))

10 (2)(a) On July 1st of each year, the state treasurer shall transfer
11 to the emergency reserve fund any unobligated limited account balance.
12 The treasurer shall make transfers between these account as necessary
13 to reconcile actual annual revenues and the expenditure limits for
14 fiscal year 2003 and thereafter.

15 (b) The legislature may appropriate moneys from the emergency
16 reserve fund only after a declaration of emergency signed by the
17 governor, and with approval of at least two-thirds of the members of
18 each house of the legislature, and then only if the appropriation does
19 not cause total expenditures to exceed the state expenditure limit
20 under this chapter. However, the legislature may appropriate moneys
21 from the emergency reserve fund after a declaration of emergency signed
22 by the governor and with the approval of a majority of the members of
23 each house of the legislature if, for the fiscal biennium for which the
24 appropriation is made, the general fund state revenues are forecast
25 under chapter 82.33 RCW to be more than one percent less than general
26 fund state revenues for the immediately preceding fiscal biennium.

27 (c) The emergency reserve fund balance shall not exceed five
28 percent of biennial state expenditures from all limited accounts. Any
29 balance in excess of five percent shall be transferred by the state
30 treasurer in the following manner:

31 (i) Fifty percent shall be transferred to the education
32 construction fund hereby established in the state treasury. However,
33 the transfer made under this subsection shall not exceed two hundred
34 fifty million dollars in any fiscal year. Unless otherwise provided
35 for by law, moneys transferred into the education construction fund
36 shall be appropriated exclusively for common school construction.

37 (ii) Twenty-five percent shall be transferred to the higher
38 education capital construction fund hereby created in the state
39 treasury. However, the transfer made under this subsection shall not

1 exceed two hundred fifty million dollars in any fiscal year. Unless
2 otherwise provided for by law, moneys transferred into the higher
3 education capital construction fund shall be appropriated exclusively
4 for higher education construction.

5 (iii) Any remaining balance shall be transferred to the congestion
6 relief fund hereby created in the state treasury. Unless otherwise
7 provided for by law, moneys transferred into the congestion relief fund
8 shall be appropriated exclusively for new highway and road
9 construction, preservation and maintenance of highways and roads, and
10 freight mobility projects.

11 (3)(a) Moneys transferred to the education construction fund, the
12 higher education capital construction fund, or the congestion relief
13 fund under subsection (2)(c) of this section may be appropriated for
14 any other purpose only if appropriated by a two-thirds vote of each
15 house of the legislature and if approved by a vote of the people at the
16 next general election.

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

19 "Shall the amount of be diverted from the
20 (insert the name of the fund or funds affected) and appropriated for
21 the purposes of?"

22 **Sec. 7.** RCW 43.135.051 and 1999 c 288 s 1 are each amended to read
23 as follows:

24 (1) The state investment board has the full power to invest,
25 reinvest, manage, contract, sell, or exchange investment moneys in the
26 emergency reserve fund. All investment and operating costs associated
27 with the investment of money shall be paid pursuant to RCW 43.33A.160
28 and 43.84.160. With the exception of these expenses, the earnings from
29 the investment of the money shall be (~~retained by the fund~~) deposited
30 into the congestion relief fund.

31 (2) All investments made by the state investment board shall be
32 made with the exercise of that degree of judgment and care pursuant to
33 RCW 43.33A.140 and the investment policies established by the state
34 investment board.

35 (3) As deemed appropriate by the state investment board, moneys in
36 the fund may be commingled for investment with other funds subject to
37 investment by the board.

1 **Sec. 8.** RCW 43.135.060 and 1998 c 321 s 15 are each amended to
2 read as follows:

3 (1) After July 1, 1995, the legislature shall not impose
4 responsibility for new programs or increased levels of service under
5 existing programs on any political subdivision of the state unless the
6 subdivision is fully reimbursed by the state for the costs of the new
7 programs or increases in service levels. Reimbursement by the state
8 may be made by: (a) A specific appropriation; or (b) increases in
9 state distributions of revenue to political subdivisions occurring
10 after January 1, 1998. This subsection does not apply to the costs
11 incurred for voting devices or machines under RCW 29.04.200.

12 ~~(2) ((If by order of any court, or legislative enactment, the costs~~
13 ~~of a federal or local government program are transferred to or from the~~
14 ~~state, the otherwise applicable state expenditure limit shall be~~
15 ~~increased or decreased, as the case may be, by the dollar amount of the~~
16 ~~costs of the program.~~

17 ~~(3))~~ The legislature, in consultation with the office of financial
18 management or its successor agency, shall determine the costs of any
19 new programs or increased levels of service under existing programs
20 imposed on any political subdivision ~~((or transferred to or from the~~
21 ~~state.~~

22 ~~(4) Subsection (1) of this section does not apply to the costs~~
23 ~~incurred for voting devices or machines under RCW 29.04.200))~~ under
24 subsection (1) of this section.

25 NEW SECTION. **Sec. 9.** The following acts or parts of acts are each
26 repealed:

27 (1) RCW 43.135.055 (Fee increase restriction--Exception) and 2001
28 c 314 s 19, 1997 c 303 s 2, & 1994 c 2 s 8 (Initiative Measure No.
29 601);

30 (2) RCW 43.135.080 (Reenactment and reaffirmation of Initiative
31 Measure No. 601--Continued limitations--Exceptions) and 1998 c 321 s 14
32 (Referendum Bill No. 49); and

33 (3) 2002 c 33 (SB 6819) s 3.

34 NEW SECTION. **Sec. 10.** If any provision of this act or its
35 application to any person or circumstance is held invalid, the
36 remainder of the act or the application of the provision to other
37 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 11.** This act applies to the calculation of
2 state expenditure limits for the fiscal year ending June 30, 2003, and
3 thereafter.

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