

### **Ballot Title**

**Statement of Subject:** Initiative Measure No. 1082 concerns state taxes.

<u>Concise Description:</u> This measure would require state tax increases to expire after one year unless approved by a majority vote of the people, and terminate tax increases imposed in 2019 or 2020 without such approval.

Should this measure be enacted into law? Yes ✓ No □

**Ballot Measure Summary:** This measure would require state tax increases to expire after one year unless approved by a majority of voters at an election. Any tax increase imposed in 2019 or 2020 without such approval would be terminated and expire on the effective date of this act. The measure would prohibit the State from collecting revenue from any tax increase terminated by this measure, and require notice to the code reviser of tax-increase expiration dates.

**INITIATIVE PETITION FOR SUBMISSION TO THE LEGISLATURE** — *To the Honorable Kim Wyman, Secretary of State of the State of Washington:* We, the undersigned citizens and legal voters of the State of Washington, respectfully direct that this petition and the proposed measure known as Initiative Measure No. 1082, and entitled, "Initiative Measure No. 1082 concerns state taxes. This measure would require state tax increases to expire after one year unless approved by a majority vote of the people, and terminate tax increases imposed in 2019 or 2020 without such approval," a full, true, and correct copy of which is printed on the reverse side of this petition, be transmitted to the legislature of the State of Washington at its next ensuing regular session and we respectfully petition the legislature to enact said proposed measure into law; and each of us for himself or herself says: I have personally signed this petition; I am a legal voter of the State of Washington in the city (or town) and county written after my name, my residence address is correctly stated, and I have knowingly signed this petition only once.

Printed Name of Voter (registered voters only)	Signature of Voter	Your Home Address	City	County		
1	Please sign as registered to vote.	Your address	City	County		
2	Please sign as registered to vote.	Your address	City	County		
3	Please sign as registered to vote.	Your address	City	unty		
4	Please sign as registered to vote.	Your address	City	County		
5	Please sign as registered to vote.	Your address	City	County		
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9	Please sign as registered to vote.	Your address	City	County		
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19	Please sign as registered to vote.	Your address	City	County		
20	Please sign as registered to vote.	Your address	City	County		

SOS use only

**WARNING:** Every person who signs this petition with any other than his or her true name, knowingly signs more than one of these petitions, signs this petition when he or she is not a legal voter, or makes any false statement on this petition may be punished by fine or imprisonment or both.

Petition must be 11" x 17" Expires Dec. 31, 2019

Please get as many voters to sign as possible. Fold petition and mail it (and a donation if you can) to:

# Term Limits On Taxes, PO Box 6151, Olympia, WA 98507

We've got 'til Dec. 31, 2019 to collect 320,000 signatures Last day to turn in petitions to Secretary of State: Jan. 3, 2020 Public vote on this statewide initiative: Nov. 3, 2020

30tabs@gmail.com • 425-590-9363 • GiveThemNothing.com

# Complete Text of I-1082: Term Limits on Taxes

AN ACT Relating to state tax increases; amending RCW 82.32.805, 43.135.031, 43.135.034, and 43.135.041; adding a new section to chapter 82.32 RCW; adding a new section to chapter 43.135 RCW; and creating new sections.

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

#### INTENT

<u>NEW SECTION.</u> **Sec. 1.** The people want to ensure short-term and long-term protection from state tax increases for individuals, families, businesses, and our state's economy.

The people find that accountability and effectiveness are important aspects of setting tax policy. In order to make policy choices, the legislature needs information and public feedback to evaluate whether the continuation of recently enacted tax increases is in the public interest. This measure concerns state tax increases. This measure requires tax increases imposed by the legislature to expire one year after taking effect unless approved by a majority popular vote and terminates any tax increase imposed in 2019 or 2020 without such approval.

The people want to make sure that when tax increases are considered that transparency, accountability, public awareness, citizen participation, and voter feedback play a larger role in the process.

#### EXPIRATION DATES ON TAXES

Sec. 2. RCW 82.32.805 and 2013 2nd sp.s. c 13 s 1701 are each amended to read as follows:

 $\underline{\text{Tax preferences-} Expiration dates.}$ 

(1)(a) Except as otherwise provided in this section, every new tax preference expires on the first day of the calendar year that is subsequent to the calendar year that is ten years from the effective date of the tax preference. With respect to any new property tax exemption, the exemption does not apply to taxes levied for collection beginning in the calendar year that is subsequent to the calendar year that is ten years from the effective date of the tax preference.

(b) A future amendment that expands a tax preference does not extend the tax preference beyond the period provided in this subsection unless an extension is expressly and unambiguously stated in the amendment.

(2) Subsection (1) of this section does not apply if legislation creating a new tax preference includes an expiration date for the new tax preference.

(3) Subsection (1) of this section does not apply to any existing tax preference that is amended to clarify an ambiguity or correct a technical inconsistency. Future enacted legislation intended to make such clarifications or corrections must explicitly indicate this intent.

(4) For the purposes of this section, the following definitions apply:

(a) "New tax preference" means a tax preference that initially takes effect after August 1, 2013, or a tax preference in effect as of August 1, 2013, that is expanded or extended after August 1, 2013, even if the expanding or extending amendment includes any other change to the tax preference.

(b) "Tax preference" has the same meaning as in RCW 43.136.021 with respect to any state tax administered by the department, except does not include the Washington estate and transfer tax in chapter 83.100 RCW.

(5) The department must provide written notice to the office of the code reviser of a ten-year expiration date required under this section for a new tax preference.

Tax increases—Expiration dates.

(6) A new tax increase expires one year from the effective date of the tax increase subject to the limitations in section 3 of this act.

NEW SECTION. Sec. 3. A new section is added to chapter 82.32 RCW to read as follows:

Tax increases—Expiration dates

(1) Except as otherwise provided in this section, a new tax increase expires one year from the effective date of the tax increase

(2) Subsection (1) of this section does not apply to a new tax increase approved by a majority popular vote as a result of an initiative or referendum. Pursuant to the referendum power set forth in Article II, section 1(b) of the state Constitution, tax increases of any duration may, by a majority vote of the legislature, be referred to the voters for their approval or rejection at an election.

(3) Nothing in this section prohibits the following year's legislature, after evaluating the election results from any public vote on tax increases under RCW 43.135.041, from enacting legislation that reimposes any expired tax increase.

(4) For the purposes of this chapter, the following definitions apply:

(a) "Tax increase" 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

(b) "Majority popular vote" means approved by a simple majority vote of the people at an election.(5) Once a new tax increase expires under this section, the department of revenue may not collect revenue from such a tax increase.

tax increase.

(6) The department of revenue must provide written notice to the office of the code reviser of an expiration date required

 $\underline{\text{NEW SECTION.}}$  **Sec. 4.** A new section is added to chapter 43.135 RCW to read as follows:

(1) Except as other provided in this section, a new tax increase must expire one year from the effective date of the tax ncrease.

(2) Any new tax increase imposed in 2019 must expire on the effective date of this act. This limit on the duration of tax increases does not apply to any tax increase approved by a majority popular vote.

(3) Any new tax increase imposed in 2020 must expire on the effective date of this act. This limit on the duration of tax increases does not apply to any tax increase approved by a majority popular vote.

(4) Nothing in this section prohibits the following year's legislature, after evaluating the election results from any public vote on tax increases under RCW 43.135.041, from enacting legislation that reimposes any expired tax increase.

(5) For the purposes of this chapter, the following definitions apply:

(a) "Tax increase" 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

(b) "Majority popular vote" means approved by a simple majority vote of the people at an election.(6) Once a new tax increase expires under this section, the department of revenue may not collect revenue from such a

ax increase.

(7) The department of revenue must provide written notice to the office of the code reviser of an expiration date required under this section for a new tax increase.

### STATUTORY REFERENCE UPDATES

Sec. 5. RCW 43.135.031 and 2013 c 1 s 5 are each amended to read as follows

(1) For any bill introduced in either the house of representatives or the senate that ((raises taxes)) includes a tax increase as defined by RCW ((43.135.034)) 82.32.805 or increases fees, 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 email 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)) includes a tax increase as defined by RCW ((43.135.034)) 82.32.805 or increases fees, 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 email 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)) includes a tax increase as defined by RCW ((43.135.034)) 82.32.805 or increases fees 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 email 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 email 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 email.

(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 email.

Sec. 6. RCW 43.135.034 and 2013 c 1 s 5 are each amended to read as follows:

(1)(a) Any action or combination of actions by the legislature that raises taxes may be taken only if approved by a two-thirds vote in both the house of representatives and the senate. Pursuant to the referendum power set forth in Article II, section 1(b) of the state Constitution, tax increases of any duration may, by a majority vote of the legislature, be referred to the voters for their approval or rejection at an election. A new tax increase expires one year from the effective date of the tax increase subject to the limitations in section 3 of this act.

(b) For the purposes of this chapter, "raises taxes" or "tax increase" 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.

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

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

"Shall taxes be imposed on  $\dots$  in order to allow a spending increase above last year's authorized spending adjusted for personal income growth?"

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

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

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

(4) If the cost of any state program or function is shifted from the state general fund to another source of funding, or if moneys are transferred from the state general fund to another fund or account, the state expenditure limit committee, acting pursuant to RCW 43.135.025(5), must lower the state expenditure limit to reflect the shift. For the purposes of this section, a transfer of money from the state general fund to another fund or account includes any state legislative action taken that has the effect of reducing revenues from a particular source, where such revenues would otherwise be deposited into the state general fund, while increasing the revenues from that particular source to another state or local government account. This subsection does not apply to: (a) The dedication or use of lottery revenues under RCW 67.70.240(1)(c), in support of education or education expenditures; (b) a transfer of moneys to, or an expenditure from, the budget stabilization account; or (c) a transfer of money to, or an expenditure from, the connecting Washington account established in RCW 46.68.395.

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

Sec. 7. RCW 43.135.041 (Tax legislation — Advisory vote — Duties of the attorney general and secretary of state — Exemption) and 2013 c 1 s 6 are each amended to read as follows:

(1)(a) After July 1, 2011, if legislative action raising taxes as defined by RCW 43.135.034 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)) tax increase, each tax being increased as delineated in the house and senate bill reports 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)) each tax increase as delineated in the house and senate bill reports 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)) each 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. 8. The provisions of this act are to be liberally construed to effectuate the intent, policies, and purposes of this act.

# SEVERABILITY CLAUSE <u>NEW SECTION.</u> Sec. 9. 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.

TITLE OF THE ACT

NEW SECTION. Sec. 10. This act is known and may be cited as the "Taxpayer Protection Act."

-- END --

## **OPTIONAL:**

Print and sign your name here before you mail in your petition (but only if you want to).

RCW 9A.46.020 applies to any conduct constituting harassment against a petition signature gatherer. This penalty does not preclude the victim from seeking any other remedy otherwise available under law.



	(FIRST NAME)									(LAST NAME)														
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	I.																							

swear or affirm under penalty of law that I circulated this sheet of the foregoing petition, and that, to the best of my knowledge, every person who signed this sheet of the foregoing petition knowingly and without any compensation or promise of compensation willingly signed his or her true name and that the information provided therewith is true and correct. I further acknowledge that under chapter 29A.84 RCW, forgery of signatures on this petition constitutes a class C felony, and that offering any consideration or gratuity to any person to induce them to sign a petition is a gross misdemeanor, such violations being punishable by fine or imprisonment or both.

Signature

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