



## **SUMMARY OF INITIATIVE 1053**

Concerning tax and fee increases imposed by state government.

*This summary has been prepared in response to specific questions about the provisions and effects of Initiative 1053 and is provided for legislative purposes only; it is **not** provided as an expression for or against the ballot measure. Please remember that it is inappropriate to use public resources to support or oppose a ballot measure. Please refer to the 2010 Legislative Ethics Manual or contact Senate Counsel for further guidance on when and how comment on ballot measures is appropriate.*

### **BRIEF SUMMARY**

This measure would reinstate the statutory requirement that any action or combination of actions by the legislature that raises state taxes must be approved by a two-thirds vote in both houses of the legislature or approved in a referendum to the people. It would also restate that new or increased state fees must be approved by a majority vote in both houses of the legislature.

### **BACKGROUND**

Initiative 601, enacted by the voters in 1993, required a two-thirds vote of both houses of the legislature for any action that raised state taxes. This supermajority requirement was temporarily suspended by the legislature from March 2002 through June 2003 and again from April 2005 through June 2006. Initiative 960, enacted in 2007, restated this supermajority vote requirement for tax increases not approved by referendum to the voters. Initiative 960 also required prior legislative approval of any new or increased state fees. In 2010, the legislature suspended until July 1, 2011, the two-thirds vote requirement for state tax increases, but did not modify the provisions of Initiative 960 regarding prior legislative approval of fee increases.

Under the state Constitution, the legislature cannot repeal a voter-approved initiative within two years of its approval, and can amend such an initiative within that two-year period only with a two-thirds vote of the legislature (unless the legislative action is submitted to the voters as a referendum).

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Initiative 1053 would reinstate the statutory requirement that any action or combination of actions by the legislature that raises state taxes must be approved by a two-thirds vote in both

houses of the legislature or approved in a referendum to the people. The initiative would also restate that new or increased state fees must be approved by a majority vote in both houses of the legislature.

Because of the constitutional limits on legislative modifications of initiatives during the two-year period following voter approval, the effect of Initiative 1053 would be to not allow the legislature to repeal the limitations on tax and fee increases, or amend these limitations without a two-thirds vote of the legislature, until December 2012.

#### Fiscal Impact

As required under RCW 29A.72.025, the Office of Financial Management (OFM) has estimated that Initiative 1053 would have no direct fiscal impact on state and local revenues, costs, or expenditures because the initiative's direct impact is limited to changes in the legislative process.

For information on assumptions, see the OFM statement of fiscal impacts (given in total dollars only) at the following website: <http://www.ofm.wa.gov/initiatives/default.asp>.

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For further information please contact:

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*This summary should not be considered legislative history for purposes of interpreting Initiative 1053.*