

# Initiative Measure No. 1083

**FILED**

APR 12 2010

SECRETARY OF STATE  
STATE OF WASHINGTON

1 AN ACT Relating to the general fund expenditure limit; and amending  
2 RCW 43.135.025.

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

4 Sec. 1. RCW 43.135.025 and 2009 c 479 s 35 are each amended to  
5 read as follows:

6 (1) The state shall not expend from the general fund during any  
7 fiscal year state moneys in excess of the state expenditure limit  
8 established under this chapter.

9 (2) Except pursuant to a declaration of emergency under RCW  
10 43.135.035 or pursuant to an appropriation under RCW 43.135.045(2), the  
11 state treasurer shall not issue or redeem any check, warrant, or  
12 voucher that will result in a state general fund expenditure for any  
13 fiscal year in excess of the state expenditure limit established under  
14 this chapter. A violation of this subsection constitutes a violation  
15 of RCW 43.88.290 and shall subject the state treasurer to the penalties  
16 provided in RCW 43.88.300.

17 (3) The state expenditure limit for any fiscal year shall be ~~((the~~  
18 ~~previous fiscal year's state expenditure limit increased by a~~

1 ~~percentage rate that equals the fiscal growth factor))~~ ninety-five  
2 percent of anticipated funds or ninety-seven percent of the previous  
3 year's funds, whichever is less.

4 (4) For purposes of computing the state expenditure limit for the  
5 fiscal year beginning July 1, 2009, the phrase "the previous fiscal  
6 year's state expenditure limit" means the total state expenditures from  
7 the state general fund, the public safety and education account, the  
8 health services account, the violence reduction and drug enforcement  
9 account, the student achievement fund, the water quality account, and  
10 the equal justice subaccount, not including federal funds, for the  
11 fiscal year beginning July 1, 2008, plus the fiscal growth factor.

12 (5) For the purposes of computing the state expenditure limit for  
13 the fiscal year beginning July 1, 2011, the phrase "anticipated funds"  
14 means the total funds collected from excise taxes, business and  
15 occupation taxes, property taxes, and lottery proceeds.

16 (6) The state expenditure must include paying off no less than ten  
17 percent of outstanding debts.

18 (7) All remaining unspent funds, to be no less than five percent,  
19 shall be deposited into the rainy day fund and may not be transferred  
20 to the general fund or any other fund. These funds may only be used  
21 for damage resulting from or to prevent a state of emergency due to a  
22 catastrophic event.

23 (8) A state expenditure limit committee is established for the  
24 purpose of determining and adjusting the state expenditure limit as  
25 provided in this chapter. The members of the state expenditure limit  
26 committee are the director of financial management, the attorney  
27 general or the attorney general's designee, and the chairs and ranking  
28 minority members of the senate committee on ways and means and the  
29 house of representatives committee on ways and means. All actions of  
30 the state expenditure limit committee taken pursuant to this chapter  
31 require an affirmative vote of at least four members.

32 ~~((+6))~~ (9) Each November, the state expenditure limit committee  
33 shall adjust the expenditure limit for the preceding fiscal year based  
34 on actual expenditures and known changes in the ~~((fiscal growth~~  
35 ~~factor))~~ state tax laws and then project an expenditure limit for the  
36 next ~~((two))~~ fiscal year~~((e))~~. If, by November 30th, the state  
37 expenditure limit committee has not adopted the expenditure limit

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

4 ~~((+7))~~ (10) "Fiscal growth factor" means the average growth in  
5 state personal income for the prior ten fiscal years.

6 ~~((+8))~~ (11) "General fund" means the state general fund.

7 (12) "Rainy day fund" means the budget stabilization account  
8 created in RCW 43.79.490.

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