

Ballot Measures Affecting the Expenditure Limit

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Expenditure Limit Committee

ESSJR 8206

“Rainy Day Fund”

- Establishes Budget Stabilization Account.
- 1% of general state revenues must be transferred annually to the BSA.
- 3/5 vote required to appropriate from BSA.
- Exceptions (constitutional majority vote):
 - Employment growth < 1%
 - State of emergency due to catastrophic event.
- Takes effect July 1, 2008 (FY 09).

Effect of BSA on Limit Laws

- Currently: Revenues above limit deposited in Emergency Reserve Fund.
 - ERF Appropriations require 2/3 vote.
- Under BSA: ERF is eliminated and its balance is transferred to the BSA.
- Transfers to and expenditures from the BSA do not require adjustments to the limit.

Initiative 960

- Requires advisory vote for tax legislation not otherwise placed on the ballot.
- Declares that a 2/3 vote is required for all tax increases, regardless of fund, and that the legislature may place tax increases on the ballot as referendum bills.
- Requires prior legislative approval for all new fees and fee increases.
- Requires OFM to publicize tax and fee cost projections and legislators' votes on tax bills.
- Takes effect December 6, 2007.

Effect of I-960 on Limit Laws

- I-960 addresses “two-way street” aspect of limit calculation by restricting ability to increase limit upward for shifts of program costs and associated revenue:
 - Limit may not be adjusted upward if shifted revenue had already been shifted from the general fund or related fund.
- SSB 6078 (2005) previously revised the “two-way street” by eliminating upward adjustments for money transfers.