

Bond Case Briefs

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Lee v. State

Supreme Court of Washington, En Banc - May 26, 2016 - P.3d - 2016 WL 3042994

Taxpayers brought action to challenge adopted ballot initiative which provided for an immediate reduction in the sales tax rate unless the legislature proposed a constitutional amendment.

The Superior Court entered order voiding the initiative, and State appealed.

The Supreme Court of Washington held that:

- Action presented a justiciable controversy under the Uniform Declaratory Judgments Act (UDJA);
- Action was justiciable under the public interest exception;
- Title of adopted ballot initiative violated single subject rule and thus was unconstitutional; and
- Adopted ballot initiative altered the process for amending the state constitution and thus was unconstitutional.

Taxpayers' action for declaratory relief that adopted voter initiative, which provided for an immediate reduction in the sales tax rate unless the legislature proposed a constitutional amendment, was unconstitutional presented issues of substantial public interest which required prompt resolution, and thus was justiciable under the public interest exception. If constitutional, the initiative would result in either an immediate and yearly \$1.4 billion reduction to the State's operating budget or a change to the State's constitution by essentially only a majority of voters.

Title of adopted ballot initiative which provided for decrease in sales tax rate unless the legislature amended constitution to requiring supermajority vote or voter approval to raise all taxes and legislative approval to increase any fees violated single subject rule and thus was unconstitutional, as sales tax reduction was unrelated to both a constitutional amendment, which would impact future legislatures, and to the way that future taxes and fees would be approved. While both subjects related to general title of fiscal restraint or taxes, they were not germane to each other, legislative action was not contingent on sales tax reduction, but rather was a means to avoid it, and there was no nexus between constitutional amendment and current sales tax rate.

Adopted ballot initiative which provided for decrease in sales tax rate unless the legislature amended constitution to require supermajority vote or voter approval to raise all taxes and legislative approval to increase any fees altered the process for amending the state constitution and thus was unconstitutional. while legislature would still have to go through the processes outlined in the constitution, the "do this or else" structure of the initiative established a new process for amending the constitution by simple majority vote.