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**STATE OF WASHINGTON
SNOHOMISH COUNTY SUPERIOR COURT**

WASHINGTON STATE FARM
BUREAU FEDERATION,
WASHINGTON STATE GRANGE,
NATIONAL FEDERATION OF
INDEPENDENT BUSINESS,
BUILDING INDUSTRY
ASSOCIATION OF WASHINGTON,
EVERGREEN FREEDOM
FOUNDATION, WASHINGTON
ASSOCIATION OF REALTORS, and
STEVE NEIGHBORS,

Plaintiffs,

v.

CHRISTINE O. GREGOIRE, Governor
of the State of Washington; STATE
EXPENDITURE LIMIT
COMMITTEE; and STATE OF
WASHINGTON,

Defendants.

NO. 05-2-10166-9

ORDER GRANTING PLAINTIFFS'
MOTION FOR RECONSIDERATION

Plaintiffs' Motion for Reconsideration of the Court's Summary Judgment Order entered May 1, 2006, came before the Court without oral argument. In addition to those

1 pleadings, records and files identified in the Summary Judgment Order, the Court has
2 considered the following:

- 3 1. Plaintiffs' Motion for Reconsideration;
- 4 2. Defendants' Response to Plaintiffs' Motion for Reconsideration; and
- 5 3. Reply to Defendants' Response to Plaintiffs' Motion for Reconsideration.

6 The Court did not consider any supplemental exhibits or declarations. In particular,
7 the Court did not consider the declarations of Samuel A. Rodabough, Pam Davidson, Candace
8 Espeseth, or Irv Lefberg.

9 Based upon the foregoing, it is HEREBY ORDERED, ADJUDGED, AND DECREED
10 and the Court declares, as follows:

- 11 1. Except as specifically set forth in this Order, the conclusions set forth in this
12 Court's Summary Judgment Order, entered on May 1, 2006, are not reconsidered or modified;
- 13 2. Paragraphs 4 and 5 of this Court's Summary Judgment Order, entered on May
14 1, 2006, are reconsidered and modified to read as follows:

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16 4. With respect to the Third Cause of Action stated in Plaintiffs'
17 Amended Complaint, for Declaratory Relief, summary judgment is
18 GRANTED in favor of PLAINTIFFS in that the Court concludes that:

19 a. Section 1701 of ESSB 6090 (Laws of 2005, ch. 518) is
20 ineffective in raising the state expenditure limit for fiscal year 2005 by \$250
21 million, and that the State Expenditure Limit Committee's final determination
22 of the 2005 state expenditure limit in its November 2005 meeting is
23 erroneously high by said \$250 million;

24 b. The "appropriation" of \$250 million from the state general
25 fund to the Violence Reduction and Drug Enforcement Account specified in
26 section 1607 of ESSB 6090 (Laws of 2005, ch. 518) did not represent an

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actual expenditure and should not have been included in the State Expenditure Limit Committee's calculation of expenditures for fiscal year 2005, resulting in projected expenditure limits for fiscal years 2006 and 2007 that were too high by \$250 million, plus the associated fiscal growth factor.

5. Based upon the foregoing, the Court concludes that Parts I and II of ESHB 2314 (Laws of 2005, ch. 514) raised revenue for expenditure in excess of the state expenditure limit and, therefore, are ineffective unless and until submitted to a vote of the people and approved.

3. In addition to the above, the Court rules that:

- a. Plaintiffs' allegation that ESSB 6896 § 7 (Laws of 2006, ch. 56) is invalid is not properly before this Court and will not be ruled upon; but
- b. The Court declares that ESSB 6896 § 7 (6) providing that "In calculating the expenditure limit for fiscal year 2006, the calculation shall be the expenditure limit established by the state expenditure limit committee in November 2005..." must be construed as referring to said expenditure limit as modified by this Court.

4. This Order constitutes a modified final ruling of this Court.

DONE IN OPEN COURT this _____ day of July, 2006.

The Honorable James H. Allendoerfer