
SENATE JOINT RESOLUTION 8215

State of Washington

62nd Legislature

2011 Regular Session

By Senators Kilmer, Parlette, Murray, Zarelli, Brown, Hobbs, Fraser, Tom, Sheldon, Honeyford, and Hewitt

Read first time 02/21/11. Referred to Committee on Ways & Means.

1 BE IT RESOLVED, BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE
2 STATE OF WASHINGTON, IN LEGISLATIVE SESSION ASSEMBLED:

3 THAT, At the next general election to be held in this state the
4 secretary of state shall submit to the qualified voters of the state
5 for their approval and ratification, or rejection, an amendment to
6 Article VIII, section 1 of the Constitution of the state of Washington
7 to read as follows:

8 Article VIII, section 1. (a) The state may contract debt, the
9 principal of which shall be paid and discharged within thirty years
10 from the time of contracting thereof, in the manner set forth herein.

11 (b) The aggregate debt contracted by the state shall not exceed
12 that amount for which payments of principal and interest in any fiscal
13 year would (~~require the state to expend more than nine percent of~~)
14 exceed the debt service limit. The term "debt service limit" means the
15 amount derived by multiplying the debt service limit percentage by the
16 arithmetic mean of its general state revenues for the three immediately
17 preceding fiscal years as certified by the treasurer. The term "debt
18 service limit percentage" means seven percent, except that the amount
19 is nine percent during the year or years during which employment growth

1 is estimated to be less than one percent and the immediate two fiscal
2 years following any year or years of low employment growth, all as
3 determined in accordance with Article VII, section 12 (c) and (d). The
4 term "fiscal year" means that period of time commencing July 1 of any
5 year and ending on June 30 of the following year.

6 (c) The term "general state revenues" when used in this section,
7 shall include all state money received in the treasury from each and
8 every source whatsoever except: (1) Fees and revenues derived from the
9 ownership or operation of any undertaking, facility, or project; (2)
10 Moneys received as gifts, grants, donations, aid, or assistance or
11 otherwise from the United States or any department, bureau, or
12 corporation thereof, or any person, firm, or corporation, public or
13 private, when the terms and conditions of such gift, grant, donation,
14 aid, or assistance require the application and disbursement of such
15 moneys otherwise than for the general purposes of the state of
16 Washington; (3) Moneys to be paid into and received from retirement
17 system funds, and performance bonds and deposits; (4) Moneys to be paid
18 into and received from trust funds including but not limited to moneys
19 received from taxes levied for specific purposes and the several
20 permanent and irreducible funds of the state and the moneys derived
21 therefrom but excluding bond redemption funds; (5) Proceeds received
22 from the sale of bonds or other evidences of indebtedness. Taxes
23 comprising revenue applied to the support of the common schools shall
24 not be excluded from the calculation of general state revenue.

25 (d) In computing the amount required for payment of principal and
26 interest on outstanding debt under this section, debt shall be
27 construed to mean borrowed money represented by bonds, notes, or other
28 evidences of indebtedness which are secured by the full faith and
29 credit of the state or are required to be repaid, directly or
30 indirectly, from general state revenues and which are incurred by the
31 state, any department, authority, public corporation, or quasi public
32 corporation of the state, any state university or college, or any other
33 public agency created by the state but not by counties, cities, towns,
34 school districts, or other municipal corporations, but shall not
35 include obligations for the payment of current expenses of state
36 government, nor shall it include debt hereafter incurred pursuant to
37 section 3 of this article, obligations guaranteed as provided for in
38 subsection (g) of this section, principal of bond anticipation notes or

1 obligations issued to fund or refund the indebtedness of the Washington
2 state building authority. In addition, for the purpose of computing
3 the amount required for payment of interest on outstanding debt under
4 subsection (b) of this section and this subsection, "interest" shall be
5 reduced by subtracting the amount scheduled to be received by the state
6 as payments from the federal government in each year in respect of
7 bonds, notes, or other evidences of indebtedness subject to this
8 section.

9 (e) The state may pledge the full faith, credit, and taxing power
10 of the state to guarantee the voter approved general obligation debt of
11 school districts in the manner authorized by the legislature. Any such
12 guarantee does not remove the debt obligation of the school district
13 and is not state debt.

14 (f) The state may, without limitation, fund or refund, at or prior
15 to maturity, the whole or any part of any existing debt or of any debt
16 hereafter contracted pursuant to section 1, section 2, or section 3 of
17 this article, including any premium payable with respect thereto and
18 interest thereon, or fund or refund, at or prior to maturity, the whole
19 or any part of any indebtedness incurred or authorized prior to the
20 effective date of this amendment by any entity of the type described in
21 subsection (h) of this section, including any premium payable with
22 respect thereto and any interest thereon. Such funding or refunding
23 shall not be deemed to be contracting debt by the state.

24 (g) Notwithstanding the limitation contained in subsection (b) of
25 this section, the state may pledge its full faith, credit, and taxing
26 power to guarantee the payment of any obligation payable from revenues
27 received from any of the following sources: (1) Fees collected by the
28 state as license fees for motor vehicles; (2) Excise taxes collected by
29 the state on the sale, distribution or use of motor vehicle fuel; and
30 (3) Interest on the permanent common school fund: *Provided*, That the
31 legislature shall, at all times, provide sufficient revenues from such
32 sources to pay the principal and interest due on all obligations for
33 which said source of revenue is pledged.

34 (h) No money shall be paid from funds in custody of the treasurer
35 with respect to any debt contracted after the effective date of this
36 amendment by the Washington state building authority, the capitol
37 committee, or any similar entity existing or operating for similar

1 purposes pursuant to which such entity undertakes to finance or provide
2 a facility for use or occupancy by the state or any agency, department,
3 or instrumentality thereof.

4 (i) The legislature shall prescribe all matters relating to the
5 contracting, funding or refunding of debt pursuant to this section,
6 including: The purposes for which debt may be contracted; by a
7 favorable vote of three-fifths of the members elected to each house,
8 the amount of debt which may be contracted for any class of such
9 purposes; the kinds of notes, bonds, or other evidences of debt which
10 may be issued by the state; and the manner by which the treasurer shall
11 determine and advise the legislature, any appropriate agency, officer,
12 or instrumentality of the state as to the available debt capacity
13 within the limitation set forth in this section. The legislature may
14 delegate to any state officer, agency, or instrumentality any of its
15 powers relating to the contracting, funding or refunding of debt
16 pursuant to this section except its power to determine the amount and
17 purposes for which debt may be contracted.

18 (j) The full faith, credit, and taxing power of the state of
19 Washington are pledged to the payment of the debt created on behalf of
20 the state pursuant to this section and the legislature shall provide by
21 appropriation for the payment of the interest upon and installments of
22 principal of all such debt as the same falls due, but in any event, any
23 court of record may compel such payment.

24 (k) Notwithstanding the limitations contained in subsection (b) of
25 this section, the state may issue certificates of indebtedness in such
26 sum or sums as may be necessary to meet temporary deficiencies of the
27 treasury, to preserve the best interests of the state in the conduct of
28 the various state institutions, departments, bureaus, and agencies
29 during each fiscal year; such certificates may be issued only to
30 provide for appropriations already made by the legislature and such
31 certificates must be retired and the debt discharged other than by
32 refunding within twelve months after the date of incurrence.

33 (l) Bonds, notes, or other obligations issued and sold by the state
34 of Washington pursuant to and in conformity with this article shall not
35 be invalid for any irregularity or defect in the proceedings of the
36 issuance or sale thereof and shall be incontestable in the hands of a
37 bona fide purchaser or holder thereof.

38 BE IT FURTHER RESOLVED, That the secretary of state shall cause

1 notice of this constitutional amendment to be published at least four
2 times during the four weeks next preceding the election in every legal
3 newspaper in the state.

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