
HOUSE JOINT RESOLUTION 4209

State of Washington **64th Legislature** **2015 Regular Session**

By Representatives Scott, Young, Shea, Taylor, Haler, Kochmar, Pike, Wilson, and Buys

Read first time 02/02/15. Referred to Committee on Capital Budget.

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 must submit to the qualified voters of the state
5 for their approval and ratification, or rejection, an amendment to
6 Article VII of the Constitution of the state of Washington by adding
7 a new section to Article VII, an amendment to Article VII of the
8 Constitution of the state of Washington by repealing section 8
9 thereof in its entirety, and an amendment to Article VIII, section 1
10 of the Constitution of the state of Washington to read as follows:

11 Article VII, section (1)(a) Before the beginning of the
12 regular legislative session in each odd-numbered year, the governor
13 shall prepare and submit to the senate and house of representatives
14 an omnibus operating appropriations proposal for the ensuing fiscal
15 biennium. This proposal may not propose expenditures from the state
16 general fund for a fiscal period that exceed ninety-five percent of
17 the estimated resources for the state general fund for that fiscal
18 period as of the date the governor submits the proposal to the
19 legislature, and may not propose expenditures from any other account
20 that exceed the estimated amount of resources for that account for
21 that fiscal period as of the date the governor submits the proposal
22 to the legislature.

1 (b) Nothing in this section prohibits the governor from
2 submitting to the legislature alternative omnibus operating
3 appropriations proposals that rely on changes to existing revenue
4 laws.

5 (2)(a) The legislature may not appropriate from the state general
6 fund for any fiscal period an amount that exceeds ninety-five percent
7 of the estimated amount of resources for the state general fund for
8 that fiscal period as of the date the appropriations legislation is
9 enacted. The requirements of this subsection (2)(a) do not apply if
10 the appropriations are enacted pursuant to a declaration of emergency
11 as established in Article VII, section 12(d)(i) of this Constitution.
12 In that case, the appropriations are subject to (b) of this
13 subsection.

14 (b) For any other account, the legislature may not appropriate
15 from the account for any fiscal period an amount that exceeds the
16 estimated amount of resources to that account for that fiscal period
17 as of the date the appropriations legislation is enacted.

18 (3)(a) If appropriations from any account for any fiscal period
19 exceed the most recent estimate of resources for that account for
20 that fiscal period, then within thirty days of the revenue estimate
21 projecting the deficiency the governor shall uniformly reduce each
22 allotment from each appropriation from that account in order to avoid
23 a deficiency.

24 (b) The state may not carry forward a deficiency in any account
25 from one fiscal period to another.

26 (4)(a) For purposes of this section, "estimated resources" for an
27 account means the total of the officially estimated revenues to the
28 account for that fiscal period, account balance at the beginning of
29 the fiscal period, and any transfers, other deposits, or other
30 revenues into that account for that fiscal period.

31 (b) Official revenue estimates shall be made by the state
32 economic and revenue forecast council or successor agency and by the
33 office of financial management for those accounts not estimated by
34 the council, as provided in law.

35 (c) The legislature shall enact laws to carry out the purposes of
36 this section.

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

1 (b) The aggregate debt contracted by the state, as calculated by
2 the treasurer at the time debt is contracted, shall not exceed that
3 amount for which payments of principal and interest in any fiscal
4 year would require the state to expend more than the applicable
5 percentage limit of the arithmetic mean of its general state revenues
6 for the six immediately preceding fiscal years as certified by the
7 treasurer. The term "applicable percentage limit" means eight and
8 one-half percent from July 1, 2014, through June 30, 2016; eight and
9 one-quarter percent from July 1, 2016, through June 30, 2034; eight
10 percent from July 1, 2034, and thereafter. The term "fiscal year"
11 means that period of time commencing July 1 of any year and ending on
12 June 30 of the following year.

13 (c) The term "general state revenues," when used in this section,
14 shall include all state money received in the treasury from each and
15 every source, including moneys received from ad valorem taxes levied
16 by the state and deposited in the general fund in each fiscal year,
17 but not including: (1) Fees and other revenues derived from the
18 ownership or operation of any undertaking, facility, or project; (2)
19 Moneys received as gifts, grants, donations, aid, or assistance or
20 otherwise from the United States or any department, bureau, or
21 corporation thereof, or any person, firm, or corporation, public or
22 private, when the terms and conditions of such gift, grant, donation,
23 aid, or assistance require the application and disbursement of such
24 moneys otherwise than for the general purposes of the state of
25 Washington; (3) Moneys to be paid into and received from retirement
26 system funds, and performance bonds and deposits; (4) Moneys to be
27 paid into and received from trust funds and the several permanent and
28 irreducible funds of the state and the moneys derived therefrom but
29 excluding bond redemption funds; (5) Moneys received from taxes
30 levied for specific purposes and required to be deposited for those
31 purposes into specified funds or accounts other than the general
32 fund; and (6) Proceeds received from the sale of bonds or other
33 evidences of indebtedness.

34 (d) In computing the amount required for payment of principal and
35 interest on outstanding debt under this section, debt shall be
36 construed to mean borrowed money represented by bonds, notes, or
37 other evidences of indebtedness which are secured by the full faith
38 and credit of the state or are required to be repaid, directly or
39 indirectly, from general state revenues and which are incurred by the
40 state, any department, authority, public corporation, or quasi public

1 corporation of the state, any state university or college, or any
2 other public agency created by the state but not by counties, cities,
3 towns, school districts, or other municipal corporations, but shall
4 not include obligations for the payment of current expenses of state
5 government, nor shall it include debt hereafter incurred pursuant to
6 section 3 of this article, obligations guaranteed as provided for in
7 subsection (g) of this section, principal of bond anticipation notes
8 or obligations issued to fund or refund the indebtedness of the
9 Washington state building authority. In addition, for the purpose of
10 computing the amount required for payment of interest on outstanding
11 debt under subsection (b) of this section and this subsection,
12 "interest" shall be reduced by subtracting the amount scheduled to be
13 received by the state as payments from the federal government in each
14 year in respect of bonds, notes, or other evidences of indebtedness
15 subject to this section.

16 (e) The state may pledge the full faith, credit, and taxing power
17 of the state to guarantee the voter approved general obligation debt
18 of school districts in the manner authorized by the legislature. Any
19 such guarantee does not remove the debt obligation of the school
20 district and is not state debt.

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

32 (g) Notwithstanding the limitation contained in subsection (b) of
33 this section, the state may pledge its full faith, credit, and taxing
34 power to guarantee the payment of any obligation payable from
35 revenues received from any of the following sources: (1) Fees
36 collected by the state as license fees for motor vehicles; (2) Excise
37 taxes collected by the state on the sale, distribution or use of
38 motor vehicle fuel; and (3) Interest on the permanent common school
39 fund: *Provided*, That the legislature shall, at all times, provide
40 sufficient revenues from such sources to pay the principal and

1 interest due on all obligations for which said source of revenue is
2 pledged.

3 (h) No money shall be paid from funds in custody of the treasurer
4 with respect to any debt contracted after the effective date of this
5 amendment by the Washington state building authority, the capitol
6 committee, or any similar entity existing or operating for similar
7 purposes pursuant to which such entity undertakes to finance or
8 provide a facility for use or occupancy by the state or any agency,
9 department, or instrumentality thereof.

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

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

31 ~~((Notwithstanding the limitations contained in subsection (b)
32 of this section, the state may issue certificates of indebtedness in
33 such sum or sums as may be necessary to meet temporary deficiencies
34 of the treasury, to preserve the best interests of the state in the
35 conduct of the various state institutions, departments, bureaus, and
36 agencies during each fiscal year; such certificates may be issued
37 only to provide for appropriations already made by the legislature
38 and such certificates must be retired and the debt discharged other
39 than by refunding within twelve months after the date of
40 incurrence.))~~ Proceeds of debt issued pursuant to this section may be

1 spent only for capital purposes. "Capital purposes" means real
2 property or real property improvements with a projected useful life
3 of greater than thirteen years.

4 (1) Bonds, notes, or other obligations issued and sold by the
5 state of Washington pursuant to and in conformity with this article
6 shall not be invalid for any irregularity or defect in the
7 proceedings of the issuance or sale thereof and shall be
8 incontestable in the hands of a bona fide purchaser or holder
9 thereof.

10 BE IT FURTHER RESOLVED, That this amendment is a single amendment
11 within the meaning of Article XXIII, section 1 of the state
12 Constitution.

13 The legislature finds that the changes contained in this
14 amendment constitute a single integrated plan for restricting state
15 fiscal obligations. If this amendment is held to be separate
16 amendments, this joint resolution is void in its entirety and is of
17 no further force and effect.

18 BE IT FURTHER RESOLVED, That the secretary of state must cause
19 notice of this constitutional amendment to be published at least four
20 times during the four weeks next preceding the election in every
21 legal newspaper in the state.

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