

2 **SJR 8206 - H COMM AMD ADOPTED 04/14/99**  
3 By Committee on Capital Budget

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5 On page 1, after line 2, strike all material through page 4, line  
6 17, and insert the following:

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

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

15 (b) The aggregate debt contracted by the state shall not exceed  
16 that amount for which payments of principal and interest in any fiscal  
17 year would require the state to expend more than nine percent of the  
18 arithmetic mean of its general state revenues for the three immediately  
19 preceding fiscal years as certified by the treasurer. The term "fiscal  
20 year" means that period of time commencing July 1 of any year and  
21 ending on June 30 of the following year.

22 (c) The term "general state revenues" when used in this section,  
23 shall include all state money received in the treasury from each and  
24 every source whatsoever except: (1) Fees and revenues derived from the  
25 ownership or operation of any undertaking, facility, or project; (2)  
26 Moneys received as gifts, grants, donations, aid, or assistance or  
27 otherwise from the United States or any department, bureau, or  
28 corporation thereof, or any person, firm, or corporation, public or  
29 private, when the terms and conditions of such gift, grant, donation,  
30 aid, or assistance require the application and disbursement of such  
31 moneys otherwise than for the general purposes of the state of  
32 Washington; (3) Moneys to be paid into and received from retirement  
33 system funds, and performance bonds and deposits; (4) Moneys to be  
34 paid into and received from trust funds including but not limited to  
35 moneys received from taxes levied for specific purposes and the several  
36 permanent and irreducible funds of the state and the moneys derived

1 therefrom but excluding bond redemption funds; (5) Proceeds received  
2 from the sale of bonds or other evidences of indebtedness.

3 (d) In computing the amount required for payment of principal and  
4 interest on outstanding debt under this section, debt shall be  
5 construed to mean borrowed money represented by bonds, notes, or other  
6 evidences of indebtedness which are secured by the full faith and  
7 credit of the state or are required to be repaid, directly or  
8 indirectly, from general state revenues and which are incurred by the  
9 state, any department, authority, public corporation, or quasi public  
10 corporation of the state, any state university or college, or any other  
11 public agency created by the state but not by counties, cities, towns,  
12 school districts, or other municipal corporations, but shall not  
13 include obligations for the payment of current expenses of state  
14 government, nor shall it include debt hereafter incurred pursuant to  
15 section 3 of this article, obligations guaranteed as provided for in  
16 subsection ~~((f))~~ (g) of this section, principal of bond anticipation  
17 notes or obligations issued to fund or refund the indebtedness of the  
18 Washington state building authority.

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

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

34 ~~((f))~~ (g) Notwithstanding the limitation contained in subsection  
35 (b) of this section, the state may pledge its full faith, credit, and  
36 taxing power to guarantee the payment of any obligation payable from  
37 revenues received from any of the following sources: (1) Fees  
38 collected by the state as license fees for motor vehicles; (2) Excise  
39 taxes collected by the state on the sale, distribution or use of motor

1 vehicle fuel; and (3) Interest on the permanent common school fund:  
2 *Provided*, That the legislature shall, at all times, provide sufficient  
3 revenues from such sources to pay the principal and interest due on all  
4 obligations for which said source of revenue is pledged.

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

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

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

32 ~~((j))~~ (k) Notwithstanding the limitations contained in subsection  
33 (b) of this section, the state may issue certificates of indebtedness  
34 in such sum or sums as may be necessary to meet temporary deficiencies  
35 of the treasury, to preserve the best interests of the state in the  
36 conduct of the various state institutions, departments, bureaus, and  
37 agencies during each fiscal year; such certificates may be issued only  
38 to provide for appropriations already made by the legislature and such

1 certificates must be retired and the debt discharged other than by  
2 refunding within twelve months after the date of incurrence.

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

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