

CERTIFICATION OF ENROLLMENT
ENGROSSED SENATE JOINT RESOLUTION 8221

62nd Legislature
2012 2nd Special Session

Passed by the Senate April 11, 2012
YEAS 38 NAYS 7

President of the Senate

Passed by the House April 11, 2012
YEAS 91 NAYS 7

Speaker of the House of Representatives

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SENATE JOINT RESOLUTION 8221** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SENATE JOINT RESOLUTION 8221

Passed Legislature - 2012 2nd Special Session

State of Washington 62nd Legislature 2012 Regular Session

By Senators Parlette, Kilmer, Benton, Murray, Brown, King, Hewitt, Becker, and Morton; by request of Commission on State Debt

Read first time 01/16/12. 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, as calculated by
12 the treasurer at the time debt is contracted, shall not exceed that
13 amount for which payments of principal and interest in any fiscal year
14 would require the state to expend more than ~~((nine percent))~~ the
15 applicable percentage limit of the arithmetic mean of its general state
16 revenues for the ~~((three))~~ six immediately preceding fiscal years as
17 certified by the treasurer. The term "applicable percentage limit"
18 means eight and one-half percent from July 1, 2014, through June 30,
19 2016; eight and one-quarter percent from July 1, 2016, through June 30,

1 2034; eight percent from July 1, 2034, and thereafter. The term
2 "fiscal year" means that period of time commencing July 1 of any year
3 and ending on June 30 of the following year.

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

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

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

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

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

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

35 (h) No money shall be paid from funds in custody of the treasurer
36 with respect to any debt contracted after the effective date of this
37 amendment by the Washington state building authority, the capitol
38 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.

1 BE IT FURTHER RESOLVED, That the amendments to Article VIII,
2 Section 1, if approved and ratified by the qualified voters of the
3 state, shall be effective on and after July 1, 2014.

4 BE IT FURTHER RESOLVED, That the statement of subject and concise
5 description for the ballot title of this constitutional amendment shall
6 read "The legislature has proposed a constitutional amendment on
7 implementing the Commission on State Debt recommendations regarding
8 Washington's debt limit. This amendment would, starting July 1, 2014,
9 phase-down the debt limit percentage in three steps from nine to eight
10 percent and modify the calculation date, calculation period, and the
11 term general state revenues. Should this constitutional amendment be:

12 Approved

13 Rejected"

14 BE IT FURTHER RESOLVED, That the secretary of state shall cause
15 notice of this constitutional amendment to be published at least four
16 times during the four weeks next preceding the election in every legal
17 newspaper in the state.

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