

# FINAL BILL REPORT

## SJR 8206

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As Passed Legislature

**Brief Description:** Guaranteeing school district debt.

**Sponsors:** Senators Bauer, McCaslin, Snyder, Loveland and McAuliffe; by request of State Treasurer.

**Senate Committee on Education**  
**Senate Committee on Ways & Means**  
**House Committee on Capital Budget**

**Background:** Article VIII, Section 1, of the state Constitution permits the state to contract debt, but limits the total amount of state debt to the principal and interest payments in any year that will not exceed 9 percent of the average of the prior three years of general state revenues. Certain categories of debt are excluded from the 9 percent limit, including county and municipal debt.

Article VIII, Section 1, also allows the state to pledge its full faith and credit to guarantee payment on any debt to be paid from revenues from the motor vehicle license fees, motor vehicle fuel tax, and interest on the permanent common school fund.

To amend the Constitution, a bill must be passed by a two-thirds majority of both houses and approved by a majority of the people.

**Summary:** The state Constitution is amended to authorize the state to pledge its full faith and credit to guarantee payment on school district general obligation debt. The state's guarantee does not remove the debt obligation of the school district. Any obligation or payment on guaranteed school district debt is exempt from the constitutional 9 percent debt limit.

**Votes on Final Passage:**

Senate	38	10	
House	95	0	(House amended)
Senate	37	6	(Senate concurred)

**Effective:** Upon voter approval at next general election