
SENATE JOINT RESOLUTION 8206

State of Washington

56th Legislature

1999 Regular Session

By Senators Bauer, McCaslin, Snyder, Loveland and McAuliffe; by request of State Treasurer

Read first time 01/20/1999. Referred to Committee on Education.

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 the
14 arithmetic mean of its general state revenues for the three immediately
15 preceding fiscal years as certified by the treasurer. The term "fiscal
16 year" means that period of time commencing July 1 of any year and
17 ending on June 30 of the following year.

18 (c) The term "general state revenues" when used in this section,
19 shall include all state money received in the treasury from each and
20 every source whatsoever except: (1) Fees and revenues derived from the
21 ownership or operation of any undertaking, facility, or project; (2)

1 Moneys received as gifts, grants, donations, aid, or assistance or
2 otherwise from the United States or any department, bureau, or
3 corporation thereof, or any person, firm, or corporation, public or
4 private, when the terms and conditions of such gift, grant, donation,
5 aid, or assistance require the application and disbursement of such
6 moneys otherwise than for the general purposes of the state of
7 Washington; (3) Moneys to be paid into and received from retirement
8 system funds, and performance bonds and deposits; (4) Moneys to be
9 paid into and received from trust funds including but not limited to
10 moneys received from taxes levied for specific purposes and the several
11 permanent and irreducible funds of the state and the moneys derived
12 therefrom but excluding bond redemption funds; (5) Proceeds received
13 from the sale of bonds or other evidences of indebtedness.

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

30 (e) The state may pledge the full faith, credit, and taxing power
31 of the state to guarantee the general obligation debt of school
32 districts in the manner authorized by the legislature. For purposes of
33 this section, "debt" does not include any obligation incurred by the
34 state in making or funding any such guarantee of school district debt.

35 (f) The state may, without limitation, fund or refund, at or prior
36 to maturity, the whole or any part of any existing debt or of any debt
37 hereafter contracted pursuant to section 1, section 2, or section 3 of
38 this article, including any premium payable with respect thereto and
39 interest thereon, or fund or refund, at or prior to maturity, the whole

1 or any part of any indebtedness incurred or authorized prior to the
2 effective date of this amendment by any entity of the type described in
3 subsection ~~((g))~~ (h) of this section, including any premium payable
4 with respect thereto and any interest thereon. Such funding or
5 refunding shall not be deemed to be contracting debt by the state.

6 ~~((f))~~ (g) Notwithstanding the limitation contained in subsection
7 (b) of this section, the state may pledge its full faith, credit, and
8 taxing power to guarantee the payment of any obligation payable from
9 revenues received from any of the following sources: (1) Fees
10 collected by the state as license fees for motor vehicles; (2) Excise
11 taxes collected by the state on the sale, distribution or use of motor
12 vehicle fuel; and (3) Interest on the permanent common school fund:
13 *Provided*, That the legislature shall, at all times, provide sufficient
14 revenues from such sources to pay the principal and interest due on all
15 obligations for which said source of revenue is pledged.

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

23 ~~((h))~~ (i) The legislature shall prescribe all matters relating to
24 the contracting, funding or refunding of debt pursuant to this section,
25 including: The purposes for which debt may be contracted; by a
26 favorable vote of three-fifths of the members elected to each house,
27 the amount of debt which may be contracted for any class of such
28 purposes; the kinds of notes, bonds, or other evidences of debt which
29 may be issued by the state; and the manner by which the treasurer shall
30 determine and advise the legislature, any appropriate agency, officer,
31 or instrumentality of the state as to the available debt capacity
32 within the limitation set forth in this section. The legislature may
33 delegate to any state officer, agency, or instrumentality any of its
34 powers relating to the contracting, funding or refunding of debt
35 pursuant to this section except its power to determine the amount and
36 purposes for which debt may be contracted.

37 ~~((i))~~ (j) The full faith, credit, and taxing power of the state
38 of Washington are pledged to the payment of the debt created on behalf
39 of the state pursuant to this section and the legislature shall provide

1 by appropriation for the payment of the interest upon and installments
2 of principal of all such debt as the same falls due, but in any event,
3 any court of record may compel such payment.

4 ~~((j))~~ (k) Notwithstanding the limitations contained in subsection
5 (b) of this section, the state may issue certificates of indebtedness
6 in such sum or sums as may be necessary to meet temporary deficiencies
7 of the treasury, to preserve the best interests of the state in the
8 conduct of the various state institutions, departments, bureaus, and
9 agencies during each fiscal year; such certificates may be issued only
10 to provide for appropriations already made by the legislature and such
11 certificates must be retired and the debt discharged other than by
12 refunding within twelve months after the date of incurrence.

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

18 BE IT FURTHER RESOLVED, That the secretary of state shall 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 legal
21 newspaper in the state.

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