
SENATE JOINT RESOLUTION 8211

State of Washington 60th Legislature 2007 Regular Session

By Senators Haugen, Swecker, Marr, Kauffman and Murray

Read first time 01/12/2007. Referred to Committee on Transportation.

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 unless the debt is related to transportation projects, in which event
12 the debt may be extended up to eighty percent of the useful life of the
13 asset, as determined by the state finance committee, but may not exceed
14 forty years from the time of contracting thereof.

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

1 preceding fiscal years as certified by the treasurer. The term "fiscal
2 year" means that period of time commencing July 1 of any year and
3 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: (1) Fees and revenues derived from the
7 ownership or operation of any undertaking, facility, or project; (2)
8 Moneys received as gifts, grants, donations, aid, or assistance or
9 otherwise from the United States or any department, bureau, or
10 corporation thereof, or any person, firm, or corporation, public or
11 private, when the terms and conditions of such gift, grant, donation,
12 aid, or assistance require the application and disbursement of such
13 moneys otherwise than for the general purposes of the state of
14 Washington; (3) Moneys to be paid into and received from retirement
15 system funds, and performance bonds and deposits; (4) Moneys to be paid
16 into and received from trust funds including but not limited to moneys
17 received from taxes levied for specific purposes and the several
18 permanent and irreducible funds of the state and the moneys derived
19 therefrom but excluding bond redemption funds; (5) Proceeds received
20 from the sale of bonds or other evidences of indebtedness.

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

37 (e) The state may pledge the full faith, credit, and taxing power
38 of the state to guarantee the voter approved general obligation debt of

1 school districts in the manner authorized by the legislature. Any such
2 guarantee does not remove the debt obligation of the school district
3 and is not state debt.

4 (f) The state may, without limitation, fund or refund, at or prior
5 to maturity, the whole or any part of any existing debt or of any debt
6 hereafter contracted pursuant to section 1, section 2, or section 3 of
7 this article, including any premium payable with respect thereto and
8 interest thereon, or fund or refund, at or prior to maturity, the whole
9 or any part of any indebtedness incurred or authorized prior to the
10 effective date of this amendment by any entity of the type described in
11 subsection (h) of this section, including any premium payable with
12 respect thereto and any interest thereon. Such funding or refunding
13 shall not be deemed to be contracting debt by the state.

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

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

31 (i) The legislature shall prescribe all matters relating to the
32 contracting, funding or refunding of debt pursuant to this section,
33 including: The purposes for which debt may be contracted; by a
34 favorable vote of three-fifths of the members elected to each house,
35 the amount of debt which may be contracted for any class of such
36 purposes; the kinds of notes, bonds, or other evidences of debt which
37 may be issued by the state; and the manner by which the treasurer shall
38 determine and advise the legislature, any appropriate agency, officer,

1 or instrumentality of the state as to the available debt capacity
2 within the limitation set forth in this section. The legislature may
3 delegate to any state officer, agency, or instrumentality any of its
4 powers relating to the contracting, funding or refunding of debt
5 pursuant to this section except its power to determine the amount and
6 purposes for which debt may be contracted.

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

13 (k) Notwithstanding the limitations contained in subsection (b) of
14 this section, the state may issue certificates of indebtedness in such
15 sum or sums as may be necessary to meet temporary deficiencies of the
16 treasury, to preserve the best interests of the state in the conduct of
17 the various state institutions, departments, bureaus, and agencies
18 during each fiscal year; such certificates may be issued only to
19 provide for appropriations already made by the legislature and such
20 certificates must be retired and the debt discharged other than by
21 refunding within twelve months after the date of incurrence.

22 (l) Bonds, notes, or other obligations issued and sold by the state
23 of Washington pursuant to and in conformity with this article shall not
24 be invalid for any irregularity or defect in the proceedings of the
25 issuance or sale thereof and shall be incontestable in the hands of a
26 bona fide purchaser or holder thereof.

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

--- END ---