
SUBSTITUTE SENATE JOINT RESOLUTION 8215

State of Washington

62nd Legislature

2011 Regular Session

By Senate Ways & Means (originally sponsored by Senators Kilmer, Parlette, Murray, Zarelli, Brown, Hobbs, Fraser, Tom, Sheldon, Honeyford, and Hewitt)

READ FIRST TIME 03/25/11.

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 of))~~ the
15 applicable percentage limit of the arithmetic mean of its general state
16 revenues for the ((three immediately preceding fiscal years))
17 applicable calculation period as certified by the treasurer. The term
18 "applicable percentage limit" means nine percent through and including
19 June 30, 2015; eight and one-half percent from July 1, 2015, through

1 June 30, 2017; eight percent from July 1, 2017, through June 30, 2019;
2 seven and one-half percent from July 1, 2019, through June 30, 2021;
3 and seven percent from July 1, 2021, and thereafter. The term
4 "applicable calculation period" means the three immediately preceding
5 fiscal years when contracting debt prior to July 1, 2015, and the ten
6 immediately preceding fiscal years when contracting debt on and after
7 July 1, 2015. The term "fiscal year" means that period of time
8 commencing July 1 of any year and ending on June 30 of the following
9 year.

10 (c) The term "general state revenues" when used in this section,
11 shall include all state money received in the treasury from each and
12 every source (~~whatsoever except~~), including, beginning July 1, 2015,
13 moneys received from ad valorem taxes levied by the state and deposited
14 in the general fund in each fiscal year in the applicable calculation
15 period, but not including: (1) Fees and other revenues derived from
16 the ownership or operation of any undertaking, facility, or project;
17 (2) Moneys received as gifts, grants, donations, aid, or assistance or
18 otherwise from the United States or any department, bureau, or
19 corporation thereof, or any person, firm, or corporation, public or
20 private, when the terms and conditions of such gift, grant, donation,
21 aid, or assistance require the application and disbursement of such
22 moneys otherwise than for the general purposes of the state of
23 Washington; (3) Moneys to be paid into and received from retirement
24 system funds, and performance bonds and deposits; (4) Moneys to be paid
25 into and received from trust funds including but not limited to moneys
26 received from taxes levied for specific purposes and required to be
27 deposited for those purposes into specified funds or accounts other
28 than the general fund, and including the several permanent and
29 irreducible funds of the state and the moneys derived therefrom but
30 excluding bond redemption funds; (5) Proceeds received from the sale of
31 bonds or other evidences of indebtedness.

32 (d) In computing the amount required for payment of principal and
33 interest on outstanding debt under this section, debt shall be
34 construed to mean borrowed money represented by bonds, notes, or other
35 evidences of indebtedness which are secured by the full faith and
36 credit of the state or are required to be repaid, directly or
37 indirectly, from general state revenues and which are incurred by the
38 state, any department, authority, public corporation, or quasi public

1 corporation of the state, any state university or college, or any other
2 public agency created by the state but not by counties, cities, towns,
3 school districts, or other municipal corporations, but shall not
4 include obligations for the payment of current expenses of state
5 government, nor shall it include debt hereafter incurred pursuant to
6 section 3 of this article, obligations guaranteed as provided for in
7 subsection (g) of this section, principal of bond anticipation notes or
8 obligations issued to fund or refund the indebtedness of the Washington
9 state building authority. In addition, for the purpose of computing
10 the amount required for payment of interest on outstanding debt under
11 subsection (b) of this section and this subsection, "interest" shall be
12 reduced by subtracting the amount scheduled to be received by the state
13 as payments from the federal government in each year in respect of
14 bonds, notes, or other evidences of indebtedness subject to this
15 section.

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

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

31 (g) Notwithstanding the limitation contained in subsection (b) of
32 this section, the state may pledge its full faith, credit, and taxing
33 power to guarantee the payment of any obligation payable from revenues
34 received from any of the following sources: (1) Fees collected by the
35 state as license fees for motor vehicles; (2) Excise taxes collected by
36 the state on the sale, distribution or use of motor vehicle fuel; and
37 (3) Interest on the permanent common school fund: *Provided*, That the

1 legislature shall, at all times, provide sufficient revenues from such
2 sources to pay the principal and interest due on all obligations for
3 which said source of revenue is pledged.

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

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

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

31 (k) Notwithstanding the limitations contained in subsection (b) of
32 this section, the state may issue certificates of indebtedness in such
33 sum or sums as may be necessary to meet temporary deficiencies of the
34 treasury, to preserve the best interests of the state in the conduct of
35 the various state institutions, departments, bureaus, and agencies
36 during each fiscal year; such certificates may be issued only to
37 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 (1) Bonds, notes, or other obligations issued and sold by the state
4 of Washington pursuant to and in conformity with this article shall not
5 be invalid for any irregularity or defect in the proceedings of the
6 issuance or sale thereof and shall be incontestable in the hands of a
7 bona fide purchaser or holder thereof.

8 BE IT FURTHER RESOLVED, That the statement of subject and concise
9 description for the ballot title of this constitutional amendment shall
10 read "The legislature has proposed a constitutional amendment on
11 reducing the maximum amount of debt the state can incur. This
12 amendment would reduce the debt limit percentage from nine to seven
13 over a period of seven fiscal years beginning July 1, 2015, modify the
14 calculation period and modify the term general state revenues."

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

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