

SENATE BILL REPORT

SJR 8201

As of February 24, 2017

Brief Description: Amending the Constitution to allow the state to guarantee debt issued to local governments for infrastructure projects.

Sponsors: Senators Keiser, Honeyford, Frockt, Conway and Palumbo.

Brief History:

Committee Activity: Ways & Means: 2/09/17.

Brief Summary of Joint Resolution

- Amends the state Constitution to allow the state to pledge its full faith and credit outside the debt limit to guarantee payment of obligations that are payable from local government repayments of loans made for local infrastructure projects.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Richard Ramsey (786-7412)

Background: Article VIII, section 1 of the state Constitution authorizes the state to contract for debt and establishes a debt limit. In general, debt is subject to this limit if it is either backed by the full faith and credit of the state or is payable from general state revenues. In some cases, the state may pledge its full faith and credit without creating debt subject to the state debt limit. Examples of such debt include obligations payable from certain dedicated revenues, such as motor vehicle license fees or excise taxes, or interest on the permanent common school fund.

Amendments to the state constitution require approval by two-thirds of the members of each house of the Legislature, plus ratification by the voters.

Summary of Joint Resolution: Article VIII, section 1 of the state Constitution is amended to authorize the state to pledge its full faith, credit and taxing power to guarantee payment of any obligation that is payable from revenues received by the state in repayment of loans made by the state to local governments for infrastructure projects.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

These obligations are not subject to the state's debt limit.

The Secretary of State must submit the proposed constitutional amendment to the voters at the next general election.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The Joint Resolution takes effect if approved by the voters at the next general election.

Staff Summary of Public Testimony: None.

Persons Testifying: No one.

Persons Signed In To Testify But Not Testifying: No one.