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SENATE JOINT RESOLUTION 8200

State of Washington 65th Legislature 2017 Regular Session

By Senator Baumgartner

Prefiled 12/05/16. Read first time 01/09/17. Referred to Committee on Early Learning & K-12 Education.

BE IT RESOLVED, BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE STATE OF WASHINGTON, IN LEGISLATIVE SESSION ASSEMBLED:

THAT, At the next general election to be held in this state the secretary of state shall submit to the qualified voters of the state for their approval and ratification, or rejection, an amendment to Article IX by repealing sections 1 and 4 in their entirety and an amendment to Article IX, sections 2 and 3, Article XVI, section 5, Article III, section 22, Article VII, section 2, Article VIII, section 1, and Article XXVI, section 1 of the Constitution of the state of Washington to read as follows:

11 Article IX, section 2. The legislature shall provide for a 12 ((general and uniform)) system of ((public)) publicly funded schools. The public school system shall include ((common schools, and)) such 13 14 high schools, normal schools, ((and)) technical schools, charter schools, and other schools as may hereafter be established and may be 15 publicly funded in part or in whole. ((But the entire revenue derived 16 from the common school fund and the state tax for common schools 17 18 shall be exclusively applied to the support of the common schools.)) The legislature is vested with the sole authority to determine the 19 method and level of funding that is sufficient for these purposes. 20

Article IX, section 3. The principal of the common school fund as the same existed on June 30, 1965, shall remain permanent and

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irreducible. After the effective date of this section, the said fund shall be known as the publicly funded school fund and shall consist of the principal amount thereof existing on June 30, 1965, and such additions thereto as may be derived after June 30, 1965, from the following named sources, to wit: Appropriations and donations by the state to this fund; donations and bequests by individuals to the state or public for ((common)) the publicly funded school((s)) system; the proceeds of lands and other property which revert to the state by escheat and forfeiture; the proceeds of all property granted to the state when the purpose of the grant is not specified, or is uncertain; funds accumulated in the treasury of the state for the disbursement of which provision has not been made by law; the proceeds of the sale of stone, minerals, or property other than timber and other crops from school and state lands, other than those granted for specific purposes; all moneys received from persons appropriating stone, minerals or property other than timber and other crops from school and state lands other than those granted for specific purposes, and all moneys other than rental recovered from persons trespassing on said lands; five per centum of the proceeds of the sale of public lands lying within the state, which shall be sold by the United States subsequent to the admission of the state into the Union as approved by section 13 of the act of congress enabling the admission of the state into the Union; the principal of all funds arising from the sale of lands and other property which have been, and hereafter may be granted to the state for the support of ((common)) the system of publicly funded schools. The legislature may make further provisions for enlarging said fund.

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There is hereby established the ((common)) school construction fund to be used exclusively for the purpose of financing the construction of facilities for the ((common)) schools. The sources of said fund shall be: (1) Those proceeds derived from the sale or appropriation of timber and other crops from school and state lands subsequent to June 30, 1965, other than those granted for specific purposes; (2) the interest accruing on said permanent common school fund from and after July 1, 1967, and until the effective date of this section, and after the effective date of this section, on the permanent publicly funded school fund together with all rentals and other revenues derived therefrom and from lands and other property devoted to the permanent common school fund from and after July 1, 1967, and after the effective date of this section, to the permanent

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publicly funded school fund; and (3) such other sources as the legislature may direct. That portion of the ((common)) school construction fund derived from interest on the permanent ((common)) publicly funded school fund may be used to retire such bonds as may be authorized by law for the purpose of financing the construction of facilities for the ((common)) schools.

The interest accruing on the permanent common school fund together with all rentals and other revenues accruing thereto pursuant to subsection (2) of this section during the period after the effective date of this amendment and prior to July 1, 1967, and after the effective date of this section, to the permanent publicly funded school fund, shall be exclusively applied to the current use of the ((common)) publicly funded school((s)) system.

To the extent that the moneys in the ((common)) school construction fund are in excess of the amount necessary to allow fulfillment of the purpose of said fund, the excess shall be available for deposit to the credit of the permanent ((common)) publicly funded school fund or available for the current use of the ((common)) publicly funded school((s)) system, as the legislature may direct.

21 Article XVI, section 5. The permanent common school fund <u>until</u> 22 <u>the effective date of this section</u>, and after the effective date of 23 <u>this section the publicly funded school fund</u> of this state may be 24 invested as authorized by law.

Article III, section 22. The superintendent of public instruction shall ((have supervision over all matters pertaining to public schools, and shall)) perform such specific duties as may be prescribed by law. ((He shall receive an annual salary of twenty-five hundred dollars, which may be increased by law, but shall never exceed four thousand dollars per annum.))

Article VII, section 2. Except as hereinafter provided and notwithstanding any other provision of this Constitution, the aggregate of all tax levies upon real and personal property by the state and all taxing districts now existing or hereafter created, shall not in any year exceed one percent of the true and fair value of such property in money. Nothing herein shall prevent levies at the rates now provided by law by or for any port or public utility district. The term "taxing district" for the purposes of this section shall mean any political subdivision, municipal corporation,

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district, or other governmental agency authorized by law to levy, or have levied for it, ad valorem taxes on property, other than a port or public utility district. Such aggregate limitation or any specific limitation imposed by law in conformity therewith may be exceeded only as follows:

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- (a) By any taxing district when specifically authorized so to do by a majority of at least three-fifths of the voters of the taxing district voting on the proposition to levy such additional tax submitted not more than twelve months prior to the date on which the proposed initial levy is to be made and not oftener than twice in such twelve month period, either at a special election or at the regular election of such taxing district, at which election the number of voters voting "yes" on the proposition shall constitute three-fifths of a number equal to forty percent of the total number of voters voting in such taxing district at the last preceding general election when the number of voters voting on the proposition does not exceed forty percent of the total number of voters voting in such taxing district in the last preceding general election; or by a majority of at least three-fifths of the voters of the taxing district voting on the proposition to levy when the number of voters voting on the proposition exceeds forty percent of the number of voters voting in such taxing district in the last preceding general election. Notwithstanding any other provision of this Constitution, any proposition pursuant to this subsection to levy additional tax for the support of the ((common)) publicly funded school((s)) system or fire protection districts may provide such support for a period of up to four years and any proposition to levy an additional tax to support the construction, modernization, or remodelling of school facilities or fire facilities may provide such support for a period not exceeding six years. Notwithstanding any other provision of this subsection, a proposition under this subsection to levy an additional tax for a school district shall be authorized by a majority of the voters voting on the proposition, regardless of the number of voters voting on the proposition;
- (b) By any taxing district otherwise authorized by law to issue general obligation bonds for capital purposes, for the sole purpose of making the required payments of principal and interest on general obligation bonds issued solely for capital purposes, other than the replacement of equipment, when authorized so to do by majority of at least three-fifths of the voters of the taxing district voting on the

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proposition to issue such bonds and to pay the principal and interest thereon by annual tax levies in excess of the limitation herein provided during the term of such bonds, submitted not oftener than twice in any calendar year, at an election held in the manner provided by law for bond elections in such taxing district, at which election the total number of voters voting on the proposition shall constitute not less than forty percent of the total number of voters voting in such taxing district at the last preceding general election. Any such taxing district shall have the right by vote of its governing body to refund any general obligation bonds of said district issued for capital purposes only, and to provide for the interest thereon and amortization thereof by annual levies in excess of the tax limitation provided for herein. The provisions of this section shall also be subject to the limitations contained in Article VIII, Section 6, of this Constitution;

(c) By the state or any taxing district for the purpose of preventing the impairment of the obligation of a contract when ordered so to do by a court of last resort.

Article VIII, section 1. (a) The state may contract debt, the principal of which shall be paid and discharged within thirty years from the time of contracting thereof, in the manner set forth herein.

- (b) The aggregate debt contracted by the state, as calculated by the treasurer at the time debt is contracted, shall not exceed that amount for which payments of principal and interest in any fiscal year would require the state to expend more than the applicable percentage limit of the arithmetic mean of its general state revenues for the six immediately preceding fiscal years as certified by the treasurer. The term "applicable percentage limit" means eight and one-half percent from July 1, 2014, through June 30, 2016; eight and one-quarter percent from July 1, 2016, through June 30, 2034; eight percent from July 1, 2034, and thereafter. The term "fiscal year" means that period of time commencing July 1 of any year and ending on June 30 of the following year.
- (c) The term "general state revenues," when used in this section, shall include all state money received in the treasury from each and every source, including moneys received from ad valorem taxes levied by the state and deposited in the general fund in each fiscal year, but not including: (1) Fees and other revenues derived from the ownership or operation of any undertaking, facility, or project; (2)

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1 Moneys received as gifts, grants, donations, aid, or assistance or otherwise from the United States or any department, bureau, 2 corporation thereof, or any person, firm, or corporation, public or 3 private, when the terms and conditions of such gift, grant, donation, 4 aid, or assistance require the application and disbursement of such 5 6 moneys otherwise than for the general purposes of the state of Washington; (3) Moneys to be paid into and received from retirement 7 system funds, and performance bonds and deposits; (4) Moneys to be 8 paid into and received from trust funds and the several permanent and 9 irreducible funds of the state and the moneys derived therefrom but 10 11 excluding bond redemption funds; (5) Moneys received from taxes 12 levied for specific purposes and required to be deposited for those purposes into specified funds or accounts other than the general 13 fund; and (6) Proceeds received from the sale of bonds or other 14 evidences of indebtedness. 15

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(d) In computing the amount required for payment of principal and interest on outstanding debt under this section, debt shall be construed to mean borrowed money represented by bonds, notes, other evidences of indebtedness which are secured by the full faith and credit of the state or are required to be repaid, directly or indirectly, from general state revenues and which are incurred by the state, any department, authority, public corporation, or quasi public corporation of the state, any state university or college, or any other public agency created by the state but not by counties, cities, towns, school districts, or other municipal corporations, but shall not include obligations for the payment of current expenses of state government, nor shall it include debt hereafter incurred pursuant to section 3 of this article, obligations guaranteed as provided for in subsection (q) of this section, principal of bond anticipation notes or obligations issued to fund or refund the indebtedness of the Washington state building authority. In addition, for the purpose of computing the amount required for payment of interest on outstanding debt under subsection (b) of this section and this subsection, "interest" shall be reduced by subtracting the amount scheduled to be received by the state as payments from the federal government in each year in respect of bonds, notes, or other evidences of indebtedness subject to this section.

(e) The state may pledge the full faith, credit, and taxing power of the state to guarantee the voter approved general obligation debt of school districts in the manner authorized by the legislature. Any

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such guarantee does not remove the debt obligation of the school district and is not state debt.

- (f) The state may, without limitation, fund or refund, at or prior to maturity, the whole or any part of any existing debt or of any debt hereafter contracted pursuant to section 1, section 2, or section 3 of this article, including any premium payable with respect thereto and interest thereon, or fund or refund, at or prior to maturity, the whole or any part of any indebtedness incurred or authorized prior to the effective date of this amendment by any entity of the type described in subsection (h) of this section, including any premium payable with respect thereto and any interest thereon. Such funding or refunding shall not be deemed to be contracting debt by the state.
- (g) Notwithstanding the limitation contained in subsection (b) of this section, the state may pledge its full faith, credit, and taxing power to guarantee the payment of any obligation payable from revenues received from any of the following sources: (1) Fees collected by the state as license fees for motor vehicles; (2) Excise taxes collected by the state on the sale, distribution or use of motor vehicle fuel; and (3) Interest on the permanent common school fund until the effective date of this section, and after the effective date of this section, the publicly funded school fund: Provided, That the legislature shall, at all times, provide sufficient revenues from such sources to pay the principal and interest due on all obligations for which said source of revenue is pledged.
- (h) No money shall be paid from funds in custody of the treasurer with respect to any debt contracted after the effective date of this amendment by the Washington state building authority, the capitol committee, or any similar entity existing or operating for similar purposes pursuant to which such entity undertakes to finance or provide a facility for use or occupancy by the state or any agency, department, or instrumentality thereof.
- (i) The legislature shall prescribe all matters relating to the contracting, funding or refunding of debt pursuant to this section, including: The purposes for which debt may be contracted; by a favorable vote of three-fifths of the members elected to each house, the amount of debt which may be contracted for any class of such purposes; the kinds of notes, bonds, or other evidences of debt which may be issued by the state; and the manner by which the treasurer

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1 shall determine and advise the legislature, any appropriate agency, officer, or instrumentality of the state as to the available debt 2 capacity within the limitation set forth in this section. 3 officer, 4 legislature may delegate to any state agency, or instrumentality any of its powers relating to the contracting, 5 б funding or refunding of debt pursuant to this section except its power to determine the amount and purposes for which debt may be 7 contracted. 8

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- (j) The full faith, credit, and taxing power of the state of Washington are pledged to the payment of the debt created on behalf of the state pursuant to this section and the legislature shall provide by appropriation for the payment of the interest upon and installments of principal of all such debt as the same falls due, but in any event, any court of record may compel such payment.
- (k) Notwithstanding the limitations contained in subsection (b) of this section, the state may issue certificates of indebtedness in such sum or sums as may be necessary to meet temporary deficiencies of the treasury, to preserve the best interests of the state in the conduct of the various state institutions, departments, bureaus, and agencies during each fiscal year; such certificates may be issued only to provide for appropriations already made by the legislature and such certificates must be retired and the debt discharged other than by refunding within twelve months after the date of incurrence.
- (1) Bonds, notes, or other obligations issued and sold by the state of Washington pursuant to and in conformity with this article shall not be invalid for any irregularity or defect in the proceedings of the issuance or sale thereof and shall be incontestable in the hands of a bona fide purchaser or holder thereof.
- Article XXVI, section 1. The following ordinance shall be irrevocable without the consent of the United States and the people of this state:
- First. That perfect toleration of religious sentiment shall be secured and that no inhabitant of this state shall ever be molested in person or property on account of his or her mode of religious worship.
 - Second. That the people inhabiting this state do agree and declare that they forever disclaim all right and title to the unappropriated public lands lying with the boundaries of this state,

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1 and to all lands lying within said limits owned or held by any Indian or Indian tribes; and that until the title thereto shall have been 2 extinguished by the United States, the same shall be and remain 3 subject to the disposition of the United States, and said Indian 4 lands shall remain under the absolute jurisdiction and control of the 5 б congress of the United States and that the lands belonging to 7 citizens of the United States residing without the limits of this state shall never be taxed at a higher rate than the lands belonging 8 to residents thereof; and that no taxes shall be imposed by the state 9 on lands or property therein, belonging to or which may be hereafter 10 11 purchased by the United States or reserved for use: Provided, That 12 nothing in this ordinance shall preclude the state from taxing as other lands are taxed any lands owned or held by any Indian who has 13 14 severed his tribal relations, and has obtained from the United States or from any person a title thereto by patent or other grant, save and 15 except such lands as have been or may be granted to any Indian or 16 17 Indians under any act of congress containing a provision exempting the lands thus granted from taxation, which exemption shall continue 18 so long and to such an extent as such act of congress may prescribe. 19

Third. The debts and liabilities of the Territory of Washington and payment of the same are hereby assumed by this state.

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((Fourth. Provision shall be made for the establishment and maintenance of systems of public schools free from sectarian control which shall be open to all the children of said state.))

BE IT FURTHER RESOLVED, That this amendment is a single amendment within the meaning of Article XXIII, section 1 of the state Constitution.

The legislature finds that the changes contained in this amendment constitute a single integrated plan to provide for a system of publicly funded schools. If this amendment is held to be separate amendments, this joint resolution is void in its entirety and is of no further force and effect.

33 BE IT FURTHER RESOLVED, That the secretary of state shall cause 34 notice of this constitutional amendment to be published at least four 35 times during the four weeks next preceding the election in every 36 legal newspaper in the state.

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