2011 ASSEMBLY JOINT RESOLUTION 118


1 To amend section 7 (2) (b) 1. of article VIII and section 7 (2) (b) 2. of article VIII of the constitution; relating to: the ceiling for public debt contracted by the state (first consideration).

Analysis by the Legislative Reference Bureau

The constitution limits the aggregate public debt contracted by the state to three-fourths of 1 per centum of the aggregate value of all taxable property in the state, or in the alternative, 5 per centum of the aggregate value of all taxable property in the state less the sum of certain other public debts.

This constitutional amendment, proposed to the 2011 legislature on first consideration, lowers the debt ceiling from three-fourths of 1 percent to three-eighths of 1 percent of the aggregate value of all taxable property in the state and changes the alternate debt limit from 5 percent to 2.5 percent.

A proposed constitutional amendment requires adoption by two successive legislatures, and ratification by the people, before it becomes effective.

Resolved by the assembly, the senate concurring, That:

SECTION 1. Section 7 (2) (b) 1. of article VIII of the constitution is amended to read:
[Article VIII] Section 7 (2) (b) 1. Three-fourths Three-eighths of one percent of the aggregate value of all taxable property in the state; or

SECTION 2. Section 7 (2) (b) 2. of article VIII of the constitution is amended to read:

[Article VIII] Section 7 (2) (b) 2. Five Two and one-half per centum of the aggregate value of all taxable property in the state less the sum of: a. the aggregate public debt of the state contracted pursuant to this section outstanding as of January 1 of such calendar year after subtracting therefrom the amount of sinking funds on hand on January 1 of such calendar year which are applicable exclusively to repayment of such outstanding public debt and, b. the outstanding indebtedness as of January 1 of such calendar year of any entity of the type described in paragraph (d) to the extent that such indebtedness is supported by or payable from payments out of the treasury of the state.

Be it further resolved, That this proposed amendment be referred to the legislature to be chosen at the next general election and that it be published for three months previous to the time of holding such election.

(END)