

SENATE BILL REPORT

HB 1829

As of March 31, 1999

Title: An act relating to financing school plant facilities.

Brief Description: Authorizing long-term lease-purchase agreements for financing school plant facilities.

Sponsors: Representatives Thomas, Lantz, Carlson, Keiser, Cairnes, H. Sommers, Fortunato, Ogden, Dunshee, Quall, O'Brien, Cody, Pflug, Kenney, Dunn, Santos, Lovick, Edmonds, Wood, Haigh, Rockefeller, Conway, Stensen, Dickerson, Kessler and Esser.

Brief History:

Committee Activity: Ways & Means:

SENATE COMMITTEE ON WAYS & MEANS

Staff: Bill Freund (786-7441)

Background: The purposes for which school districts may borrow money and issue bonds are limited by law. Borrowed funds may be used to buy sites for school district purposes, construct and renovate buildings and to provide the necessary furniture and equipment for the buildings. Borrowed funds cannot be used for real estate lease payments or for sales contracts to purchase real and personal property.

State capital assistance funds may not be used for real estate lease payments or for sales contracts to purchase real and personal property.

Summary of Bill: School districts are authorized to use voter-approved bonds, voter-approved levies, state financial assistance, or other funds available to the district for school facilities for: (1) payment of an installment purchase contract for school plant facilities; or (2) payment of a 10 year or longer lease which contains an option by the school district to purchase the leased property.

Appropriation: None.

Fiscal Note: Requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.