

SENATE BILL REPORT

SJR 8204

As of Third Reading, March 10, 1999

Brief Description: Amending the Constitution to provide for a simple majority of voters voting to authorize school district levies.

Sponsors: Senators McAuliffe, Winsley, Goings, Eide, Brown, Wojahn, Thibaudeau, Kohl-Welles, Patterson and Kline; by request of Superintendent of Public Instruction.

Brief History:

Committee Activity: Education: 1/28/99, 2/8/99 [DP, DNP].
Failed Senate, 3/10/99, 25-24.

SENATE COMMITTEE ON EDUCATION

Majority Report: Do pass.

Signed by Senators McAuliffe, Chair; Eide, Vice Chair; Bauer, Brown, Goings, Kohl-Welles, Rasmussen and Sellar.

Minority Report: Do not pass.

Signed by Senators Benton, Hochstatter, Swecker and Zarelli.

Staff: William Bridges (786-7424)

Background: The Washington State Constitution gives school districts the power to levy additional taxes and assume debt upon voter approval.

Excess Property Tax Levies: There are two methods for authorizing excess property taxes for school districts. The first method requires a 40 percent voter turnout; the other does not. In the first method, a levy is approved if at least 60 percent of those voting in a school district election vote "yes" and the number of voters who turn out exceeds 40 percent of the voters who participated in the district's last general election. In the second method, a levy is approved if the number of "yes" votes is at least equal to 60 percent of the 40 percent of the number of voters who voted in the district's last general election.

General Obligation Bonds: A school district may issue general obligation bonds for capital purposes in excess of set limits only if at least 60 percent of those voting in a district election vote "yes" and the number of voters who turn out equals or exceeds 40 percent of the number of voters who participated in the district's last general election.

Incurring Debt: Under the Constitution, a school district may incur debt up to 5 percent of the value of the taxable property in the district if the proposition is approved by 60 percent of the votes cast in an election for that purpose. A school district may incur debt for capital outlays up to 10 percent of the value of the taxable property in the district if the proposition is approved by 60 percent of the votes cast in an election for that purpose.

To amend the Constitution, a bill must be passed by a two-thirds majority of both houses and approved by a majority of the people.

Summary of Bill: An amendment to the Washington State Constitution is proposed to provide for a simple majority of voters to authorize excess levies and general obligation bonds for school districts. The amendment removes the 40 percent election validation requirement for levy and bond elections. The amendment also provides for a simple majority for voter approval of school district debt.

Appropriation: None.

Fiscal Note: Available.

Testimony For: The 60/40 requirement for excess property taxes originated in the 1930s and was placed into the Constitution in 1944. The requirement was motivated by the following reasons: (1) timber and railroad companies with large land holdings argued that non-property owners should not be able to raise the taxes of property owners; (2) difficult economic times; (3) the populist tradition of the American West; and (4) confusion arising from levy elections run by over 2,000 school districts. Many of these reasons are no longer valid. For example: (1) large companies no longer monopolize privately-held lands; (2) senior citizens and low-income persons can be exempt from property taxes; and (3) fewer school districts, voting by mail, and improved election requirements now assure adequate notice for levy elections. The time has come to let the voters decide if the 60/40 requirement is still necessary.

Nearly 98 percent of total school levies are approved by the second election (the percent of failed bond propositions is higher). By changing the 60/40 requirement, schools could save thousands of dollars in election expenses. In addition, while a simple majority requirement may make it easier to pass bond propositions and thereby possibly raise taxes, it is better to properly plan the construction of new schools now rather than later when costs are higher.

It is unfair that the construction of a stadium or jail only requires a simple majority. Schools are no less important. Indeed, schools should be more important because it is the paramount duty of the state to educate children. Excess levies are an increasingly important source of local education funding. Levy elections consume great amounts of time and money, and they are always the focus of naysayers and tax protesters. Levy failures make it difficult to budget, and for some districts, failures may soon necessitate year round, multi-tracking curricula.

Testimony Against: The 60/40 requirement protects citizens who own property from extravagant and inefficient government spending. A simple majority requirement would stack the deck in favor of school district employees and parents. Farmers, ranchers, and fixed-income persons will suffer disproportionately if the 60/40 requirement is lowered. The Constitution should be amended with care.

Testified: PRO: Catherine Ahl, League of Women Voters; Andy Appleby, Citizens for Better Education; Leslie Austin, Issaquah School Dist. volunteer; Brian Benzel, Seattle Public Schools; Terry Bergeson, Superintendent of Public Instruction; Bruce Blaine, Centralia School Dist.; Nick Brossoit, Tumwater School Dist. Superintendent; Gary Burk,

Olympia; Margaret Bushnell, Wash. State PTA, Bethel School Dist.; Shari Day Campbell, Citizens for Education Committee; Barbara Casey, Wash. State PTA; Teresa Champion, Oak Harbor; Jim Dawson, Tacoma School Dist. Budget Committee; Stephen Dinger, Wash. Federation of Independent Schools, (pro with comments); Paula Fascilla, Bethel School Dist., principal; Rick Gagnier, Yakima School Dist.; Patty Greenwood, White River School Dist.; Pat Griffith, PTA, Seattle; Jay Hambly, White River School Dist.; Tom Heron, American Academy of Pediatrics, Wash. State Chapter; Pat Hoban, Wash. State Retired Teachers Assn.; Rainer Houser, Assn. of Wash. School Principals; David Irons, Issaquah School Dist. Board; Jennice Ivey, Olympia; Curtis King, Yakima School Dist. volunteer; Bernie Kingston, Franklin Pierce School Dist. parent; Steve Leitz, Peninsula School Dist.; Susan Smith Leland, White River School Dist.; Lisa MacFarlane, Seattle; Susan McGuire, White River School Dist.; Barbara Mertens, Wash. Assn. of School Administrators; Patricia Metropulos, Evergreen School Dist.; Tom Morris, Washington Education Assn., Vice President; Doug Nelson, Public School Employees of Wash.; David Nierenberg, Evergreen School Dist.; Dennis Nugent, Peninsula School Dist.; Jim Nicholson, Franklin Pierce School Dist. business owner; Steve Rasmussen, Franklin Pierce School Dist. Superintendent; Jay Reifel, Bethel School Dist.; Mike Rutkosky, Citizens for Education Committee; Dwayne Slate, Washington State School Directors' Assn.; Benjamin Soria, Tacoma School Dist. Ass't Superintendent; Bonnie Stickle, Bethel School Dist.; Paul Strapac, South Kitsap School Dist.; Dennis Townsend, Bethel School Dist. Board, President; Fred Yancey, Mary M. Knight School Dist.

CON: C. Peter Escalante, Lacey; Fred Haase, Wash. State Grange; Marda Kirkwood, Citizens United for Responsible Education; Robert Lauver, Edgewood.