
HOUSE BILL 1833

State of Washington

56th Legislature

1999 Regular Session

By Representatives Thomas, Lantz, Carlson, Keiser, Cairnes, H. Sommers, Talcott, Ogden, Quall, Dunshee, O'Brien, Murray, Cody, Pflug, Dunn, Santos, Schual-Berke, Lovick, Edmonds, Wood, Haigh, Rockefeller, Conway, Stensen, Dickerson, Kessler and Esser

Read first time 02/08/1999. Referred to Committee on Capital Budget.

1 AN ACT Relating to alternate financing for schools; amending RCW
2 28A.335.170 and 84.52.053; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that alternative
5 financing agreements are available to provide practical options to
6 school districts to finance new school buildings. One alternative is
7 authorized by federal internal revenue service rules, referred to as
8 "63-20 financing," that allows nonprofit organizations to issue tax
9 exempt bonds to pay for facilities that will ultimately be turned over
10 to a governmental entity for ownership and operation. The nonprofit
11 organization is permitted to lease or sell the facility to the school
12 district to pay off the bonds. This arrangement would allow a school
13 district or a private entity, such as a developer, to contract with
14 nonprofit organizations to build new schools to serve the needs of the
15 school district. It is the intent of the legislature to authorize
16 school districts to enter into such agreements.

17 **Sec. 2.** RCW 28A.335.170 and 1990 c 33 s 360 are each amended to
18 read as follows:

1 The board of directors of any school district may enter into
2 contracts for their respective districts (~~for periods not exceeding~~
3 ~~five years in duration~~) with public and private persons,
4 organizations, and entities for the following purposes:

5 (1) To rent or lease building space(~~(-)~~) and portable buildings(~~(-~~
6 ~~security systems, computers and other equipment)~~);

7 (2) To rent security systems, computers, and other equipment or to
8 have maintained and repaired security systems, computers, and other
9 equipment for periods not exceeding five years in duration; ((and))

10 (3) To provide pupil transportation services for periods not
11 exceeding five years in duration; and

12 (4) To lease, acquire, construct, or finance facilities with a
13 nonprofit organization that qualifies under federal internal revenue
14 service rules to issue tax exempt bonds for the purpose of acquiring or
15 constructing a facility for the school district.

16 No school district may enter into a contract for pupil
17 transportation unless it has notified the superintendent of public
18 instruction that, in the best judgment of the district, the cost of
19 contracting will not exceed the projected cost of operating its own
20 pupil transportation.

21 The budget of each school district shall identify that portion of
22 each contractual liability incurred pursuant to this section extending
23 beyond the fiscal year by amount, duration, and nature of the
24 contracted service and/or item in accordance with rules and regulations
25 of the superintendent of public instruction adopted pursuant to RCW
26 28A.505.140 and 28A.310.330.

27 The provisions of this section shall not have any effect on the
28 length of contracts for school district employees specified by RCW
29 28A.400.300 and 28A.405.210.

30 **Sec. 3.** RCW 84.52.053 and 1997 c 260 s 1 are each amended to read
31 as follows:

32 The limitations imposed by RCW 84.52.050 through 84.52.056, and
33 84.52.043 shall not prevent the levy of taxes by school districts, when
34 authorized so to do by the voters of such school district in the manner
35 and for the purposes and number of years allowable under Article VII,
36 section 2(a) of the Constitution of this state. Elections for such
37 taxes shall be held in the year in which the levy is made or, in the
38 case of propositions authorizing two-year through four-year levies for

1 maintenance and operation support of a school district, authorizing
2 two-year levies for transportation vehicle funds established in RCW
3 28A.160.130, or authorizing two-year through six-year levies to support
4 the construction, modernization, or remodeling of school facilities, in
5 the year in which the first annual levy is made: PROVIDED, That once
6 additional tax levies have been authorized for maintenance and
7 operation support of a school district for a two-year through four-year
8 period, no further additional tax levies for maintenance and operation
9 support of the district for that period may be authorized. For
10 purposes of this limitation, no two-year through six-year levy made
11 under this section may be considered as a tax levy for maintenance and
12 operation support.

13 A special election may be called and the time therefor fixed by the
14 board of school directors, by giving notice thereof by publication in
15 the manner provided by law for giving notices of general elections, at
16 which special election the proposition authorizing such excess levy
17 shall be submitted in such form as to enable the voters favoring the
18 proposition to vote "yes" and those opposed thereto to vote "no".

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