

CERTIFICATION OF ENROLLMENT
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1477

Chapter 315, Laws of 1999
(partial veto)

56th Legislature
1999 Regular Session

SCHOOL DISTRICT ORGANIZATION

EFFECTIVE DATE: 7/25/99

Passed by the House April 19, 1999
Yeas 97 Nays 0

CLYDE BALLARD
Speaker of the House of Representatives

FRANK CHOPP
Speaker of the House of Representatives

Passed by the Senate April 12, 1999
Yeas 48 Nays 0

BRAD OWEN
President of the Senate

Approved May 14, 1999, with the
exception of section 807, which is
vetoed.

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

We, Dean R. Foster and Timothy A. Martin, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1477** as passed by the House of Representatives and the Senate on the dates hereon set forth.

DEAN R. FOSTER
Chief Clerk

TIMOTHY A. MARTIN
Chief Clerk

FILED
May 14, 1999 - 6:25 p.m.

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1477

AS AMENDED BY THE SENATE

Passed Legislature - 1999 Regular Session

State of Washington 56th Legislature 1999 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Haigh, Bush, Talcott, Linville, Santos and Edmonds; by request of Board of Education)

Read first time 03/08/1999.

1 AN ACT Relating to school district organization; amending RCW
2 36.70A.035; adding new sections to chapter 28A.315 RCW; adding a new
3 section to chapter 28A.300 RCW; adding new chapters to Title 28A RCW;
4 recodifying RCW 28A.315.020, 28A.315.220, 28A.315.210, 28A.315.690,
5 28A.315.700, 28A.315.710, 28A.315.720, 28A.315.040, 28A.315.050,
6 28A.315.060, 28A.315.070, 28A.315.080, 28A.315.090, 28A.315.100,
7 28A.315.350, 28A.315.360, 28A.315.370, 28A.315.380, 28A.315.390,
8 28A.315.400, 28A.315.410, 28A.315.420, 28A.315.430, 28A.315.440,
9 28A.315.450, 28A.315.650, 28A.315.470, 28A.315.480, 28A.315.490,
10 28A.315.500, 28A.315.530, 28A.315.510, 28A.315.520, 28A.315.540,
11 28A.315.570, 28A.315.460, 28A.315.600, 28A.315.610, 28A.315.620,
12 28A.315.630, 28A.315.670, 28A.315.680, 28A.315.550, 28A.315.560,
13 28A.315.580, 28A.315.590, 28A.315.593, 28A.315.660, 28A.315.597, and
14 28A.315.640; and repealing RCW 28A.305.150, 28A.315.010, 28A.315.030,
15 28A.315.110, 28A.315.120, 28A.315.130, 28A.315.140, 28A.315.150,
16 28A.315.160, 28A.315.170, 28A.315.180, 28A.315.190, 28A.315.200,
17 28A.315.230, 28A.315.240, 28A.315.250, 28A.315.260, 28A.315.270,
18 28A.315.280, 28A.315.290, 28A.315.300, 28A.315.310, 28A.315.320,
19 28A.315.330, 28A.315.340, and 28A.315.900.

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

1 (b) Responsibly serving all of the affected citizens and students
2 by contributing to logical service boundaries and recognizing a
3 changing economic pattern within the educational service districts of
4 the state;

5 (c) Enhancing the educational opportunities of pupils in the
6 territory by reducing existing disparities among the affected school
7 districts' ability to provide operating and capital funds through an
8 equitable adjustment of the assets and liabilities of the affected
9 districts;

10 (d) Promoting a wiser use of public funds through improvement in
11 the school district system of the educational service districts and the
12 state; and

13 (e) Other criteria or considerations as may be established in rule
14 by the state board of education.

15 (3) It is neither the intent nor purpose of this chapter to apply
16 to organizational changes and the procedure therefor relating to
17 capital fund aid by nonhigh school districts as provided for in chapter
18 28A.540 RCW.

19 **PART 2**

20 **GENERAL PROVISIONS**

21 NEW SECTION. **Sec. 201.** REORGANIZATION OF DISTRICTS. (1) A new
22 school district may be formed comprising contiguous territory lying in
23 either a single county or in two or more counties. The new district
24 may comprise:

25 (a) Two or more whole school districts;

26 (b) Parts of two or more school districts; and/or

27 (c) Territory that is not a part of any school district if such
28 territory is contiguous to the district to which it is transferred.

29 (2) The boundaries of existing school districts may be altered:

30 (a) By the transfer of territory from one district to another
31 district;

32 (b) By the consolidation of one or more school districts with one
33 or more school districts; or

34 (c) By the dissolution and annexation to a district of a part or
35 all of one or more other districts or of territory that is not a part
36 of any school district: PROVIDED, That such territory shall be
37 contiguous to the district to which it is transferred or annexed.

1 (3) Territory may be transferred or annexed to or consolidated with
2 an existing school district without regard to county boundaries.

3 NEW SECTION. **Sec. 202.** A new section is added to chapter 28A.300
4 RCW to read as follows:

5 CLASSIFICATION--NUMBERING SYSTEM--CHANGE OF CLASSIFICATION. (1)
6 The superintendent of public instruction is responsible for the
7 classification and numbering system of school districts.

8 (2) Any school district in the state that has a student enrollment
9 in its public schools of two thousand pupils or more, as shown by
10 evidence acceptable to the educational service district superintendent
11 and the superintendent of public instruction, is a school district of
12 the first class. Any other school district is a school district of the
13 second class.

14 (3) Whenever the educational service district superintendent finds
15 that the classification of a school district should be changed, and
16 upon the approval of the superintendent of public instruction, the
17 educational service district superintendent shall make an order in
18 conformity with his or her findings and alter the records of his or her
19 office accordingly. Thereafter, the board of directors of the district
20 shall organize in the manner provided by law for the organization of
21 the board of a district of the class to which the district then
22 belongs.

23 (4) Notwithstanding any other provision of chapter 43, Laws of
24 1975, the educational service district superintendent, with the
25 concurrence of the superintendent of public instruction, may delay
26 approval of a change in classification of any school district for a
27 period not exceeding three years when, in fact, the student enrollment
28 of the district within any such time period does not exceed ten
29 percent, either in a decrease or increase thereof.

30 NEW SECTION. **Sec. 203.** CONFLICTING OR INCORRECTLY DESCRIBED
31 SCHOOL DISTRICT BOUNDARIES--CHANGES. In case the boundaries of any of
32 the school districts are conflicting or incorrectly described, the
33 educational service district board of directors, after due notice and
34 a public hearing, shall change, harmonize, and describe them and shall
35 so certify, with a complete transcript of boundaries of all districts
36 affected, such action to the state board for its approval or revision.
37 Upon receipt of notification of state board action, the educational

1 service district superintendent shall transmit to the county
2 legislative authority of the county or counties in which the affected
3 districts are located a complete transcript of the boundaries of all
4 districts affected.

5 NEW SECTION. **Sec. 204.** DISTRICT BOUNDARY CHANGES--SUBMISSION TO
6 COUNTY AUDITOR. (1) Any district boundary changes shall be submitted
7 to the county auditor by the educational service district
8 superintendent within thirty days after the changes have been approved
9 in accordance with this chapter. The superintendent shall submit both
10 legal descriptions and maps.

11 (2) Any boundary changes submitted to the county auditor after the
12 fourth Monday in June of odd-numbered years does not take effect until
13 the following calendar year.

14 NEW SECTION. **Sec. 205.** EFFECT OF CHANGES--EXISTING PROVISIONS NOT
15 AFFECTED. (1) Any proposed change in school district organization
16 initiated before the effective date of this act shall be considered
17 under the laws and rules in effect before the effective date of this
18 act. This act applies to any proposed change in school district
19 organization initiated on or after the effective date of this act.

20 (2) For purposes of this section, "initiated" means the filing of
21 a petition, the motion of a school board, or the report of an
22 educational service district. This section does not preclude the
23 filing of a new petition on or after the effective date of this act
24 where the same or a similar proposal was filed before the effective
25 date of this act.

26 NEW SECTION. **Sec. 206.** PERSONNEL AND SUPPLIES--EXPENSES--
27 REIMBURSEMENT. (1) The superintendent of public instruction shall
28 furnish to the state board and to regional committees the services of
29 employed personnel and the materials and supplies necessary to enable
30 them to perform the duties imposed upon them by this chapter and shall
31 reimburse the members thereof for expenses necessarily incurred by them
32 in the performance of their duties, such reimbursement for regional
33 committee members to be in accordance with RCW 28A.315.090 (as
34 recodified by this act), and such reimbursement for state board members
35 to be in accordance with RCW 28A.305.120.

1 (2) Costs that may be incurred by an educational service district
2 in association with school district negotiations under section 401 of
3 this act and supporting the regional committee under section 402 of
4 this act shall be reimbursed by the state from such funds as are
5 appropriated for these purposes.

6 **PART 3**

7 **REGIONAL COMMITTEES ON SCHOOL DISTRICT ORGANIZATION**

8 NEW SECTION. **Sec. 301.** REGIONAL COMMITTEES--POWERS AND DUTIES.

9 The powers and duties of each regional committee are to:

10 (1) Hear and approve or disapprove proposals for changes in the
11 organization and extent of school districts in the educational service
12 districts when a hearing on a proposal has been requested under section
13 401 of this act;

14 (2) Act on notices and proposals from the educational service
15 district under section 501 of this act;

16 (3) Make an equitable adjustment of the property and other assets
17 and of the liabilities, including bonded indebtedness and excess tax
18 levies as otherwise authorized under this section, as to the old school
19 districts and the new district or districts, if any, involved in or
20 affected by a proposed change in the organization and extent of the
21 school districts;

22 (4) Make an equitable adjustment of the bonded indebtedness
23 outstanding against any of the old and new districts whenever in its
24 judgment such adjustment is advisable, as to all of the school
25 districts involved in or affected by any change heretofore or hereafter
26 effected;

27 (5) Provide that territory transferred from a school district by a
28 change in the organization and extent of school districts shall either
29 remain subject to, or be relieved of, any one or more excess tax levies
30 that are authorized for the school district under RCW 84.52.053 before
31 the effective date of the transfer of territory from the school
32 district;

33 (6) Provide that territory transferred to a school district by a
34 change in the organization and extent of school districts shall either
35 be made subject to, or be relieved of, any one or more excess tax
36 levies that are authorized for the school district under RCW 84.52.053

1 before the effective date of the transfer of territory to the school
2 district;

3 (7) Establish the date by which a committee-approved transfer of
4 territory shall take effect;

5 (8) Hold and keep a record of a public hearing or public hearings
6 (a) on every proposal for the formation of a new school district or for
7 the transfer from one existing district to another of any territory in
8 which children of school age reside or for annexation of territory when
9 the conditions set forth in RCW 28A.315.290 or 28A.315.320 prevail; and

10 (b) on every proposal for adjustment of the assets and of the
11 liabilities of school districts provided for in this chapter. Three
12 members of the regional committee or two members of the committee and
13 the educational service district superintendent may be designated by
14 the committee to hold any public hearing that the committee is required
15 to hold. The regional committee shall cause notice to be given, at
16 least ten days prior to the date appointed for any such hearing, in one
17 or more newspapers of general circulation within the geographical
18 boundaries of the school districts affected by the proposed change or
19 adjustment. In addition notice may be given by radio and television,
20 or either thereof, when in the committee's judgment the public interest
21 will be served thereby; and

22 (9) Prepare and submit to the superintendent of public instruction
23 from time to time or, upon his or her request, reports and
24 recommendations respecting the urgency of need for school plant
25 facilities, the kind and extent of the facilities required, and the
26 development of improved local school administrative units and
27 attendance areas in the case of school districts that seek state
28 assistance in providing school plant facilities.

29 NEW SECTION. **Sec. 302.** POWERS AND DUTIES OF STATE BOARD. The
30 powers and duties of the state board with respect to this chapter shall
31 be:

32 (1) To aid regional committees in the performance of their duties
33 by furnishing them with plans of procedure, standards, data, maps,
34 forms, and other necessary materials and services essential to a study
35 and understanding of the problems of school district organization in
36 their respective educational service districts.

37 (2) To hear appeals as provided in section 402 of this act.

1 NEW SECTION. **Sec. 303.** ANNUAL TRAINING. To the extent funds are
2 appropriated, the superintendent of public instruction, in cooperation
3 with the educational service districts and the Washington state school
4 directors' association, shall conduct an annual training meeting for
5 the regional committees, state board members, educational service
6 district superintendents, and local school district superintendents and
7 boards of directors. Training may also be provided upon request.

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PART 4
TRANSFER OF TERRITORY

10 NEW SECTION. **Sec. 401.** TRANSFER OF TERRITORY--REQUIREMENTS--
11 RESPONSIBILITIES OF SCHOOL DISTRICT BOARD OF DIRECTORS. (1) A proposed
12 change in school district organization by transfer of territory from
13 one school district to another may be initiated by a petition in
14 writing presented to the educational service district superintendent:

15 (a) Signed by at least ten percent of the registered voters
16 residing in the territory proposed to be transferred; or

17 (b) Signed by a majority of the members of the board of directors
18 of one of the districts affected by a proposed transfer of territory.

19 (2) The petition shall state the name and number of each district
20 affected, describe the boundaries of the territory proposed to be
21 transferred, and state the reasons for desiring the change and the
22 number of children of school age, if any, residing in the territory.

23 (3) The educational service district superintendent shall not
24 complete any transfer of territory under this section that involves ten
25 percent or more of the common school student population of the entire
26 district from which the transfer is proposed, unless the educational
27 service district superintendent has first called and held a special
28 election of the voters of the entire school district from which the
29 transfer of territory is proposed. The purpose of the election is to
30 afford those voters an opportunity to approve or reject the proposed
31 transfer. A simple majority shall determine approval or rejection.

32 (4) The state board may establish rules limiting the frequency of
33 petitions that may be filed pertaining to territory included in whole
34 or in part in a previous petition.

35 (5) Upon receipt of the petition, the educational service district
36 superintendent shall notify in writing the affected districts that:

1 (a) Each school district board of directors, whether or not
2 initiating a proposed transfer of territory, is required to enter into
3 negotiations with the affected district or districts;

4 (b) In the case of a citizen-initiated petition, the affected
5 districts must negotiate on the entire proposed transfer of territory;

6 (c) The districts have ninety calendar days in which to agree to
7 the proposed transfer of territory;

8 (d) The districts may request and shall be granted by the
9 educational service district superintendent one thirty-day extension to
10 try to reach agreement; and

11 (e) Any district involved in the negotiations may at any time
12 during the ninety-day period notify the educational service district
13 superintendent in writing that agreement will not be possible.

14 (6) If the negotiating school boards cannot come to agreement about
15 the proposed transfer of territory, the educational service district
16 superintendent, if requested by the affected districts, shall appoint
17 a mediator. The mediator has thirty days to work with the affected
18 school districts to see if an agreement can be reached on the proposed
19 transfer of territory.

20 (7) If the affected school districts cannot come to agreement about
21 the proposed transfer of territory, and the districts do not request
22 the services of a mediator or the mediator was unable to bring the
23 districts to agreement, either district may file with the educational
24 service district superintendent a written request for a hearing by the
25 regional committee.

26 (8) If the affected school districts cannot come to agreement about
27 the proposed transfer of territory initiated by citizen petition, and
28 the districts do not request the services of a mediator or the mediator
29 was unable to bring the districts to agreement, the district in which
30 the citizens who filed the petition reside shall file with the
31 educational service district superintendent a written request for a
32 hearing by the regional committee, unless a majority of the citizen
33 petitioners request otherwise.

34 (9) Upon receipt of a notice under subsection (7) or (8) of this
35 section, the educational service district superintendent shall notify
36 the chair of the regional committee in writing within ten days.

37 (10) Costs incurred by school districts under this section shall be
38 reimbursed by the state from such funds as are appropriated for this
39 purpose.

1 NEW SECTION. **Sec. 402.** TRANSFER OF TERRITORY--REGIONAL

2 COMMITTEE--RESPONSIBILITIES. (1) The chair of the regional committee
3 shall schedule a hearing on the proposed transfer of territory at a
4 location in the educational service district within sixty calendar days
5 of being notified under section 401 (7) or (8) of this act.

6 (2) Within thirty calendar days of the hearing under subsection (1)
7 of this section, or final hearing if more than one is held by the
8 committee, the committee shall issue its written findings and decision
9 to approve or disapprove the proposed transfer of territory. The
10 educational service district superintendent shall transmit a copy of
11 the committee's decision to the superintendents of the affected school
12 districts within ten calendar days.

13 (3) In carrying out the purposes of section 101 of this act and in
14 making decisions as authorized under section 301(1) of this act, the
15 regional committee shall base its judgment upon whether and to the
16 extent the proposed change in school district organization complies
17 with section 101(2) of this act and rules adopted by the state board
18 under chapter 34.05 RCW.

19 (4) State board rules under subsection (3) of this section shall
20 provide for giving consideration to all of the following:

21 (a) The annual school performance reports required under RCW
22 28A.320.205 in the affected districts and improvement of the
23 educational opportunities of pupils in the territory proposed for a
24 change in school district organization;

25 (b) The safety and welfare of pupils. For the purposes of this
26 subsection, "safety" means freedom or protection from danger, injury,
27 or damage and "welfare" means a positive condition or influence
28 regarding health, character, and well being;

29 (c) The history and relationship of the property affected to the
30 students and communities affected, including, for example, inclusion
31 within a single school district, for school attendance and
32 corresponding tax support purposes, of entire master planned
33 communities that were or are to be developed pursuant to an integrated
34 commercial and residential development plan with over one thousand
35 dwelling units;

36 (d) Whether or not geographic accessibility warrants a favorable
37 consideration of a recommended change in school district organization,
38 including remoteness or isolation of places of residence and time
39 required to travel to and from school; and

1 (e) All funding sources of the affected districts, equalization
2 among school districts of the tax burden for general fund and capital
3 purposes through a reduction in disparities in per pupil valuation when
4 all funding sources are considered, improvement in the economies in the
5 administration and operation of schools, and the extent the proposed
6 change would potentially reduce or increase the individual and
7 aggregate transportation costs of the affected school districts.

8 (5)(a)(i) A petitioner or school district may appeal a decision by
9 the regional committee to approve a change in school district
10 organization to the state board based on the claim that the regional
11 committee failed to follow the applicable statutory and regulatory
12 procedures or acted in an arbitrary and capricious manner. Any such
13 appeal shall be based on the record and the appeal must be filed within
14 thirty days of the final decision of the regional committee.

15 (ii) If the state board finds that all applicable procedures were
16 not followed or that the regional committee acted in an arbitrary and
17 capricious manner, it shall refer the matter back to the regional
18 committee with an explanation of the board's findings. The regional
19 committee shall rehear the proposal.

20 (iii) If the state board finds that all applicable procedures were
21 followed or that the regional committee did not act in an arbitrary and
22 capricious manner, depending on the appeal, the educational service
23 district shall be notified and directed to implement the changes.

24 (b) Any school district or citizen petitioner affected by a final
25 decision of the regional committee may seek judicial review of the
26 committee's decision in accordance with RCW 34.05.570.

27 NEW SECTION. **Sec. 403.** TRANSFER OF TERRITORY--APPROVAL OF
28 PROPOSED TRANSFER--ORDER. (1) Upon receipt by the educational service
29 district superintendent of a written agreement by two or more school
30 districts to the transfer of territory between the affected districts,
31 the superintendent shall make an order establishing all approved
32 changes involving the alteration of the boundaries of the affected
33 districts. The order shall also establish all approved terms of the
34 equitable adjustment of assets and liabilities involving the affected
35 districts. The superintendent shall certify his or her action to each
36 county auditor, each county treasurer, each county assessor, and the
37 superintendents of all school districts affected by the action.

1 (2) Upon receipt by the educational service district superintendent
2 of a written order by the regional committee approving the transfer of
3 territory between two or more school districts, the superintendent
4 shall make an order establishing all approved changes involving the
5 alteration of the boundaries of the affected districts. The order may
6 not be implemented before the period of appeal authorized under section
7 402(5)(a)(i) of this act has ended. The order shall also establish all
8 approved terms of the equitable adjustment of assets and liabilities
9 involving the affected districts. The superintendent shall certify his
10 or her action to each county auditor, each county treasurer, each
11 county assessor, and the superintendents of all school districts
12 affected by the action.

13 **PART 5**

14 **DISSOLUTION AND ANNEXATION OF TERRITORY**

15 NEW SECTION. **Sec. 501.** DISSOLUTION AND ANNEXATION OF CERTAIN
16 DISTRICTS--ANNEXATION OF NONDISTRICT PROPERTY. In case any school
17 district has an average enrollment of fewer than five kindergarten
18 through eighth grade pupils during the preceding school year or has not
19 made a reasonable effort to maintain, during the preceding school year
20 at least the minimum term of school required by law, the educational
21 service district superintendent shall report that fact to the regional
22 committee, which committee shall dissolve the school district and annex
23 the territory thereof to some other district or districts. For the
24 purposes of this section, in addition to any other finding, "reasonable
25 effort" shall be deemed to mean the attempt to make up whatever days
26 are short of the legal requirement by conducting of school classes on
27 any days to include available holidays, though not to include Saturdays
28 and Sundays, prior to June 15th of that year. School districts
29 operating an extended school year program, most commonly implemented as
30 a 45-15 plan, shall be deemed to be making a reasonable effort. In the
31 event any school district has suffered any interruption in its normal
32 school calendar due to a strike or other work stoppage or slowdown by
33 any of its employees that district shall not be subject to this
34 section. In case any territory is not a part of any school district,
35 the educational service district superintendent shall present to the
36 regional committee a proposal for the annexation of the territory to
37 some contiguous district or districts.

PART 6

CONSOLIDATION OF TERRITORY

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3 NEW SECTION. **Sec. 601.** CONSOLIDATION--PETITION. (1) A proposed
4 change in school district organization by consolidation of territory
5 from two or more school districts to form a new school district may be
6 initiated by:

7 (a) A written petition presented to the educational service
8 district superintendent signed by ten or more registered voters
9 residing:

10 (i) In each whole district and in each part of a district proposed
11 to be included in any single new district; or

12 (ii) In the territory of a proposed new district that comprises a
13 part of only one or more districts and approved by the boards of
14 directors of the affected school districts;

15 (b) A written petition presented to the educational service
16 district superintendent signed by ten percent or more of the registered
17 voters residing in such affected areas or area without the approval of
18 the boards of directors of the affected school districts.

19 (2) The petition shall state the name and number of each district
20 involved in or affected by the proposal to form the new district and
21 shall describe the boundaries of the proposed new district. No more
22 than one petition for consolidation of the same two school districts or
23 parts thereof shall be considered during a school fiscal year.

24 (3) The educational service district superintendent may not
25 complete any consolidation of territory under this section unless he or
26 she has first called and held a special election of the voters of the
27 affected districts to afford those voters an opportunity to approve or
28 reject the proposed consolidation. A simple majority shall determine
29 approval or rejection.

30 (4) If a proposed change in school district organization by
31 consolidation of territory has been approved under this section, the
32 educational service district superintendent shall make an order
33 establishing all approved changes involving the alteration of the
34 boundaries of the affected districts. The order shall also establish
35 all approved terms of the equitable adjustment of assets and
36 liabilities involving the affected districts. The superintendent shall
37 certify his or her action to each county auditor, each county

1 treasurer, each county assessor, and the superintendents of all school
2 districts affected by the action.

3 **PART 7**

4 **ADJUSTMENT OF ASSETS AND LIABILITIES--**
5 **BONDED INDEBTEDNESS--SPECIAL ELECTIONS**

6 NEW SECTION. **Sec. 701.** ADJUSTMENT OF ASSETS AND LIABILITIES. In
7 determining an equitable adjustment of assets and liabilities, the
8 negotiating school districts and the regional committee shall consider
9 the following factors:

10 (1) The number of school age children residing in each school
11 district and in each part of a district involved or affected by the
12 proposed change in school district organization;

13 (2) The assessed valuation of the property located in each school
14 district and in each part of a district involved or affected by the
15 proposed change in school district organization;

16 (3) The purpose for which the bonded indebtedness of any school
17 district involved or affected by the proposed change in school district
18 organization was incurred;

19 (4) The history and relationship of the property affected to the
20 students and communities affected by the proposed change in school
21 district organization;

22 (5) Additional burdens to the districts affected by the proposed
23 change in school district organization as a result of the proposed
24 organization;

25 (6) The value, location, and disposition of all improvements
26 located in the school districts involved or affected by the proposed
27 change in school district organization;

28 (7) The consideration of all other sources of funding; and

29 (8) Any other factors that in the judgment of the school districts
30 or regional committee are important or essential to the making of an
31 equitable adjustment of assets and liabilities.

32 NEW SECTION. **Sec. 702.** ADJUSTMENT OF INDEBTEDNESS. (1) The fact
33 of the issuance of bonds by a school district, heretofore or hereafter,
34 does not prevent changes in the organization and extent of school
35 districts, regardless of whether or not such bonds or any part thereof
36 are outstanding at the time of change.

1 (2) In case of any change:

2 (a) The bonded indebtedness outstanding against any school district
3 involved in or affected by such change shall be adjusted equitably
4 among the old school districts and the new district or districts, if
5 any, involved or affected; and

6 (b) The property and other assets and the liabilities other than
7 bonded indebtedness of any school district involved in or affected by
8 any such change shall also be adjusted in the manner and to the effect
9 provided for in this section, except if all the territory of an old
10 school district is included in a single new district or is annexed to
11 a single existing district, in which event the title to the property
12 and other assets and the liabilities other than bonded indebtedness of
13 the old district vests in and becomes the assets and liabilities of the
14 new district or of the existing district, as applicable.

15 NEW SECTION. **Sec. 703.** ADJUSTMENT OF BONDED INDEBTEDNESS--SPECIAL
16 ELECTIONS. If adjustments of bonded indebtedness are made between or
17 among school districts in connection with the alteration of the
18 boundaries of the school districts under this chapter, the order of the
19 educational service district superintendent establishing the terms of
20 adjustment of bonded indebtedness shall provide and specify:

21 (1) In every case where bonded indebtedness is transferred from one
22 school district to another school district:

23 (a) That such bonded indebtedness is assumed by the school district
24 to which it is transferred;

25 (b) That thereafter such bonded indebtedness shall be the
26 obligation of the school district to which it is transferred;

27 (c) That, if the terms of adjustment so provide, any bonded
28 indebtedness thereafter incurred by such transferee school district
29 through the sale of bonds authorized before the date its boundaries
30 were altered shall be the obligation of such school district including
31 the territory added thereto; and

32 (d) That taxes shall be levied thereafter against the taxable
33 property located within such school district as it is constituted after
34 its boundaries were altered, the taxes to be levied at the times and in
35 the amounts required to pay the principal of and the interest on the
36 bonded indebtedness assumed or incurred, as the same become due and
37 payable.

1 (2) In computing the debt limitation of any school district from
2 which or to which bonded indebtedness has been transferred, the amount
3 of transferred bonded indebtedness at any time outstanding:

4 (a) Shall be an offset against and deducted from the total bonded
5 indebtedness, if any, of the school district from which the bonded
6 indebtedness was transferred; and

7 (b) Shall be deemed to be bonded indebtedness solely of the
8 transferee school district that assumed the indebtedness.

9 (3) In every case where adjustments of bonded indebtedness do
10 not provide for transfer of bonded indebtedness from one school
11 district to another school district:

12 (a) That the existing bonded indebtedness of each school district,
13 the boundaries of which are altered and any bonded indebtedness
14 incurred by each such school district through the sale of bonds
15 authorized before the date its boundaries were altered is the
16 obligation of the school district in its reduced or enlarged form, as
17 the case may be; and

18 (b) That taxes shall be levied thereafter against the taxable
19 property located within each such school district in its reduced or
20 enlarged form, as the case may be, at the times and in the amounts
21 required to pay the principal of and interest on such bonded
22 indebtedness as the same become due and payable.

23 (4) If a change in school district organization approved by the
24 regional committee concerns a proposal to form a new school district or
25 a proposal for adjustment of bonded indebtedness involving an
26 established school district and one or more former school districts now
27 included therein pursuant to a vote of the people concerned, a special
28 election of the voters residing within the territory of the proposed
29 new district, or of the established district involved in a proposal for
30 adjustment of bonded indebtedness as the case may be, shall be held for
31 the purpose of affording those voters an opportunity to approve or
32 reject such proposals as concern or affect them.

33 (5) In a case involving both the question of the formation of a new
34 school district and the question of adjustment of bonded indebtedness,
35 the questions may be submitted to the voters either in the form of a
36 single proposition or as separate propositions, whichever seems
37 expedient to the educational service district superintendent. When the
38 regional committee has passed appropriate resolutions for the questions
39 to be submitted and the educational service district superintendent has

1 given notice thereof to the county auditor, the special election shall
2 be called and conducted, and the returns canvassed as in regular school
3 district elections.

4 NEW SECTION. **Sec. 704.** NOTICE OF ELECTIONS. Notice of special
5 elections as provided for in section 703 of this act shall be given by
6 the county auditor as provided in RCW 29.27.080. The notice of
7 election shall state the purpose for which the election has been called
8 and contain a description of the boundaries of the proposed new
9 district and a statement of any terms of adjustment of bonded
10 indebtedness on which to be voted.

11 NEW SECTION. **Sec. 705.** VOTE--DETERMINATION--ORDER--CERTIFICATION.

12 (1) If a special election is held to vote on a proposal or alternate
13 proposals to form a new school district, the votes cast by the
14 registered voters in each component district shall be tabulated
15 separately. Any such proposition shall be considered approved only if
16 it receives a majority of the votes cast in each separate district
17 voting thereon.

18 (2) If a special election is held to vote on a proposal for
19 adjustment of bonded indebtedness, the entire vote cast by the
20 registered voters of the proposed new district or of the established
21 district as the case may be shall be tabulated. Any such proposition
22 shall be considered approved if sixty percent or more of all votes cast
23 thereon are in the affirmative.

24 (3) In the event of approval of a proposition or propositions voted
25 on at a special election, the educational service district
26 superintendent shall:

27 (a) Make an order establishing such new school district or such
28 terms of adjustment of bonded indebtedness or both, as were approved by
29 the registered voters and shall also order such other terms of
30 adjustment, if there are any, of property and other assets and of
31 liabilities other than bonded indebtedness as have been approved by the
32 state council; and

33 (b) Certify his or her action to the county and school district
34 officials specified in section 403 of this act. The educational
35 service district superintendent may designate, with the approval of the
36 superintendent of public instruction, a name and number different from
37 that of any component thereof, but must designate the new district by

1 name and number different from any other district in existence in the
2 county.

3 (4) The educational service district superintendent shall fix as
4 the effective date of any order or orders he or she is required to make
5 by this chapter, the date specified in the order of final approval of
6 any change in the organization and extent of school districts or of any
7 terms of adjustment of the assets and liabilities of school districts
8 subject, for taxing purposes, to the redrawing of taxing district
9 boundaries under RCW 84.09.030, by the regional committee.

10 (5) Upon receipt of certification under this section, the
11 superintendent of each school district that is included in the new
12 district shall deliver to the superintendent of the new school district
13 those books, papers, documents, records, and other materials pertaining
14 to the territory transferred.

15 NEW SECTION. **Sec. 706.** REJECTION OF PROPOSAL--PROCEDURE. If a
16 proposal for the formation of a new school district and for adjustment
17 of bonded indebtedness, or either, is rejected by the registered voters
18 at a special election, the matter is terminated.

19 NEW SECTION. **Sec. 707.** CORPORATE EXISTENCE--PAYMENT OF BONDED
20 INDEBTEDNESS--LEVY AUTHORITY. (1) Each school district involved in or
21 affected by any change made in the organization and extent of school
22 districts under this chapter retains its corporate existence insofar as
23 is necessary for the purpose, until the bonded indebtedness outstanding
24 against it on and after the effective date of the change has been paid
25 in full. This section may not be construed to prevent, after the
26 effective date of the change, such adjustments of bonded indebtedness
27 as are provided for in this chapter.

28 (2) The county legislative authority shall provide, by appropriate
29 levies on the taxable property of each school district, for the payment
30 of the bonded indebtedness outstanding against it after any of the
31 changes or adjustments under this chapter have been effected.

32 (3) In case any such changes or adjustments involve a joint school
33 district, the tax levy for the payment of any bonded indebtedness
34 outstanding against the joint district, after the changes or
35 adjustments are effected, shall be made and the proceeds thereof shall
36 be transmitted, credited, and paid out in conformity with the

1 provisions of law applicable to the payment of the bonded indebtedness
2 of joint school districts.

3 **Sec. 708.** RCW 36.70A.035 and 1997 c 429 s 9 are each amended to
4 read as follows:

5 (1) The public participation requirements of this chapter shall
6 include notice procedures that are reasonably calculated to provide
7 notice to property owners and other affected and interested
8 individuals, tribes, government agencies, businesses, school districts,
9 and organizations of proposed amendments to comprehensive plans and
10 development regulation. Examples of reasonable notice provisions
11 include:

12 (a) Posting the property for site-specific proposals;

13 (b) Publishing notice in a newspaper of general circulation in the
14 county, city, or general area where the proposal is located or that
15 will be affected by the proposal;

16 (c) Notifying public or private groups with known interest in a
17 certain proposal or in the type of proposal being considered;

18 (d) Placing notices in appropriate regional, neighborhood, ethnic,
19 or trade journals; and

20 (e) Publishing notice in agency newsletters or sending notice to
21 agency mailing lists, including general lists or lists for specific
22 proposals or subject areas.

23 (2)(a) Except as otherwise provided in (b) of this subsection, if
24 the legislative body for a county or city chooses to consider a change
25 to an amendment to a comprehensive plan or development regulation, and
26 the change is proposed after the opportunity for review and comment has
27 passed under the county's or city's procedures, an opportunity for
28 review and comment on the proposed change shall be provided before the
29 local legislative body votes on the proposed change.

30 (b) An additional opportunity for public review and comment is not
31 required under (a) of this subsection if:

32 (i) An environmental impact statement has been prepared under
33 chapter 43.21C RCW for the pending resolution or ordinance and the
34 proposed change is within the range of alternatives considered in the
35 environmental impact statement;

36 (ii) The proposed change is within the scope of the alternatives
37 available for public comment;

1 (iii) The proposed change only corrects typographical errors,
2 corrects cross-references, makes address or name changes, or clarifies
3 language of a proposed ordinance or resolution without changing its
4 effect;

5 (iv) The proposed change is to a resolution or ordinance making a
6 capital budget decision as provided in RCW 36.70A.120; or

7 (v) The proposed change is to a resolution or ordinance enacting a
8 moratorium or interim control adopted under RCW 36.70A.390.

9 (3) This section is prospective in effect and does not apply to a
10 comprehensive plan, development regulation, or amendment adopted before
11 July 27, 1997.

12 **PART 8**

13 **MISCELLANEOUS PROVISIONS**

14 NEW SECTION. **Sec. 801.** The following acts or parts of acts are
15 each repealed:

16 (1) RCW 28A.305.150 (Classification, numbering system of school
17 districts--Rules and regulations for) and 1971 c 54 s 1 & 1969 ex.s. c
18 223 s 28A.04.130;;

19 (2) RCW 28A.315.010 (Purpose) and 1990 c 33 s 292 & 1969 ex.s. c
20 223 s 28A.57.010;

21 (3) RCW 28A.315.030 (County regional committee members--Assignment
22 of committee member position numbers) and 1993 c 416 s 1, 1990 c 33 s
23 294, & 1985 c 385 s 30;

24 (4) RCW 28A.315.110 (Regional committees--Powers and duties) and
25 1991 c 288 s 2;

26 (5) RCW 28A.315.120 (Regional committees--Recommendations--
27 Standards) and 1990 c 33 s 299, 1985 c 385 s 10, & 1969 ex.s. c 223 s
28 28A.57.055;

29 (6) RCW 28A.315.130 (Changing conflicting or incorrectly described
30 school district boundaries) and 1985 c 385 s 11 & 1971 ex.s. c 282 s
31 26;

32 (7) RCW 28A.315.140 (Powers and duties of state board, generally)
33 and 1990 c 33 s 300, 1987 c 100 s 2, 1985 c 385 s 12, & 1969 ex.s. c
34 223 s 28A.57.060;

35 (8) RCW 28A.315.150 (Action upon board's report) and 1990 c 33 s
36 301, 1985 c 385 s 13, 1975 1st ex.s. c 275 s 84, 1969 ex.s. c 176 s
37 121, & 1969 ex.s. c 223 s 28A.57.070;

1 (9) RCW 28A.315.160 (Adjustment of bonded indebtedness--Special
2 election in certain cases) and 1985 c 385 s 14, 1975 1st ex.s. c 275 s
3 85, 1969 ex.s. c 176 s 122, & 1969 ex.s. c 223 s 28A.57.075;

4 (10) RCW 28A.315.170 (Notice of election--Contents) and 1990 c 33
5 s 302, 1985 c 385 s 15, 1975 1st ex.s. c 275 s 86, 1971 c 48 s 26, &
6 1969 ex.s. c 223 s 28A.57.080;

7 (11) RCW 28A.315.180 (Vote, how determined--ESD superintendent's
8 order--Certification--Effective date) and 1990 c 33 s 303, 1985 c 385
9 s 16, 1975 1st ex.s. c 275 s 87, 1969 ex.s. c 176 s 123, & 1969 ex.s.
10 c 223 s 28A.57.090;

11 (12) RCW 28A.315.190 (Procedure upon rejection of proposal) and
12 1985 c 385 s 17 & 1969 ex.s. c 223 s 28A.57.100;

13 (13) RCW 28A.315.200 (Personnel and supplies to be furnished by
14 state superintendent--Expenses reimbursed) and 1990 c 33 s 304, 1985 c
15 385 s 18, & 1969 ex.s. c 223 s 28A.57.110;

16 (14) RCW 28A.315.230 (Classes of districts--Change of
17 classification) and 1991 c 116 s 25, 1990 c 33 s 306, & 1975-'76 2nd
18 ex.s. c 15 s 3;

19 (15) RCW 28A.315.240 (Classes of districts--Change of
20 classification--Delay of authorized) and 1975 c 43 s 35;

21 (16) RCW 28A.315.250 (City or town districts) and 1997 c 47 s 1,
22 1985 c 385 s 19, 1975 1st ex.s. c 275 s 90, 1969 ex.s. c 176 s 126, &
23 1969 ex.s. c 223 s 28A.57.150;

24 (17) RCW 28A.315.260 (Reorganization of districts by transfer of
25 territory or annexation) and 1969 ex.s. c 223 s 28A.57.160;

26 (18) RCW 28A.315.270 (Petition for reorganization--Conditions) and
27 1985 c 385 s 20, 1982 c 191 s 1, 1975 1st ex.s. c 275 s 91, 1969 ex.s.
28 c 176 s 127, & 1969 ex.s. c 223 s 28A.57.170;

29 (19) RCW 28A.315.280 (Transfer of territory--By petition--By ESD
30 superintendent--When election required) and 1985 c 385 s 21, 1975 1st
31 ex.s. c 275 s 92, 1969 ex.s. c 176 s 128, & 1969 ex.s. c 223 s
32 28A.57.180;

33 (20) RCW 28A.315.290 (Annexation of district bounded on three sides
34 by high school district) and 1985 c 385 s 22, 1975 1st ex.s. c 275 s
35 93, 1969 ex.s. c 176 s 129, & 1969 ex.s. c 223 s 28A.57.190;

36 (21) RCW 28A.315.300 (Single school district for certain United
37 States military reservations--Mandated) and 1990 c 33 s 307 & 1972
38 ex.s. c 63 s 1;

1 (22) RCW 28A.315.310 (Single school district for certain United
2 States military reservations--Procedure--Limitations) and 1990 c 33 s
3 308, 1985 c 385 s 23, & 1972 ex.s. c 63 s 2;

4 (23) RCW 28A.315.320 (Dissolution and annexation of certain
5 districts--Annexation of nondistrict property) and 1985 c 385 s 24 &
6 1975-'76 2nd ex.s. c 15 s 4;

7 (24) RCW 28A.315.330 (Adjustment of indebtedness--Basis) and 1969
8 ex.s. c 223 s 28A.57.210;

9 (25) RCW 28A.315.340 (Corporate existence retained to pay bonded
10 indebtedness--Tax levies--Joint school districts) and 1969 ex.s. c 223
11 s 28A.57.220; and

12 (26) RCW 28A.315.900 (Proceedings as of July 28, 1985--Effect of
13 1985 c 385) and 1990 c 33 s 329 & 1985 c 385 s 38.

14 NEW SECTION. **Sec. 802.** (1) RCW 28A.315.020 and 28A.315.220 are
15 recodified as new sections in chapter 28A.315 RCW, to be codified in
16 Part 2 of this act before section 201.

17 (2) RCW 28A.315.210 is recodified as a new section in chapter
18 28A.315 RCW, to be codified after section 707 of this act.

19 (3) RCW 28A.315.690, 28A.315.700, 28A.315.710, and 28A.315.720, are
20 recodified as new sections in chapter 28A.315 RCW, to be codified after
21 section 206 of this act.

22 (4) RCW 28A.315.040, 28A.315.050, 28A.315.060, 28A.315.070,
23 28A.315.080, 28A.315.090, and 28A.315.100 are recodified as new
24 sections in chapter 28A.315 RCW, to be codified in Part 3 of this act
25 after section 301 of this act.

26 NEW SECTION. **Sec. 803.** The following sections are each recodified
27 as a new chapter in Title 28A RCW:

28 RCW 28A.315.350

29 RCW 28A.315.360

30 RCW 28A.315.370

31 RCW 28A.315.380

32 RCW 28A.315.390

33 RCW 28A.315.400

34 RCW 28A.315.410

35 RCW 28A.315.420

36 RCW 28A.315.430

37 RCW 28A.315.440

1 NEW SECTION. **Sec. 804.** The following sections are each recodified
2 as a new chapter in Title 28A RCW:
3 RCW 28A.315.450
4 RCW 28A.315.650
5 RCW 28A.315.470
6 RCW 28A.315.480
7 RCW 28A.315.490
8 RCW 28A.315.500
9 RCW 28A.315.530
10 RCW 28A.315.510
11 RCW 28A.315.520
12 RCW 28A.315.540

13 NEW SECTION. **Sec. 805.** The following sections are each recodified
14 as a new chapter in Title 28A RCW:
15 RCW 28A.315.570
16 RCW 28A.315.460
17 RCW 28A.315.600
18 RCW 28A.315.610
19 RCW 28A.315.620
20 RCW 28A.315.630
21 RCW 28A.315.670
22 RCW 28A.315.680
23 RCW 28A.315.550

24 NEW SECTION. **Sec. 806.** The following sections are each recodified
25 as a new chapter in Title 28A RCW:
26 RCW 28A.315.560
27 RCW 28A.315.580
28 RCW 28A.315.590
29 RCW 28A.315.593
30 RCW 28A.315.660
31 RCW 28A.315.597
32 RCW 28A.315.640

33 ****NEW SECTION. Sec. 807. MORATORIUM ON PETITIONS. The state board***
34 ***may, at its discretion, declare a moratorium on new petitions until***
35 ***such time as the rules have been adopted to implement chapter . . . ,***
36 ***Laws of 1999 (this act). The state board shall adopt emergency rules***

1 *necessary to begin consideration of changes initiated after the*
2 *effective date of this act.*

3 *Sec. 807 was vetoed. See message at end of chapter.

4 NEW SECTION. **Sec. 808.** PART HEADINGS AND SECTION CAPTIONS NOT
5 LAW. Part headings and section captions used in this act are not any
6 part of the law.

7 NEW SECTION. **Sec. 809.** Sections 1, 101, 201, 203 through 206, 301
8 through 303, 401 through 403, 501, 601, 701 through 707, 807, and 808
9 of this act are each added to chapter 28A.315 RCW.

Passed the House April 19, 1999.

Passed the Senate April 12, 1999.

Approved by the Governor May 14, 1999, with the exception of
certain items that were vetoed.

Filed in Office of Secretary of State May 14, 1999.

1 Note: Governor's explanation of partial veto is as follows:

2 "I am returning herewith, without my approval as to section 807,
3 Engrossed Second Substitute House Bill No. 1477 entitled:

4 "AN ACT Relating to school district organization;"

5 Section 807 of Engrossed Second Substitute House Bill No. 1477
6 would require the State Board of Education to adopt emergency rules to
7 implement the changes made as a result of this bill. This bill deals
8 with complicated laws and processes, and was crafted with the extensive
9 input and collaborative efforts of many individuals and groups
10 throughout the education community. Many parties, including the State
11 Board, would prefer to continue that open and thoughtful process, with
12 adequate opportunity for public input, while developing the rules
13 necessary to implement this bill. Emergency rules would provide
14 inadequate time for valuable public input.

15 For these reasons, I have vetoed section 807 of Engrossed Second
16 Substitute House Bill No. 1477.

17 With the exception of section 807, Engrossed Second Substitute
18 House Bill No. 1477 is approved."