
HOUSE BILL 1779

State of Washington

65th Legislature

2017 Regular Session

By Representatives Muri, Gregerson, Orwall, Riccelli, Kilduff, Hudgins, Fitzgibbon, Appleton, McBride, Sells, Ormsby, Bergquist, Fey, Slatter, Jinkins, and Santos

Read first time 01/30/17. Referred to Committee on Education.

1 AN ACT Relating to approval of school district bonds and bond
2 levies at general elections; amending RCW 28A.535.020, 28A.535.050,
3 84.52.056, 39.36.020, and 28A.530.020; and providing a contingent
4 effective date.

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

6 **Sec. 1.** RCW 28A.535.020 and 1996 c 48 s 2 are each amended to
7 read as follows:

8 Whenever the board of directors of any school district shall deem
9 it advisable to validate and ratify the indebtedness mentioned in RCW
10 28A.535.010, they shall provide therefor by resolution, which shall
11 be entered on the records of such school district, which resolution
12 shall provide for the holding of an election for the purpose of
13 submitting the question of validating and ratifying the indebtedness
14 so incurred to the voters of such school district for approval or
15 disapproval(~~(, and)~~).

16 If a majority of the voters in such school district voting at
17 ((such)) a general election or three-fifths of the voters in such
18 school district voting at ((such)) a special election shall vote in
19 favor of the validation and ratification of such indebtedness, then
20 such indebtedness so validated and ratified and every part thereof
21 existing at the time of the adoption of said resolution shall thereby

1 become and is hereby declared to be validated and ratified and a
2 binding obligation upon such school district.

3 **Sec. 2.** RCW 28A.535.050 and 1984 c 186 s 14 are each amended to
4 read as follows:

5 If the indebtedness of such school district is validated and
6 ratified, as provided in this chapter, by a majority of the voters
7 voting at a general election or three-fifths of the voters voting at
8 ((such)) a special election, the board of directors of such school
9 district, without any further vote, may borrow money and issue and
10 sell negotiable bonds therefor in accordance with chapter 39.46 RCW.

11 **Sec. 3.** RCW 84.52.056 and 2010 c 115 s 3 are each amended to
12 read as follows:

13 (1) Any municipal corporation otherwise authorized by law to
14 issue general obligation bonds for capital purposes may, at an
15 election duly held after giving notice thereof as required by law,
16 authorize the issuance of general obligation bonds for capital
17 purposes only, which does not include the replacement of equipment,
18 and provide for the payment of the principal and interest of such
19 bonds by annual levies in excess of the tax limitations contained in
20 RCW 84.52.050 to 84.52.056, inclusive and RCW 84.52.043. Such an
21 election may not be held more often than twice a calendar year, and
22 the proposition to issue any such bonds and to exceed the tax
23 limitation must receive the affirmative vote of a three-fifths
24 majority of those voting on the proposition and the total number of
25 persons voting at the election must constitute not less than forty
26 percent of the voters in the municipal corporation who voted at the
27 last preceding general state election, except that a proposition by a
28 school district to issue such bonds and to pay the principal and
29 interest on the bonds by annual tax levies shall also be authorized
30 by receiving the affirmative vote of a majority of the voters voting
31 on the proposition at a general election, at which election the total
32 number of persons voting at the election must constitute not less
33 than forty percent of the voters in the municipal corporation who
34 voted at the last preceding general state election.

35 (2) Any taxing district has the right by vote of its governing
36 body to refund any general obligation bonds of said district issued
37 for capital purposes only, and to provide for the interest thereon
38 and amortization thereof by annual levies in excess of the tax

1 limitations provided for in RCW 84.52.050 to 84.52.056, inclusive and
2 RCW 84.52.043.

3 (3) For the purposes of this section, "bond" includes a municipal
4 corporation's obligation to make payments to the state in connection
5 with a financing contract entered into by the state by or on behalf
6 of a municipal corporation under chapter 39.94 RCW.

7 **Sec. 4.** RCW 39.36.020 and 2000 c 156 s 1 are each amended to
8 read as follows:

9 (1) Except as otherwise expressly provided by law or in
10 subsections (2), (3) and (4) of this section, no taxing district
11 shall for any purpose become indebted in any manner to an amount
12 exceeding three-eighths of one percent of the value of the taxable
13 property in such taxing district without the assent of three-fifths
14 of the voters therein voting at an election to be held for that
15 purpose, nor in cases requiring such assent shall the total
16 indebtedness incurred at any time exceed one and one-fourth percent
17 on the value of the taxable property therein.

18 (2)(a)(i) Public hospital districts are limited to an
19 indebtedness amount not exceeding three-fourths of one percent of the
20 value of the taxable property in such public hospital districts
21 without the assent of three-fifths of the voters therein voting at an
22 election held for that purpose.

23 (ii) Counties, cities, and towns are limited to an indebtedness
24 amount not exceeding one and one-half percent of the value of the
25 taxable property in such counties, cities, or towns without the
26 assent of three-fifths of the voters therein voting at an election
27 held for that purpose.

28 (b) In cases requiring such assent counties, cities, towns, and
29 public hospital districts are limited to a total indebtedness of two
30 and one-half percent of the value of the taxable property therein.
31 However, any county that has assumed the rights, powers, functions,
32 and obligations of a metropolitan municipal corporation under chapter
33 36.56 RCW may become indebted to a larger amount for its authorized
34 metropolitan functions, as provided under chapter 35.58 RCW, but not
35 exceeding an additional three-fourths of one percent of the value of
36 the taxable property in the county without the assent of three-fifths
37 of the voters therein voting at an election held for that purpose,
38 and in cases requiring such assent not exceeding an additional two

1 and one-half percent of the value of the taxable property in the
2 county.

3 (3) School districts are limited to an indebtedness amount not
4 exceeding three-eighths of one percent of the value of the taxable
5 property in such district without the assent of a majority of the
6 voters therein voting at a general election held for that purpose or
7 three-fifths of the voters therein voting at ((an)) a special
8 election held for that purpose. In cases requiring such assent school
9 districts are limited to a total indebtedness of two and one-half
10 percent of the value of the taxable property therein.

11 (4) No part of the indebtedness allowed in this chapter shall be
12 incurred for any purpose other than strictly county, city, town,
13 school district, township, port district, metropolitan park district,
14 or other municipal purposes: PROVIDED, That a city or town, with such
15 assent, may become indebted to a larger amount, but not exceeding two
16 and one-half percent additional, determined as herein provided, for
17 supplying such city or town with water, artificial light, and sewers,
18 when the works for supplying such water, light, and sewers shall be
19 owned and controlled by the city or town; and a city or town, with
20 such assent, may become indebted to a larger amount, but not
21 exceeding two and one-half percent additional for acquiring or
22 developing open space, park facilities, and capital facilities
23 associated with economic development: PROVIDED FURTHER, That any
24 school district may become indebted to a larger amount but not
25 exceeding two and one-half percent additional for capital outlays.

26 (5) Such indebtedness may be authorized in any total amount in
27 one or more propositions and the amount of such authorization may
28 exceed the amount of indebtedness which could then lawfully be
29 incurred. Such indebtedness may be incurred in one or more series of
30 bonds from time to time out of such authorization but at no time
31 shall the total general indebtedness of any taxing district exceed
32 the above limitation.

33 The term "value of the taxable property" as used in this section
34 shall have the meaning set forth in RCW 39.36.015.

35 **Sec. 5.** RCW 28A.530.020 and 1996 c 48 s 1 are each amended to
36 read as follows:

37 (1) The question whether the bonds shall be issued, as provided
38 in RCW 28A.530.010, shall be determined at an election to be held
39 pursuant to RCW 39.36.050. If a majority of the votes cast at such

1 election favor the issuance of such bonds, the board of directors
2 must issue such bonds: PROVIDED, That if the amount of bonds to be
3 issued, together with any outstanding indebtedness of the district
4 that only needs a simple majority voter approval, exceeds three-
5 eighths of one percent of the value of the taxable property in said
6 district, as the term "value of the taxable property" is defined in
7 RCW 39.36.015, then a majority of the votes cast at a general
8 election or three-fifths of the votes cast at ((such)) a special
9 election must be in favor of the issuance of such bonds, before the
10 board of directors is authorized to issue said bonds.

11 (2) The resolution adopted by the board of directors calling the
12 election in subsection (1) of this section shall specify the purposes
13 of the debt financing measure, including the specific buildings to be
14 constructed or remodeled and any additional specific purposes as
15 authorized by RCW 28A.530.010. If the debt financing measure
16 anticipates the receipt of state financing assistance under chapter
17 28A.525 RCW, the board resolution also shall describe the specific
18 anticipated purpose of the state assistance. If the school board
19 subsequently determines that state or local circumstances should
20 cause any alteration to the specific expenditures from the debt
21 financing or of the state assistance, the board shall first conduct a
22 public hearing to consider those circumstances and to receive public
23 testimony. If the board then determines that any such alterations are
24 in the best interests of the district, it may adopt a new resolution
25 or amend the original resolution at a public meeting held subsequent
26 to the meeting at which public testimony was received.

27 NEW SECTION. **Sec. 6.** If any provision of this act or its
28 application to any person or circumstance is held invalid, the
29 remainder of the act or the application of the provision to other
30 persons or circumstances is not affected.

31 NEW SECTION. **Sec. 7.** This act takes effect if House Joint
32 Resolution No. . . . (H-0922/17), the proposed amendment to Article
33 VII, section 2 and Article VIII, section 6 of the state Constitution
34 providing for a simple majority of voters voting at an election to
35 authorize school district levies and bonds at general elections is
36 validly submitted to and is approved and ratified by the voters at
37 the next general election and certified by the secretary of state. If

1 the proposed amendment is not approved, ratified, and certified, this
2 act is void in its entirety.

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