
SUBSTITUTE SENATE BILL 5066

State of Washington

66th Legislature

2019 Regular Session

By Senate Ways & Means (originally sponsored by Senators Wellman, Frockt, Hunt, and Saldaña; by request of Superintendent of Public Instruction)

READ FIRST TIME 03/01/19.

1 AN ACT Relating to school district elections; amending RCW
2 28A.535.020, 28A.535.050, 84.52.056, 39.36.020, 28A.530.020, and
3 28A.315.285; and providing a contingent effective date.

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

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

7 Whenever the board of directors of any school district shall deem
8 it advisable to validate and ratify the indebtedness mentioned in RCW
9 28A.535.010, they shall provide therefor by resolution, which shall
10 be entered on the records of such school district, which resolution
11 shall provide for the holding of an election for the purpose of
12 submitting the question of validating and ratifying the indebtedness
13 so incurred to the voters of such school district for approval or
14 disapproval, and if at such election (~~three-fifths~~) a majority of
15 the voters in such school district voting at such election shall vote
16 in favor of the validation and ratification of such indebtedness,
17 then such indebtedness so validated and ratified and every part
18 thereof existing at the time of the adoption of said resolution shall
19 thereby become and is hereby declared to be validated and ratified
20 and a binding obligation upon such school district.

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

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

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

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

30 (2) Any taxing district has the right by vote of its governing
31 body to refund any general obligation bonds of said district issued
32 for capital purposes only, and to provide for the interest thereon
33 and amortization thereof by annual levies in excess of the tax
34 limitations provided for in RCW 84.52.050 to 84.52.056, inclusive and
35 RCW 84.52.043.

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

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

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

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

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

22 (b) In cases requiring such assent counties, cities, towns, and
23 public hospital districts are limited to a total indebtedness of two
24 and one-half percent of the value of the taxable property therein.
25 However, any county that has assumed the rights, powers, functions,
26 and obligations of a metropolitan municipal corporation under chapter
27 36.56 RCW may become indebted to a larger amount for its authorized
28 metropolitan functions, as provided under chapter 35.58 RCW, but not
29 exceeding an additional three-fourths of one percent of the value of
30 the taxable property in the county without the assent of three-fifths
31 of the voters therein voting at an election held for that purpose,
32 and in cases requiring such assent not exceeding an additional two
33 and one-half percent of the value of the taxable property in the
34 county.

35 (3) School districts are limited to an indebtedness amount not
36 exceeding three-eighths of one percent of the value of the taxable
37 property in such district without the assent of (~~three-fifths~~) a
38 majority of the voters therein voting at an election held for that
39 purpose. In cases requiring such assent school districts are limited

1 to a total indebtedness of two and one-half percent of the value of
2 the taxable property therein.

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

18 (5) Such indebtedness may be authorized in any total amount in
19 one or more propositions and the amount of such authorization may
20 exceed the amount of indebtedness which could then lawfully be
21 incurred. Such indebtedness may be incurred in one or more series of
22 bonds from time to time out of such authorization but at no time
23 shall the total general indebtedness of any taxing district exceed
24 the above limitation.

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

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

29 ~~((1) The question whether the bonds shall be issued, as provided~~
30 ~~in RCW 28A.530.010, shall be determined at an election to be held~~
31 ~~pursuant to RCW 39.36.050. If a majority of the votes cast at such~~
32 ~~election favor the issuance of such bonds, the board of directors~~
33 ~~must issue such bonds: PROVIDED, That if the amount of bonds to be~~
34 ~~issued, together with any outstanding indebtedness of the district~~
35 ~~that only needs a simple majority voter approval, exceeds three-~~
36 ~~eighths of one percent of the value of the taxable property in said~~
37 ~~district, as the term "value of the taxable property" is defined in~~
38 ~~RCW 39.36.015, then three-fifths of the votes cast at such election~~

1 ~~must be in favor of the issuance of such bonds, before the board of~~
2 ~~directors is authorized to issue said bonds.~~

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

20 **Sec. 6.** RCW 28A.315.285 and 2012 c 186 s 12 are each amended to
21 read as follows:

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

28 (2) If a special election is held to vote on a proposal for
29 adjustment of bonded indebtedness, the entire vote cast by the
30 registered voters of the proposed new district or of the established
31 district as the case may be shall be tabulated. Any such proposition
32 shall be considered approved if ~~((three-fifths or more))~~ a majority
33 of all votes cast thereon are in the affirmative ~~((and forty percent~~
34 ~~of))~~ without regard to the total number of voters ~~((who voted at the~~
35 ~~last preceding general election cast a ballot))~~ voting on the
36 proposition.

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

1 (a) Make an order establishing such new school district or such
2 terms of adjustment of bonded indebtedness or both, as were approved
3 by the registered voters and shall also order such other terms of
4 adjustment, if there are any, of property and other assets and of
5 liabilities other than bonded indebtedness as have been approved by
6 the state council; and

7 (b) Certify his or her action to the county and school district
8 officials specified in RCW 28A.315.215. The educational service
9 district superintendent may designate, with the approval of the
10 superintendent of public instruction, a name and number different
11 from that of any component thereof, but must designate the new
12 district by name and number different from any other district in
13 existence in the county.

14 (4) The educational service district superintendent shall fix as
15 the effective date of any order or orders he or she is required to
16 make by this chapter, the date specified in the order of final
17 approval of any change in the organization and extent of school
18 districts or of any terms of adjustment of the assets and liabilities
19 of school districts subject, for taxing purposes, to the redrawing of
20 taxing district boundaries under RCW 84.09.030, by the regional
21 committee.

22 (5) Upon receipt of certification under this section, the
23 superintendent of each school district that is included in the new
24 district shall deliver to the superintendent of the new school
25 district those books, papers, documents, records, and other materials
26 pertaining to the territory transferred.

27 NEW SECTION. **Sec. 7.** 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. 8.** This act takes effect if the proposed
32 amendment to Article VII, section 2 and Article VIII, section 6 of
33 the state Constitution (Z-0215/19) providing for a simple majority of
34 voters voting to authorize school district bonds is validly submitted
35 to and is approved and ratified by the voters at the next general
36 election.

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