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HOUSE BILL 1226

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State of Washington

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2021 Regular Session

By Representatives Stonier, Berg, Ramos, Kloba, Santos, Ortiz-Self, Gregerson, Bergquist, Valdez, Callan, Riccelli, Macri, and Frame

Read first time 01/15/21. Referred to Committee on Education.

1 AN ACT Relating to school district elections; amending RCW  
2 28A.535.020, 28A.535.050, 84.52.056, 39.36.020, and 28A.530.020; and  
3 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       NEW SECTION.     **Sec. 6.**     If any provision of this act or its  
21 application to any person or circumstance is held invalid, the  
22 remainder of the act or the application of the provision to other  
23 persons or circumstances is not affected.

24       NEW SECTION.     **Sec. 7.**     This act takes effect if the proposed  
25 amendment to Article VII, section 2 and Article VIII, section 6 of  
26 the state Constitution (H-0120/21) providing for a simple majority of  
27 voters voting to authorize school district bonds is validly submitted  
28 to and is approved and ratified by the voters at the next general  
29 election and certified by the secretary of state.

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