

Chapter 28A.530 RCW
DISTRICT BONDS FOR LAND, BUILDINGS, AND EQUIPMENT

Sections

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RCW 28A.530.010 Directors may borrow money, issue bonds. The board of directors of any school district may borrow money and issue negotiable bonds therefor for the purpose of:

(1) Funding outstanding indebtedness or bonds theretofore issued; or

(2) For the purchase of sites for all buildings, playgrounds, physical education and athletic facilities and structures authorized by law or necessary or proper to carry out the functions of a school district; or

(3) For erecting all buildings authorized by law, including but not limited to those mentioned in subsection (2) of this section immediately above or necessary or proper to carry out the functions of a school district, and providing the necessary furniture, apparatus, or equipment therefor; or

(4) For improving the energy efficiency of school district buildings and/or installing systems and components to utilize renewable and/or inexhaustible energy resources; or

(5) For major and minor structural changes and structural additions to buildings, structures, facilities and sites necessary or proper to carrying out the functions of the school district; or

(6) For payment of (a) an installment purchase contract for school plant facilities or (b) a financing lease the term of which is ten years or longer and that contains an option by the school district to purchase the leased property for nominal consideration, but only to the extent such payment constitutes a capital expenditure; or

(7) For any or all of these and other capital purposes.

Neither the amount of money borrowed nor bonds issued therefor shall exceed the limitation of indebtedness prescribed by chapter 39.36 RCW, as now or hereafter amended.

Except for bonds issued under RCW 28A.530.080, bonds may be issued only when authorized by the vote of the qualified electors of the district as provided by law.

The bonds shall be issued and sold in accordance with chapter 39.46 RCW. [1999 c 386 § 3; 1991 c 114 § 3; 1984 c 186 § 10; 1983 c 167 § 21; 1980 c 170 § 1; 1970 ex.s. c 42 § 7; 1969 c 142 § 2; 1969 ex.s. c 223 § 28A.51.010. Prior: 1953 c 163 § 1; 1927 c 99 § 1; 1921 c 147 § 1; 1919 c 90 § 12; 1909 c 97 p 324 § 1; RRS § 4941; prior: 1907 c 240 § 7 1/2; 1907 c 101 § 1; 1903 c 153 § 1; 1897 c 118 § 117; 1890 p 45 § 1. Formerly RCW 28A.51.010, 28.51.010, 28.51.050, part.]

Purpose—1984 c 186: See note following RCW 39.46.110.

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Severability—Effective date—1970 ex.s. c 42: See notes following RCW 39.36.015.

Validation—1969 c 142: See RCW 39.36.900.

School district funds: RCW 28A.320.330.

RCW 28A.530.020 Bond issuance—Election—Resolution to specify purposes. (1) The question whether the bonds shall be issued, as provided in RCW 28A.530.010, shall be determined at an election to be held pursuant to RCW 39.36.050. If a majority of the votes cast at such election favor the issuance of such bonds, the board of directors must issue such bonds: PROVIDED, That if the amount of bonds to be issued, together with any outstanding indebtedness of the district that only needs a simple majority voter approval, exceeds three-eighths of one percent of the value of the taxable property in said district, as the term "value of the taxable property" is defined in RCW 39.36.015, then three-fifths of the votes cast at such election must be in favor of the issuance of such bonds, before the board of directors is authorized to issue said bonds.

(2) The resolution adopted by the board of directors calling the election in subsection (1) of this section shall specify the purposes of the debt financing measure, including the specific buildings to be constructed or remodeled and any additional specific purposes as authorized by RCW 28A.530.010. If the debt financing measure anticipates the receipt of state financing assistance under chapter 28A.525 RCW, the board resolution also shall describe the specific anticipated purpose of the state assistance. If the school board subsequently determines that state or local circumstances should cause any alteration to the specific expenditures from the debt financing or of the state assistance, the board shall first conduct a public hearing to consider those circumstances and to receive public testimony. If the board then determines that any such alterations are in the best interests of the district, it may adopt a new resolution or amend the original resolution at a public meeting held subsequent to the meeting at which public testimony was received. [1996 c 48 § 1; 1990 c 33 § 478; 1984 c 186 § 11; 1970 ex.s. c 42 § 9; 1969 ex.s. c 223 § 28A.51.020. Prior: 1909 c 97 p 324 § 2; RRS § 4942; prior: 1897 c 118 § 118; 1890 p 46 § 2. Formerly RCW 28A.51.020, 28.51.020, 28.51.050, part.]

Purpose—1984 c 186: See note following RCW 39.46.110.

Severability—Effective date—1970 ex.s. c 42: See notes following RCW 39.36.015.

RCW 28A.530.030 Disposition of bond proceeds—Capital projects fund. When the bonds have been sold, the county treasurer shall place the money derived from such sale to the credit of the capital projects fund of the district, and such fund is hereby created. [1984 c 186 § 12; 1983 c 167 § 24; 1979 ex.s. c 257 § 1; 1969 ex.s. c 223 §

28A.51.070. Prior: 1911 c 88 § 1; 1909 c 97 p 326 § 4; RRS § 4944; prior: 1907 c 240 § 9; 1905 c 142 § 7; 1897 c 118 § 120; 1890 p 47 § 4. Formerly RCW 28A.51.070, 28.51.070, 28.51.080, 28.51.090, 28.51.100, and 28.51.110.]

Purpose—1984 c 186: See note following RCW 39.46.110.

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Severability—1979 ex.s. c 257: "If any provision of this amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1979 ex.s. c 257 § 3.]

RCW 28A.530.040 Refunding former issues without vote of the people. Whenever any bonds lawfully issued by any school district under the provisions of this chapter shall reach maturity and shall remain unpaid, or may be paid under any option provided in the bonds, the board of directors thereof shall have the power without any vote of the school district to fund the same by issuing bonds conformable to the requirements of this chapter and use the proceeds exclusively for the purpose of retiring and canceling such outstanding bonds as aforesaid, or the said directors in their discretion may exchange such refunding bonds par for par for such outstanding bonds. [1984 c 186 § 13; 1983 c 167 § 25; 1969 ex.s. c 223 § 28A.51.180. Prior: 1969 ex.s. c 232 § 66; 1945 c 32 § 1; 1909 c 97 p 329 § 12; Rem. Supp. 1945 § 4952; prior: 1897 c 118 § 124, part; 1890 p 48 § 8, part. Formerly RCW 28A.51.180, 28.51.180.]

Purpose—1984 c 186: See note following RCW 39.46.110.

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

RCW 28A.530.050 Holder to notify treasurer—Redemption. Every holder of any of the bonds so issued as a bearer bond as provided in this chapter, within ten days after the owner becomes the owner or holder thereof, shall notify the county treasurer of the county in which such bonds are issued of his or her ownership, together with his or her full name and post office address, and the county treasurer of said county shall deposit in the post office, properly stamped and addressed to each owner of any such bonds subject to redemption or payment, a notice in like form, stating the time and place of the redemption of such bonds and the number of the bonds to be redeemed, and in case any owners of bonds shall fail to notify the treasurer of their ownership as aforesaid, then a notice mailed to the last holder of such bonds shall be deemed sufficient, and any and all such notices so mailed as aforesaid shall be deemed to be personal notice to the holders of such bonds, and at the expiration of the time therein named

shall have the force to suspend the interest upon any such bonds. [1990 c 33 § 479; 1983 c 167 § 26; 1969 ex.s. c 223 § 28A.51.190. Prior: 1909 c 97 p 330 § 13; RRS § 4953; prior: 1897 c 118 § 125; 1890 p 49 § 9. Formerly RCW 28A.51.190, 28.51.190.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

RCW 28A.530.060 Expense of county treasurer. At any time after the issuance of such bonds as in this chapter provided, and in the discharge of the duties imposed upon said county treasurer, should any incidental expense, costs or charges arise, the said county treasurer shall present his or her claim for the same to the board of directors of the school district issuing such bonds, and the same shall be audited and paid in the same manner as other services are paid under the provisions of law. [1990 c 33 § 480; 1969 ex.s. c 223 § 28A.51.200. Prior: 1909 c 97 p 330 § 14; RRS § 4954; prior: 1897 c 118 § 126; 1890 p 50 § 10. Formerly RCW 28A.51.200, 28.51.200.]

RCW 28A.530.070 Exchange of warrants for bonds. If bonds issued under this chapter are not sold as in this chapter provided, the owners of unpaid warrants drawn on the county treasurer by such district for an indebtedness existing at the date of the election may exchange said warrants at the face value thereof and accrued interest thereon for bonds issued under this chapter, at not less than par value and accrued interest of such bonds at the time of the exchange; such exchange to be made under such regulations as may be provided by the board of directors of such district. [1983 c 167 § 27; 1969 ex.s. c 223 § 28A.51.220. Prior: 1909 c 97 p 327 § 5; RRS § 4945. Formerly RCW 28A.51.220, 28.51.220.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

RCW 28A.530.080 Additional authority to contract indebtedness—Notice. (1) In addition to the authority granted under RCW 28A.530.010, a school district may contract indebtedness for any purpose specified in RCW 28A.530.010 (2), (4), and (5) or for the purpose of purchasing any real or personal property, or property rights, in connection with the exercise of any powers or duties which it is now or hereafter authorized to exercise, and issue bonds, notes, or other evidences of indebtedness therefor without a vote of the qualified electors of the district, subject to the limitations on indebtedness set forth in RCW 39.36.020(3).

(2) Before issuing nonvoted bonds in excess of two hundred fifty thousand dollars, a school district shall publish notice of intent to issue such bonds and shall hold a public hearing on the proposal at any regular or special meeting of the school board. The notice shall designate: The date, time, and place of the hearing; the purpose and amount of the bonds; the type, terms, and conditions of bonds; and the means identified for repayment. The notice shall also state that any person may appear and be heard on the issue of issuing such bonds. The notice shall be published at least once each week for two consecutive

weeks in a newspaper of general circulation in the district, or if there is none, in a newspaper of general circulation in the county or counties in which such district is a part. The last notice shall be published no later than seven days immediately before the hearing. At the conclusion of public comment, the board of directors may proceed to determine, by resolution, whether to issue such bonds.

(3) The public notice and hearing requirements in subsection (2) of this section shall not apply to any refinancing or refunding of outstanding nonvoted or voted bonds.

(4) Such bonds, notes, or other evidences of indebtedness shall be issued and sold in accordance with chapter 39.46 RCW, and the proceeds thereof shall be deposited in the capital projects fund, the transportation vehicle fund, or the general fund, as applicable. [2010 c 241 § 1; 1999 c 314 § 2; 1991 c 114 § 1.]

Application—2010 c 241: "This act applies prospectively only." [2010 c 241 § 2.]

Findings—Intent—1999 c 314: "The legislature finds that current law authorizes school districts to use nonvoter-approved debt to acquire real or personal property but not to construct or repair school district property. It is the intent of the legislature to authorize school districts to use nonvoter-approved debt, within existing debt limits, to finance the acquisition, remodel, and repair of school facilities." [1999 c 314 § 1.]

RCW 28A.530.090 Condensed compliance reports—Second-class districts. Any compliance reporting requirements as a result of laws in this chapter that apply to second-class districts may be submitted in accordance with RCW 28A.330.250. [2011 c 45 § 41.]

Conflict with federal requirements—2011 c 45: See note following RCW 28A.330.250.