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**SUBSTITUTE SENATE BILL 6386**

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**State of Washington 57th Legislature**

**2002 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Eide, Shin, Kastama, Franklin, Gardner, Keiser, Regala, McAuliffe, Spanel, Carlson, Winsley, Prentice, Kohl-Welles, Costa, Fraser, Fairley, Thibaudeau, Brown, Poulsen and B. Sheldon; by request of Governor Locke and Superintendent of Public Instruction)

READ FIRST TIME 02/12/2002.

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 read  
6 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 be  
10 entered on the records of such school district, which resolution shall  
11 provide for the holding of an election for the purpose of submitting  
12 the question of validating and ratifying the indebtedness so incurred  
13 to the voters of such school district for approval or disapproval, and  
14 if at such election (~~((three-fifths))~~) a majority of the voters in such  
15 school district voting at such election shall vote in favor of the  
16 validation and ratification of such indebtedness, then such  
17 indebtedness so validated and ratified and every part thereof existing  
18 at the time of the adoption of said resolution shall thereby become and

1 is hereby declared to be validated and ratified and a binding  
2 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 ~~((three-fifths))~~ a majority  
7 of the voters voting at such election, the board of directors of such  
8 school district, without any further vote, may borrow money and issue  
9 and sell negotiable bonds therefor in accordance with chapter 39.46  
10 RCW.

11 **Sec. 3.** RCW 84.52.056 and 1973 1st ex.s. c 195 s 104 are each  
12 amended to read as follows:

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

31 Any taxing district shall have the right by vote of its governing  
32 body to refund any general obligation bonds of said district issued for  
33 capital purposes only, and to provide for the interest thereon and  
34 amortization thereof by annual levies in excess of the tax limitations  
35 provided for in RCW 84.52.050 to 84.52.056, inclusive and RCW  
36 84.52.043.

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

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

12       (2)(a)(i) Public hospital districts are limited to an indebtedness  
13 amount not exceeding three-fourths of one percent of the value of the  
14 taxable property in such public hospital districts without the assent  
15 of three-fifths of the voters therein voting at an election held for  
16 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 assent  
20 of three-fifths of the voters therein voting at an election held for  
21 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, and  
26 obligations of a metropolitan municipal corporation under chapter 36.56  
27 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, and  
32 in cases requiring such assent not exceeding an additional two and one-  
33 half percent of the value of the taxable property in the county.

34       (3) School districts are limited to an indebtedness amount not  
35 exceeding three-eighths of one percent of the value of the taxable  
36 property in such district without the assent of (~~three-fifths~~) a  
37 majority of the voters therein voting at an election held for that  
38 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 the  
2 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, school  
5 district, township, port district, metropolitan park district, or other  
6 municipal purposes: PROVIDED, That a city or town, with such assent,  
7 may become indebted to a larger amount, but not exceeding two and one-  
8 half percent additional, determined as herein provided, for supplying  
9 such city or town with water, artificial light, and sewers, when the  
10 works for supplying such water, light, and sewers shall be owned and  
11 controlled by the city or town; and a city or town, with such assent,  
12 may become indebted to a larger amount, but not exceeding two and one-  
13 half percent additional for acquiring or developing open space, park  
14 facilities, and capital facilities associated with economic  
15 development: PROVIDED FURTHER, That any school district may become  
16 indebted to a larger amount but not exceeding two and one-half percent  
17 additional for capital outlays.

18 (5) Such indebtedness may be authorized in any total amount in one  
19 or more propositions and the amount of such authorization may exceed  
20 the amount of indebtedness which could then lawfully be incurred. Such  
21 indebtedness may be incurred in one or more series of bonds from time  
22 to time out of such authorization but at no time shall the total  
23 general indebtedness of any taxing district exceed the above  
24 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 read  
28 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 must~~  
33 ~~issue such bonds: PROVIDED, That if the amount of bonds to be issued,~~  
34 ~~together with any outstanding indebtedness of the district that only~~  
35 ~~needs a simple majority voter approval, exceeds three eighths of one~~  
36 ~~percent of the value of the taxable property in said district, as the~~  
37 ~~term "value of the taxable property" is defined in RCW 39.36.015, then~~  
38 ~~three fifths of the votes cast at such election must be in favor of the~~

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

19 NEW SECTION. **Sec. 6.** If any provision of this act or its  
20 application to any person or circumstance is held invalid, the  
21 remainder of the act or the application of the provision to other  
22 persons or circumstances is not affected.

23 NEW SECTION. **Sec. 7.** This act takes effect if the proposed  
24 amendment to Article VII, section 2 and Article VIII, section 6 of the  
25 state Constitution providing for a simple majority of voters voting to  
26 authorize school district levies and bonds is validly submitted to and  
27 is approved and ratified by the voters at the next general election and  
28 certified by the secretary of state. If the proposed amendment is not  
29 approved, ratified, and certified, this act is void in its entirety.

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