

CERTIFICATION OF ENROLLMENT
SECOND SUBSTITUTE HOUSE BILL 1280

60th Legislature
2007 Regular Session

Passed by the House March 12, 2007
Yeas 64 Nays 33

Speaker of the House of Representatives

Passed by the Senate April 5, 2007
Yeas 32 Nays 15

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE HOUSE BILL 1280** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SECOND SUBSTITUTE HOUSE BILL 1280

Passed Legislature - 2007 Regular Session

State of Washington

60th Legislature

2007 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Ericks, Jarrett, Quall, O'Brien, Strow, Morrell, Roach, Hunt, McDonald, Chase, Simpson, Haler, Moeller, McCune, Schual-Berke, Miloscia and Springer)

READ FIRST TIME 3/5/07.

1 AN ACT Relating to the use of the school district capital projects
2 funds for technology; amending RCW 28A.320.330 and 84.52.053; and
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature recognizes that technology
6 has become an integral part of the facilities and educational delivery
7 systems in our schools. In order to prepare our state's students to
8 participate fully in our state's economy, school districts are making
9 substantial capital investments in their technology systems,
10 facilities, and projects. Districts are implementing, applying, and
11 modernizing their technology systems. Software companies are shifting
12 from selling software as a one-time package to a license or an extended
13 contractual relationship requiring a subscription and ongoing payments.
14 School districts must be empowered to respond to the changing business
15 models in the software industry and be given flexibility and authority
16 to use capital projects funds to pay for licenses or online application
17 fees. It is the intent of the legislature that these investments be
18 deemed major capital purpose and are also permitted uses of the
19 district's two to six-year levies authorized by RCW 84.52.053.

1 **Sec. 2.** RCW 28A.320.330 and 2002 c 275 s 2 are each amended to
2 read as follows:

3 School districts shall establish the following funds in addition to
4 those provided elsewhere by law:

5 (1) A general fund for maintenance and operation of the school
6 district to account for all financial operations of the school district
7 except those required to be accounted for in another fund.

8 (2) A capital projects fund shall be established for major capital
9 purposes. All statutory references to a "building fund" shall mean the
10 capital projects fund so established. Money to be deposited into the
11 capital projects fund shall include, but not be limited to, bond
12 proceeds, proceeds from excess levies authorized by RCW 84.52.053,
13 state apportionment proceeds as authorized by RCW 28A.150.270, and
14 earnings from capital projects fund investments as authorized by RCW
15 28A.320.310 and 28A.320.320.

16 Money derived from the sale of bonds, including interest earnings
17 thereof, may only be used for those purposes described in RCW
18 28A.530.010, except that accrued interest paid for bonds shall be
19 deposited in the debt service fund.

20 Money to be deposited into the capital projects fund shall include
21 but not be limited to rental and lease proceeds as authorized by RCW
22 28A.335.060, and proceeds from the sale of real property as authorized
23 by RCW 28A.335.130.

24 Money legally deposited into the capital projects fund from other
25 sources may be used for the purposes described in RCW 28A.530.010, and
26 for the purposes of:

27 (a) Major renovation, including the replacement of facilities and
28 systems where periodical repairs are no longer economical. Major
29 renovation and replacement shall include, but shall not be limited to,
30 roofing, heating and ventilating systems, floor covering, and
31 electrical systems.

32 (b) Renovation and rehabilitation of playfields, athletic fields,
33 and other district real property.

34 (c) The conduct of preliminary energy audits and energy audits of
35 school district buildings. For the purpose of this section:

36 (i) "Preliminary energy audits" means a determination of the energy
37 consumption characteristics of a building, including the size, type,

1 rate of energy consumption, and major energy using systems of the
2 building.

3 (ii) "Energy audit" means a survey of a building or complex which
4 identifies the type, size, energy use level, and major energy using
5 systems; which determines appropriate energy conservation maintenance
6 or operating procedures and assesses any need for the acquisition and
7 installation of energy conservation measures, including solar energy
8 and renewable resource measures.

9 (iii) "Energy capital improvement" means the installation, or
10 modification of the installation, of energy conservation measures in a
11 building which measures are primarily intended to reduce energy
12 consumption or allow the use of an alternative energy source.

13 (d) Those energy capital improvements which are identified as being
14 cost-effective in the audits authorized by this section.

15 (e) Purchase or installation of additional major items of equipment
16 and furniture: PROVIDED, That vehicles shall not be purchased with
17 capital projects fund money.

18 (f)(i) Costs associated with implementing technology systems,
19 facilities, and projects, including acquiring hardware, licensing
20 software, and online applications and training related to the
21 installation of the foregoing. However, the software or applications
22 must be an integral part of the district's technology systems,
23 facilities, or projects.

24 (ii) Costs associated with the application and modernization of
25 technology systems for operations and instruction including, but not
26 limited to, the ongoing fees for online applications, subscriptions, or
27 software licenses, including upgrades and incidental services, and
28 ongoing training related to the installation and integration of these
29 products and services. However, to the extent the funds are used for
30 the purpose under this subsection (2)(f)(ii), the school district shall
31 transfer to the district's general fund the portion of the capital
32 projects fund used for this purpose. The office of the superintendent
33 of public instruction shall develop accounting guidelines for these
34 transfers in accordance with internal revenue service regulations.

35 (3) A debt service fund to provide for tax proceeds, other
36 revenues, and disbursements as authorized in chapter 39.44 RCW.

37 (4) An associated student body fund as authorized by RCW
38 28A.325.030.

1 (5) Advance refunding bond funds and refunded bond funds to provide
2 for the proceeds and disbursements as authorized in chapter 39.53 RCW.

3 **Sec. 3.** RCW 84.52.053 and 1997 c 260 s 1 are each amended to read
4 as follows:

5 (1) The limitations imposed by RCW 84.52.050 through 84.52.056, and
6 84.52.043 shall not prevent the levy of taxes by school districts, when
7 authorized so to do by the voters of such school district in the manner
8 and for the purposes and number of years allowable under Article VII,
9 section 2(a) of the Constitution of this state. Elections for such
10 taxes shall be held in the year in which the levy is made or, in the
11 case of propositions authorizing two-year through four-year levies for
12 maintenance and operation support of a school district, authorizing
13 two-year levies for transportation vehicle funds established in RCW
14 28A.160.130, or authorizing two-year through six-year levies to support
15 the construction, modernization, or remodeling of school facilities,
16 which includes the purposes of RCW 28A.320.330(2)(f), in the year in
17 which the first annual levy is made(~~(:—PROVIDED, That)~~).

18 (2) Once additional tax levies have been authorized for maintenance
19 and operation support of a school district for a two-year through four-
20 year period as provided under subsection (1) of this section, no
21 further additional tax levies for maintenance and operation support of
22 the district for that period may be authorized. For the purpose of
23 applying the limitation of this subsection, a two-year through six-year
24 levy to support the construction, modernization, or remodeling of
25 school facilities shall not be deemed to be a tax levy for maintenance
26 and operation support of a school district.

27 (3) A special election may be called and the time therefor fixed by
28 the board of school directors, by giving notice thereof by publication
29 in the manner provided by law for giving notices of general elections,
30 at which special election the proposition authorizing such excess levy
31 shall be submitted in such form as to enable the voters favoring the
32 proposition to vote "yes" and those opposed thereto to vote "no".

--- END ---