

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1619

61st Legislature
2009 Regular Session

Passed by the House April 25, 2009
Yeas 94 Nays 0

Speaker of the House of Representatives

Passed by the Senate April 25, 2009
Yeas 49 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1619** 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**

ENGROSSED SUBSTITUTE HOUSE BILL 1619

AS AMENDED BY THE SENATE

Passed Legislature - 2009 Regular Session

State of Washington 61st Legislature 2009 Regular Session

By House Capital Budget (originally sponsored by Representatives White, Kenney, Sullivan, Carlyle, Nelson, Hasegawa, Liias, Green, Miloscia, Orwall, Maxwell, and Simpson)

READ FIRST TIME 02/13/09.

1 AN ACT Relating to use of capital projects funds by school
2 districts; amending RCW 84.52.053; and reenacting and amending RCW
3 28A.320.330.

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

5 **Sec. 1.** RCW 28A.320.330 and 2007 c 503 s 2 and 2007 c 129 s 2 are
6 each reenacted and amended to read as follows:

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

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

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

1 and 28A.320.320, and state forest revenues transferred pursuant to
2 subsection (3) of this section.

3 Money derived from the sale of bonds, including interest earnings
4 thereof, may only be used for those purposes described in RCW
5 28A.530.010, except that accrued interest paid for bonds shall be
6 deposited in the debt service fund.

7 Money to be deposited into the capital projects fund shall include
8 but not be limited to rental and lease proceeds as authorized by RCW
9 28A.335.060, and proceeds from the sale of real property as authorized
10 by RCW 28A.335.130.

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

14 (a) Major renovation(~~(, including the)~~) and replacement of
15 facilities and systems where periodical repairs are no longer
16 economical or extend the useful life of the facility or system beyond
17 its original planned useful life. (~~Major~~) Such renovation and
18 replacement shall include, but shall not be limited to, major repairs,
19 exterior painting of facilities, replacement and refurbishment of
20 roofing, exterior walls, windows, heating and ventilating systems,
21 floor covering in classrooms and public or common areas, and electrical
22 and plumbing systems.

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

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

27 (i) "Preliminary energy audits" means a determination of the energy
28 consumption characteristics of a building, including the size, type,
29 rate of energy consumption, and major energy using systems of the
30 building.

31 (ii) "Energy audit" means a survey of a building or complex which
32 identifies the type, size, energy use level, and major energy using
33 systems; which determines appropriate energy conservation maintenance
34 or operating procedures and assesses any need for the acquisition and
35 installation of energy conservation measures, including solar energy
36 and renewable resource measures.

37 (iii) "Energy capital improvement" means the installation, or

1 modification of the installation, of energy conservation measures in a
2 building which measures are primarily intended to reduce energy
3 consumption or allow the use of an alternative energy source.

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

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

9 (f)(i) Costs associated with implementing technology systems,
10 facilities, and projects, including acquiring hardware, licensing
11 software, and online applications and training related to the
12 installation of the foregoing. However, the software or applications
13 must be an integral part of the district's technology systems,
14 facilities, or projects.

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

26 (g) Major equipment repair, painting of facilities, and other major
27 preventative maintenance purposes. However, to the extent the funds
28 are used for the purpose under this subsection (2)(g), the school
29 district shall transfer to the district's general fund the portion of
30 the capital projects fund used for this purpose. The office of the
31 superintendent of public instruction shall develop accounting
32 guidelines for these transfers in accordance with internal revenue
33 service regulations. Based on the district's most recent two-year
34 history of general fund maintenance expenditures, funds used for this
35 purpose may not replace routine annual preventive maintenance
36 expenditures made from the district's general fund.

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

1 forest land revenues that are deposited in a school district's debt
2 service fund pursuant to RCW 79.64.110 and to the extent not necessary
3 for payment of debt service on school district bonds may be transferred
4 by the school district into the district's capital projects fund.

5 (4) An associated student body fund as authorized by RCW
6 28A.325.030.

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

9 **Sec. 2.** RCW 84.52.053 and 2007 c 129 s 3 are each amended to read
10 as follows:

11 (1) The limitations imposed by RCW 84.52.050 through 84.52.056, and
12 84.52.043 shall not prevent the levy of taxes by school districts, when
13 authorized so to do by the voters of such school district in the manner
14 and for the purposes and number of years allowable under Article VII,
15 section 2(a) of the Constitution of this state. Elections for such
16 taxes shall be held in the year in which the levy is made or, in the
17 case of propositions authorizing two-year through four-year levies for
18 maintenance and operation support of a school district, authorizing
19 two-year levies for transportation vehicle funds established in RCW
20 28A.160.130, or authorizing two-year through six-year levies to support
21 the construction, modernization, or remodeling of school facilities,
22 which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the
23 year in which the first annual levy is made.

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

33 (3) A special election may be called and the time therefor fixed by
34 the board of school directors, by giving notice thereof by publication
35 in the manner provided by law for giving notices of general elections,
36 at which special election the proposition authorizing such excess levy

1 shall be submitted in such form as to enable the voters favoring the
2 proposition to vote "yes" and those opposed thereto to vote "no".

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