

SENATE BILL REPORT

SJR 8208

As of February 22, 2013

Brief Description: Amending the Constitution to allow a simple majority of voters voting to authorize school district bonds.

Sponsors: Senators Mullet, Kline, Eide, McAuliffe, Kohl-Welles, Frockt, Keiser and Shin.

Brief History:

Committee Activity: Governmental Operations: 2/21/13.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Staff: Sam Thompson (786-7413)

Background: The Washington Constitution grants local government entities, including school districts, authority to levy property taxes exceeding an aggregate 1 percent limit on property value and other limits set by law if voters approve a proposition to exceed the limits to pay for general obligation bonds issued for capital purposes. At least 60 percent of voters voting on the proposition must approve, and the number of voters voting on the proposition must be at least 40 percent of the total voters at the preceding general election.

The Washington Constitution also prohibits local government entities, including school districts, from incurring debt exceeding 1.5 percent of the value of taxable property in the jurisdiction, unless 60 percent of voters grant their assent in an election. Total debt may not exceed 5 percent.

A constitutional amendment requires approval by a two-thirds vote of each chamber of the Legislature and a majority of the voters at the next general election.

Summary of Bill: The Washington Constitution is amended to enable a majority of voters voting on the proposition to authorize a school district to:

- issue and pay for bonds by annual levies during the term of the bonds that exceed otherwise applicable limits on levies; and
- incur debt exceeding 1.5 percent of the value of taxable property in the district. An existing 5 percent limit on total debt remains applicable.

Appropriation: None.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Contingent upon approval by the voters at the November 2013 general election.

Staff Summary of Public Testimony: PRO: This amendment and its implementing bill, SB 5589, provide necessary local flexibility for school funding, particularly in districts with surging populations, such as the Tahoma and Snoqualmie school districts. School districts should be able to take advantage of current historically low interest rates to fund new construction, renovations, and repairs. Many states allow for approval of excess levies by simple majorities; only California and Washington require supermajorities. In recent February elections, eight bond levy propositions appear to have passed but nine appear to have failed, some just below necessary 60 percent approval. Many bond levy propositions have failed in recent years, despite winning majority support. School boards do not propose these levies on a whim.

Persons Testifying: PRO: Senator Mullet, prime sponsor; Marie Sullivan, WA State School Directors' Assn.; Stan Bowman, American Institute of Architects, WA Council; Frank Ordway, League of Education Voters; Terry Tilton, NW Carpenters.