
SENATE BILL 5181

State of Washington

67th Legislature

2021 Regular Session

By Senators Honeyford and King

Read first time 01/13/21. Referred to Committee on Early Learning & K-12 Education.

1 AN ACT Relating to providing school districts serving low-income
2 communities with flexibility in financing their facilities; adding a
3 new section to chapter 28A.320 RCW; adding a new section to chapter
4 28A.335 RCW; adding a new section to chapter 39.36 RCW; and creating
5 new sections.

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

7 NEW SECTION. **Sec. 1.** The purpose of this act is to assist in
8 the financing of school district facilities by clarifying how school
9 districts may fully participate in the federal new markets tax
10 credit, federal rehabilitation tax credit program, and similar
11 federal tax credit programs.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.320
13 RCW to read as follows:

14 School districts may create partnerships and limited liability
15 companies, and enter into leases, loans, and other agreements with
16 public or private entities, including partnership agreements and
17 limited liability company agreements, to finance school facilities
18 within their boundaries utilizing: (1) The federal new markets tax
19 credit program under 26 U.S.C. Sec. 45D or its successor statute; (2)
20 the federal rehabilitation tax credit program under 26 U.S.C. Sec. 47

1 or its successor statute; and (3) any other similar federal tax
2 credit program.

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.335
4 RCW to read as follows:

5 Nothing in RCW 28A.335.040 through 28A.335.070 precludes school
6 district boards of directors from leasing or otherwise transferring
7 or encumbering real property in order to participate in: (1) The
8 federal new markets tax credit program under 26 U.S.C. Sec. 45D or
9 its successor statute; (2) the federal rehabilitation tax credit
10 program under 26 U.S.C. Sec. 47 or its successor statute; or (3) any
11 other similar federal tax credit program.

12 NEW SECTION. **Sec. 4.** A new section is added to chapter 39.36
13 RCW to read as follows:

14 (1) This chapter does not apply to any lease, sublease, lease-
15 purchase, or similar agreement affecting any real or personal
16 property owned by a district and directly related to a school
17 district's participation in: (1) The federal new markets tax credit
18 program under 26 U.S.C. Sec. 45D or its successor statute; (2) the
19 federal rehabilitation tax credit program under 26 U.S.C. Sec. 47 or
20 its successor statute; or (3) similar federal tax credit programs.

21 (2) Any computation of indebtedness under this chapter shall
22 exclude the amount of any such lease, lease-purchase, or similar
23 agreement described under subsection (1) of this section.

24 NEW SECTION. **Sec. 5.** The authority granted by this act is
25 additional and supplemental to any other authority of any school
26 district. This act may not be construed to imply that any of the
27 power or authority granted in this act was not available to any
28 school district under prior law. Any previous actions consistent with
29 this act are ratified and confirmed.

30 NEW SECTION. **Sec. 6.** If any provision of this act or its
31 application to any person or circumstance is held invalid, the
32 remainder of the act or the application of the provision to other
33 persons or circumstances is not affected.

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