

# HOUSE BILL REPORT

## SHB 2462

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### As Passed Legislature

**Title:** An act relating to teacher cottages in nonhigh school districts totally surrounded by water, serving fewer than forty students.

**Brief Description:** Providing for disposition of funds from teachers' cottages.

**Sponsors:** By House Committee on Education (originally sponsored by Representatives Quall, Haigh and Talcott).

### Brief History:

#### Committee Activity:

Education: 1/22/04, 1/28/04 [DPS].

#### Floor Activity:

Passed House: 2/12/04, 96-0.

Passed Senate: 3/2/04, 48-0.

Passed Legislature.

### Brief Summary of Substitute Bill

- A second-class nonhigh school district that is totally surrounded by water and serves fewer than 40 students may build teacher cottages without a district vote and may deposit money from the rent or sale of the cottages into any of three district accounts.

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## HOUSE COMMITTEE ON EDUCATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Quall, Chair; McDermott, Vice Chair; Talcott, Ranking Minority Member; Tom, Assistant Ranking Minority Member; Anderson, Cox, Haigh, Hunter, McMahan and Rockefeller.

**Staff:** Susan Morrissey (786-7111).

### Background:

State law permits school boards to purchase real property for any school district purpose and also permits the sale or rental of school district real property. The income from the

sale or rental of district property must first be deposited in the district's general fund to recover any costs associated with the rental or sale of that property. Any additional income must then be deposited in the district's debt service fund and/or its capital projects fund.

State law also permits second class school districts, with an enrollment of 300 students or less, to provide housing for the school district superintendent. The school district must charge rent in an amount at least equal to the amount of real property tax if the housing were not exempt from the tax (because owned by the school district). Additionally, state law requires second-class school districts to build school houses and teachers' cottages when directed to do so by a vote of the district.

Second-class school districts are defined in statute as those school districts with fewer than 2,000 students. There are approximately 144 second-class high school districts and 48 second-class districts that do not operate high schools. During the 2002-03 school year, 12 school districts had 40 or fewer students, and six districts had between 40 and 50 students.

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**Summary of Substitute Bill:**

The board of directors of a second-class, nonhigh school district that serves fewer than 40 students and is totally surrounded by water may construct teachers' cottages without first obtaining a vote of the district. The board may construct the cottages with funds from the district's capital projects fund or general fund. Any income derived from the cottages, including rental or sale of the cottage, may be deposited into the district's general fund, debt service fund, and/or capital projects fund.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** This legislation helps one school district meet a unique need. The district, Shaw Island, is able to attract good teachers, but there is no place on the island for the teachers to live. Properties are far beyond the means of teachers and few if any places are available to rent. The district wants to build a teacher cottage for one of its two teachers. It wants to be able to use the rent from the cottage in the district's general fund. The legislation is a refined and focused version of a proposal considered last year, and addresses the concerns expressed last year.

**Testimony Against:** None.

**Persons Testifying:** (In support) Representative Quall, prime sponsor; and Chuck Vandewetering, Shaw Island School District.

**Persons Signed In To Testify But Not Testifying:** None.