

SENATE BILL REPORT

SHB 2462

As Reported By Senate Committee On:
Education, February 25, 2004

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

Brief History:

Committee Activity: Education: 2/20/04, 2/25/04 [DP].

SENATE COMMITTEE ON EDUCATION

Majority Report: Do pass.

Signed by Senators Johnson, Chair; Finkbeiner, Vice Chair; Carlson, Eide, McAuliffe, Pflug, Rasmussen and Schmidt.

Staff: Susan Mielke (786-7422)

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.

Summary of 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.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Shaw Island has a unique problem. It is very expensive to buy property there. They have a two-room school house that can house up to 20 students. Teachers want to teach there but they have no place to stay. This bill would let the school district use existing district resources to build a cottage for teachers to live. The district would then charge the teachers rent which would go back into the district's three funds.

Testimony Against: None.

Testified: Rep. Dave Quall, prime sponsor.