
HOUSE BILL 1619

State of Washington

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By Representatives White, Kenney, Sullivan, Carlyle, Nelson, Hasegawa, Llias, Green, Miloscia, Orwall, Maxwell, and Simpson

Read first time 01/26/09. Referred to Committee on Capital Budget.

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

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 replacement of facilities and
15 systems where periodical repairs are no longer economical. Major
16 renovation and replacement shall include, but shall not be limited to,
17 roofing, heating and ventilating systems, floor covering, and
18 electrical systems.

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

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

23 (i) "Preliminary energy audits" means a determination of the energy
24 consumption characteristics of a building, including the size, type,
25 rate of energy consumption, and major energy using systems of the
26 building.

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

33 (iii) "Energy capital improvement" means the installation, or
34 modification of the installation, of energy conservation measures in a
35 building which measures are primarily intended to reduce energy
36 consumption or allow the use of an alternative energy source.

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

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

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

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

21 (g) Painting of facilities, major equipment repair, and other major
22 preventative maintenance purposes. However, to the extent the funds
23 are used for the purpose under this subsection (2)(g), the school
24 district shall transfer to the district's general fund the portion of
25 the capital projects fund used for this purpose. The office of the
26 superintendent of public instruction shall develop accounting
27 guidelines for these transfers in accordance with internal revenue
28 service regulations.

29 (3) A debt service fund to provide for tax proceeds, other
30 revenues, and disbursements as authorized in chapter 39.44 RCW. State
31 forest land revenues that are deposited in a school district's debt
32 service fund pursuant to RCW 79.64.110 and to the extent not necessary
33 for payment of debt service on school district bonds may be transferred
34 by the school district into the district's capital projects fund.

35 (4) An associated student body fund as authorized by RCW
36 28A.325.030.

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

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

3 (1) The limitations imposed by RCW 84.52.050 through 84.52.056, and
4 84.52.043 shall not prevent the levy of taxes by school districts, when
5 authorized so to do by the voters of such school district in the manner
6 and for the purposes and number of years allowable under Article VII,
7 section 2(a) of the Constitution of this state. Elections for such
8 taxes shall be held in the year in which the levy is made or, in the
9 case of propositions authorizing two-year through four-year levies for
10 maintenance and operation support of a school district, authorizing
11 two-year levies for transportation vehicle funds established in RCW
12 28A.160.130, or authorizing two-year through six-year levies to support
13 the construction, modernization, or remodeling of school facilities,
14 which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the
15 year in which the first annual levy is made.

16 (2) Once additional tax levies have been authorized for maintenance
17 and operation support of a school district for a two-year through four-
18 year period as provided under subsection (1) of this section, no
19 further additional tax levies for maintenance and operation support of
20 the district for that period may be authorized. For the purpose of
21 applying the limitation of this subsection, a two-year through six-year
22 levy to support the construction, modernization, or remodeling of
23 school facilities shall not be deemed to be a tax levy for maintenance
24 and operation support of a school district.

25 (3) A special election may be called and the time therefor fixed by
26 the board of school directors, by giving notice thereof by publication
27 in the manner provided by law for giving notices of general elections,
28 at which special election the proposition authorizing such excess levy
29 shall be submitted in such form as to enable the voters favoring the
30 proposition to vote "yes" and those opposed thereto to vote "no".

31 NEW SECTION. **Sec. 3.** This act expires July 1, 2013.

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