
HOUSE BILL 2441

State of Washington

63rd Legislature

2014 Regular Session

By Representatives Haigh, Reykdal, Hunt, Orwall, Appleton, Pollet, Fitzgibbon, Dunshee, Ormsby, Ryu, Sells, Tarleton, Roberts, Bergquist, Goodman, Gregerson, Cody, Kagi, Santos, and Freeman

Read first time 01/17/14. Referred to Committee on Education.

1 AN ACT Relating to approval of school district bonds and bond
2 levies; amending RCW 28A.535.020, 28A.535.050, 84.52.056, 39.36.020,
3 and 28A.530.020; and providing a contingent effective date.

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

5 **Sec. 1.** RCW 28A.535.020 and 1996 c 48 s 2 are each amended to read
6 as follows:

7 Whenever the board of directors of any school district shall deem
8 it advisable to validate and ratify the indebtedness mentioned in RCW
9 28A.535.010, they shall provide therefor by resolution, which shall be
10 entered on the records of such school district, which resolution shall
11 provide for the holding of an election for the purpose of submitting
12 the question of validating and ratifying the indebtedness so incurred
13 to the voters of such school district for approval or disapproval, and
14 if at such election (~~three-fifths~~) a majority of the voters in such
15 school district voting at such election shall vote in favor of the
16 validation and ratification of such indebtedness, then such
17 indebtedness so validated and ratified and every part thereof existing
18 at the time of the adoption of said resolution shall thereby become and

1 is hereby declared to be validated and ratified and a binding
2 obligation upon such school district.

3 **Sec. 2.** RCW 28A.535.050 and 1984 c 186 s 14 are each amended to
4 read as follows:

5 If the indebtedness of such school district is validated and
6 ratified, as provided in this chapter, by (~~three-fifths~~) a majority
7 of the voters voting at such election, the board of directors of such
8 school district, without any further vote, may borrow money and issue
9 and sell negotiable bonds therefor in accordance with chapter 39.46
10 RCW.

11 **Sec. 3.** RCW 84.52.056 and 2010 c 115 s 3 are each amended to read
12 as follows:

13 (1) Any municipal corporation otherwise authorized by law to issue
14 general obligation bonds for capital purposes may, at an election duly
15 held after giving notice thereof as required by law, authorize the
16 issuance of general obligation bonds for capital purposes only, which
17 does not include the replacement of equipment, and provide for the
18 payment of the principal and interest of such bonds by annual levies in
19 excess of the tax limitations contained in RCW 84.52.050 to 84.52.056,
20 inclusive and RCW 84.52.043. Such an election may not be held more
21 often than twice a calendar year, and the proposition to issue any such
22 bonds and to exceed the tax limitation must receive the affirmative
23 vote of a three-fifths majority of those voting on the proposition and
24 the total number of persons voting at the election must constitute not
25 less than forty percent of the voters in the municipal corporation who
26 voted at the last preceding general state election, except that a
27 proposition by a school district to issue such bonds and to pay the
28 principal and interest on the bonds by annual tax levies shall be
29 authorized by receiving the affirmative vote of a majority of the
30 voters voting on the proposition.

31 (2) Any taxing district has the right by vote of its governing body
32 to refund any general obligation bonds of said district issued for
33 capital purposes only, and to provide for the interest thereon and
34 amortization thereof by annual levies in excess of the tax limitations
35 provided for in RCW 84.52.050 to 84.52.056, inclusive and RCW
36 84.52.043.

1 (3) For the purposes of this section, "bond" includes a municipal
2 corporation's obligation to make payments to the state in connection
3 with a financing contract entered into by the state by or on behalf of
4 a municipal corporation under chapter 39.94 RCW.

5 **Sec. 4.** RCW 39.36.020 and 2000 c 156 s 1 are each amended to read
6 as follows:

7 (1) Except as otherwise expressly provided by law or in subsections
8 (2), (3) and (4) of this section, no taxing district shall for any
9 purpose become indebted in any manner to an amount exceeding
10 three-eighths of one percent of the value of the taxable property in
11 such taxing district without the assent of three-fifths of the voters
12 therein voting at an election to be held for that purpose, nor in cases
13 requiring such assent shall the total indebtedness incurred at any time
14 exceed one and one-fourth percent on the value of the taxable property
15 therein.

16 (2)(a)(i) Public hospital districts are limited to an indebtedness
17 amount not exceeding three-fourths of one percent of the value of the
18 taxable property in such public hospital districts without the assent
19 of three-fifths of the voters therein voting at an election held for
20 that purpose.

21 (ii) Counties, cities, and towns are limited to an indebtedness
22 amount not exceeding one and one-half percent of the value of the
23 taxable property in such counties, cities, or towns without the assent
24 of three-fifths of the voters therein voting at an election held for
25 that purpose.

26 (b) In cases requiring such assent counties, cities, towns, and
27 public hospital districts are limited to a total indebtedness of two
28 and one-half percent of the value of the taxable property therein.
29 However, any county that has assumed the rights, powers, functions, and
30 obligations of a metropolitan municipal corporation under chapter 36.56
31 RCW may become indebted to a larger amount for its authorized
32 metropolitan functions, as provided under chapter 35.58 RCW, but not
33 exceeding an additional three-fourths of one percent of the value of
34 the taxable property in the county without the assent of three-fifths
35 of the voters therein voting at an election held for that purpose, and
36 in cases requiring such assent not exceeding an additional two and one-
37 half percent of the value of the taxable property in the county.

1 (3) School districts are limited to an indebtedness amount not
2 exceeding three-eighths of one percent of the value of the taxable
3 property in such district without the assent of (~~three-fifths~~) a
4 majority of the voters therein voting at an election held for that
5 purpose. In cases requiring such assent school districts are limited
6 to a total indebtedness of two and one-half percent of the value of the
7 taxable property therein.

8 (4) No part of the indebtedness allowed in this chapter shall be
9 incurred for any purpose other than strictly county, city, town, school
10 district, township, port district, metropolitan park district, or other
11 municipal purposes: PROVIDED, That a city or town, with such assent,
12 may become indebted to a larger amount, but not exceeding two and one-
13 half percent additional, determined as herein provided, for supplying
14 such city or town with water, artificial light, and sewers, when the
15 works for supplying such water, light, and sewers shall be owned and
16 controlled by the city or town; and a city or town, with such assent,
17 may become indebted to a larger amount, but not exceeding two and one-
18 half percent additional for acquiring or developing open space, park
19 facilities, and capital facilities associated with economic
20 development: PROVIDED FURTHER, That any school district may become
21 indebted to a larger amount but not exceeding two and one-half percent
22 additional for capital outlays.

23 (5) Such indebtedness may be authorized in any total amount in one
24 or more propositions and the amount of such authorization may exceed
25 the amount of indebtedness which could then lawfully be incurred. Such
26 indebtedness may be incurred in one or more series of bonds from time
27 to time out of such authorization but at no time shall the total
28 general indebtedness of any taxing district exceed the above
29 limitation.

30 The term "value of the taxable property" as used in this section
31 shall have the meaning set forth in RCW 39.36.015.

32 **Sec. 5.** RCW 28A.530.020 and 1996 c 48 s 1 are each amended to read
33 as follows:

34 (~~(1) The question whether the bonds shall be issued, as provided~~
35 ~~in RCW 28A.530.010, shall be determined at an election to be held~~
36 ~~pursuant to RCW 39.36.050. If a majority of the votes cast at such~~
37 ~~election favor the issuance of such bonds, the board of directors must~~

1 ~~issue such bonds: PROVIDED, That if the amount of bonds to be issued,~~
2 ~~together with any outstanding indebtedness of the district that only~~
3 ~~needs a simple majority voter approval, exceeds three eighths of one~~
4 ~~percent of the value of the taxable property in said district, as the~~
5 ~~term "value of the taxable property" is defined in RCW 39.36.015, then~~
6 ~~three fifths of the votes cast at such election must be in favor of the~~
7 ~~issuance of such bonds, before the board of directors is authorized to~~
8 ~~issue said bonds.~~

9 (2)) The resolution adopted by the board of directors calling
10 ((the)) an election ((in subsection (1) of this section)) shall specify
11 the purposes of the debt financing measure, including the specific
12 buildings to be constructed or remodeled and any additional specific
13 purposes as authorized by RCW 28A.530.010. If the debt financing
14 measure anticipates the receipt of state financing assistance under
15 chapter 28A.525 RCW, the board resolution also shall describe the
16 specific anticipated purpose of the state assistance. If the school
17 board subsequently determines that state or local circumstances should
18 cause any alteration to the specific expenditures from the debt
19 financing or of the state assistance, the board shall first conduct a
20 public hearing to consider those circumstances and to receive public
21 testimony. If the board then determines that any such alterations are
22 in the best interests of the district, it may adopt a new resolution or
23 amend the original resolution at a public meeting held subsequent to
24 the meeting at which public testimony was received.

25 NEW SECTION. **Sec. 6.** If any provision of this act or its
26 application to any person or circumstance is held invalid, the
27 remainder of the act or the application of the provision to other
28 persons or circumstances is not affected.

29 NEW SECTION. **Sec. 7.** This act takes effect if House Joint
30 Resolution No. . . . (H-2675/13), the proposed amendment to Article
31 VII, section 2 and Article VIII, section 6 of the state Constitution
32 providing for a simple majority of voters voting to authorize school
33 district levies and bonds is validly submitted to and is approved and
34 ratified by the voters at the next general election and certified by

1 the secretary of state. If the proposed amendment is not approved,
2 ratified, and certified, this act is void in its entirety.

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