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**HOUSE BILL 2095**

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**State of Washington 67th Legislature 2022 Regular Session**

**By** Representatives Pollet, Berry, Ryu, Chapman, Wicks, Callan, Shewmake, Leavitt, Santos, Ramel, Paul, Frame, and Valdez

AN ACT Relating to establishing a school seismic safety grant program; adding a new section to chapter 28A.525 RCW; adding a new chapter to Title 43 RCW; creating a new section; providing a contingent effective date; and providing for submission of certain sections of this act to a vote of the people.

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

NEW SECTION. **Sec.**  The legislature finds that a significant number of Washington students in public school districts and state-tribal education compact schools attend school in older facilities located in geologically active areas. Accordingly, the legislature intends to create a grant program to help school districts and state-tribal education compact schools cover the cost of retrofitting or relocating school facilities located in high seismic areas or tsunami zones.

NEW SECTION. **Sec.**  A new section is added to chapter 28A.525 RCW to read as follows:

(1) School seismic safety grants and school seismic planning grants must be awarded and determined in accordance with this section.

(2) ELIGIBILITY. A school district or state tribal education compact school is eligible to receive a school seismic safety grant for remediation of seismic or tsunami hazards in qualifying buildings that meet the following criteria:

(a) The building is located within a high seismic hazard area as defined in subsection (3) of this section; and

(b) The building was constructed before 1998 and has not received a seismic retrofit to 2005 seismic standards.

(3) DEFINITIONS. For the purposes of this section:

(a) "High seismic hazard area" means:

(i) Any location identified by the United States geological survey national seismic hazard map with a two percent probability of exceedance in 50 years and a national earthquake hazards reduction program site class D that are 0.3 peak horizontal acceleration or greater peak ground acceleration areas; or

(ii) Any area located within a Washington tsunami design zone map or, where a Washington tsunami design zone map is not available, an American society of civil engineers tsunami design zone map, that requires structures in risk category three or four to be designed for tsunamis.

(b) "Remediation" means solutions that mitigate or eliminate site specific seismic or tsunami hazards and may include building relocation if related to a tsunami hazard.

(c) "Total project cost" means the remediation solution square footage as approved by the advisory committee multiplied by the statewide average cost per square foot for new construction or modernization at the time of the bid for projects participating in the school construction assistance program for that same year.

(4) ADVISORY COMMITTEE. (a) The superintendent of public instruction must appoint an advisory committee to evaluate and prioritize grant applications from school districts and state-tribal education compact schools. Advisory committee members must have experience in financing, managing, or planning seismic remediation projects at school facilities but must not be involved in a school seismic safety grant request for the biennium under consideration. The office of the superintendent of public instruction must provide administrative and staff support to the advisory committee and consult with the advisory committee to design a grant application process with specific criteria for prioritizing grant requests.

(b) The advisory committee must submit a prioritized list of grants to the superintendent of public instruction. The list must prioritize applications to achieve the greatest improvement of school facilities, in the school districts and state-tribal education compact schools with the most limited financial capacity, for projects that are likely to improve student health, safety, and academic performance for the largest number of students for the amount of state grant support.

(5) REQUIRED GRANT LIST. (a) The superintendent of public instruction must propose a list of prioritized school seismic safety grants to the governor by September 1st of each year, beginning September 1, 2022. This list must include:

(i) A description of the proposed project;

(ii) The proposed school seismic safety grant amount, equal to at least two-thirds of the estimated total project cost;

(iii) The anticipated school construction assistance program amount;

(iv) The anticipated local share of project cost; and

(v) The estimated total project cost.

(b) The superintendent of public instruction and the governor may determine the level of funding in their omnibus operating appropriations act requests to support grants under this section, but their funding requests must follow the prioritized list prepared by the advisory committee unless new information determines that a specific project is no longer viable as proposed.

(6) SCHOOL CONSTRUCTION ASSISTANCE PROGRAM. (a) The full administrative and procedural process of school construction assistance program funding under RCW 28A.525.162 through 28A.525.180 may be streamlined by the office of the superintendent of public instruction in order to coordinate eligible school construction assistance program funding with the school seismic safety grants. Such coordination must ensure that total state funding from both grants does not exceed total project costs minus available local resources.

(b) Projects seeking school seismic safety grants must meet the requirements for a school construction assistance program grant except for the following: (i) The estimated cost of the project may be less than 40 percent of the estimated replacement value of the facility; and (ii) local funding assistance percentage requirements of the school construction assistance program do not apply. However, available school district and state-tribal education compact school resources are considered in prioritizing school seismic safety grants.

(7) DISBURSEMENT OF FUNDS. The superintendent of public instruction must award state and federal grants under this section to eligible school districts and state tribal education compact schools in an amount equal to at least two-thirds of the total project cost. The grant must not be awarded until the school district or state-tribal education compact school has identified available local and other resources sufficient to complete the approved project considering the amount of the state grant. The grant must specify reporting requirements from the school district or state-tribal education compact school, which must include updating all pertinent information in the inventory and condition of schools data system and submitting a final project report as specified by the office of the superintendent of public instruction in consultation with the school facilities citizens advisory panel specified in RCW 28A.525.025.

(8) PLANNING GRANTS. Subject to the availability of amounts appropriated for this specific purpose, the office of the superintendent of public instruction must assist eligible school districts and state-tribal education compact schools that are interested in applying for a school seismic safety grant under this section by providing technical assistance and planning grants. School districts and state-tribal education compact schools seeking planning grants under this section must provide a brief statement describing existing school conditions, building system and site deficiencies, current and five-year projected student headcount enrollment, student achievement measures, financial constraints, and any information required by the advisory committee established in subsection (4) of this section. If applications for planning grants exceed funds available, the office of the superintendent of public instruction may prioritize planning grant requests with primary consideration given to school district financial capacity and facility conditions.

NEW SECTION. **Sec.**  (1) For the purposes of providing needed capital improvements for the school seismic safety grant program, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of $500,000,000, or so much thereof as may be required, to finance all or a part of the cost of these projects and all costs incidental thereto. The bonds issued under the authority of this section shall be known as Washington school seismic safety bonds.

(2) Bonds authorized in this section must be sold in the manner, at the time or times, in amounts, and at such prices as the state finance committee determines.

(3) The authorization to issue bonds contained in this chapter does not expire until the full authorization has been issued.

(4) No bonds authorized in this section may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

NEW SECTION. **Sec.**  If the people ratify section 3 of this act as specified under section 11 of this act, section 3 of this act takes effect July 1, 2023.

NEW SECTION. **Sec.**  It is the intent of the legislature that the proceeds of the new bonds authorized in section 3 of this act will be dispersed in phases of $100,000,000 per biennium over five biennia, beginning with the 2023-2025 biennium. This is not intended to limit the state's ability to disperse bond proceeds if the full amount authorized in section 3 of this act has not been dispersed after five biennia. The authorization to issue bonds contained in section 3 of this act does not expire until the full authorization has been issued and dispersed.

NEW SECTION. **Sec.**  (1) The proceeds from the sale of bonds authorized in section 3 of this act shall be deposited in the school seismic safety grant program bond account created in section 13 of this act.

(2) If the state finance committee deems it necessary or advantageous to issue taxable bonds in order to comply with federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds or in order to reduce the total financing costs for bonds issued, the proceeds of taxable bonds shall be transferred to the school seismic safety grant program taxable bond account created in section 12 of this act. The state treasurer shall submit written notice to the director of financial management if it is determined that any transfer to the school seismic safety grant program taxable bond account is necessary or that a transfer from the school seismic safety grant program taxable bond account to the school seismic safety grant program bond account may be made.

NEW SECTION. **Sec.**  (1) The nondebt-limit general fund bond retirement account must be used for the payment of the principal of and interest on the bonds authorized in section 3 of this act.

(2) The state finance committee must, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing 12 months to meet the bond retirement and interest requirements on the bonds authorized in section 3 of this act.

(3) On each date on which any interest or principal and interest payment is due on bonds issued for the purposes of section 3 of this act, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the nondebt-limit general fund bond retirement account an amount equal to the amount certified by the state finance committee to be due on the payment date.

NEW SECTION. **Sec.**  (1) Bonds issued under section 3 of this act must state that they are a general obligation of the state of Washington, must pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and must contain an unconditional promise to pay the principal and interest as the same shall become due.

(2) The owner and holder of each of the bonds or the trustee for the owner and holder of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of funds as directed in this section.

NEW SECTION. **Sec.**  The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in section 3 of this act.

NEW SECTION. **Sec.**  The state finance committee is authorized to prescribe the form, terms, conditions, and covenants of the bonds provided for in this chapter, the time or times of sale of all or any portion of them, and the conditions and manner of their sale and issuance.

NEW SECTION. **Sec.**  (1) The secretary of state shall submit sections 3 and 4 of this act to the people for their adoption and ratification, or rejection, at the next general election to be held in this state, in accordance with Article II, section 1 and Article VIII, section 3 of the state Constitution and the laws adopted to facilitate their operation.

(2) If the people ratify sections 3 and 4 of this act as specified under subsection (1) of this section, revenues generated shall be spent as detailed in this act.

(3) Pursuant to RCW 29A.72.050(6), the statement of subject and concise description for the ballot title shall read: "The legislature has passed Senate Bill No. . . . . (this act), concerning the school seismic safety grant program. This bill would authorize bonds to build new or modernize existing school buildings that are in high seismic areas."

NEW SECTION. **Sec.**  The school seismic safety grant program taxable bond account is created in the state treasury. All receipts from direct appropriations from the legislature or moneys directed to the account from any other source must be deposited in the account. Moneys in the account may be spent only after appropriation. The account is intended to fund projects using taxable bonds. Expenditures from the account are for the school seismic safety grant program.

NEW SECTION. **Sec.**  The school seismic safety grant program bond account is created in the state treasury. All receipts from direct appropriations from the legislature or moneys directed to the account from any other source must be deposited in the account. Moneys in the account may be spent only after appropriation. The account is intended to fund projects using tax exempt bonds. Expenditures from the account are for the school seismic safety grant program.

NEW SECTION. **Sec.**  Sections 3, 5 through 10, 12, and 13 of this act constitute a new chapter in Title 43 RCW.

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