

SENATE BILL REPORT

SB 5186

As of January 14, 2025

Title: An act relating to school district elections.

Brief Description: Concerning school district elections.

Sponsors: Senators Krishnadasan, Wellman, Orwall, Riccelli, Chapman, Hasegawa, Frame, Hansen, Lias and Saldaña.

Brief History:

Committee Activity: Early Learning & K-12 Education: 1/16/25.

Brief Summary of Bill

- Lowers the voter approval threshold from 60 percent to 55 percent of voters for school districts to issue general obligation bonds, levy taxes to make payments on those bonds, and exceed the statutory debt limit.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Staff: Alex Fairfortune (786-7416)

Background: General Obligation Bonds. The board of directors of a school district may borrow money and issue bonds for any capital purpose. The amount that may be borrowed is limited by the state constitution and state statutes.

The state constitution imposes a debt limit of 1.5 percent of the assessed value of property in the district. School districts may exceed this lower debt limit, up to the maximum limit of 5 percent indebtedness, plus an additional 5 percent for capital outlays, with approval of at least 60 percent of the voters. State statute imposes a lower threshold of 0.375 percent indebtedness, but allows districts to exceed this threshold to a total indebtedness of 2.5 percent, plus an additional 2.5 percent for capital outlays, with the approval of at least 60 percent of the voters voting.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Excess Levies. The state constitution limits regular property tax levies to a maximum of 1 percent of the property's value. Upon majority voter approval, school districts are authorized to collect excess levies above the 1 percent constitutional property tax limit for enrichment, transportation vehicles, and capital projects.

Bond Levies. School districts may also levy taxes above the 1 percent limit to make required payments of principal and interest on bonds issued for capital purposes if approved by at least 60 percent of the voters at an election where the total number of voters is at least 40 percent of the total at the last preceding general election.

Constitutional Amendment. A proposed amendment to the state constitution must be approved by two-thirds of the members elected to each house of the Legislature, and then approved by a majority of the voters in the next general election.

Summary of Bill: If the voters at the next general election approve an amendment to the state constitution to change the voter approval requirement for school district bonds, levies, and indebtedness limits, school districts may:

- issue general obligation bonds for capital purposes;
- levy taxes to make payments on those bonds; and
- exceed the lower statutory debt limit with approval by 55 percent of voters voting on the proposition.

The bill takes effect only if the proposed constitutional amendment is approved by voters at the next general election.

Appropriation: None.

Fiscal Note: Requested on January 10, 2025.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect if the state constitutional amendment proposed by SJR 8200 is approved by voters and ratified at the next general election.