

SENATE BILL REPORT

SJR 8200

As of January 16, 2025

Brief Description: Amending the Constitution to allow 55 percent of voters voting to authorize school district bonds.

Sponsors: Senators Cortes, Wellman, Dhingra, Shewmake, Riccelli, Bateman, Hasegawa, Lovelett, Conway, Orwall, Pedersen, Salomon, Saldaña, Wilson, C., Chapman, Cleveland, Frame, Krishnadasan, Lias, Nobles, Slatter, Stanford and Valdez.

Brief History:

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

Brief Summary of Bill

- Proposes a constitutional amendment to allow school districts to issue general obligation bonds for capital purposes, levy taxes to make payments on those bonds, and exceed the constitutional debt limit with 55 percent voter approval.

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

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percent of the voters voting.

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: A proposed constitutional amendment is submitted to the voters at the next general election to allow school districts to issue general obligation bonds for capital purposes, levy taxes to make payments on those bonds, and exceed the lower constitutional debt limit with 55 percent voter approval.

Appropriation: None.

Fiscal Note: Requested on January 10, 2025.

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

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

Staff Summary of Public Testimony: The following testimony reflects comments on both SB 5186 and SJR 8200, as testifiers were invited to speak on both pieces of legislation at the same time.

PRO: Providing access to high quality education is one of the most important investments that we can make as a state. We continue to impose an unnecessary barrier on local communities with the 60 percent supermajority that has been in place for 80 years and it is holding districts back. Districts are struggling to meet growing demands, address safety measures, and invest in resources to support world class classrooms. Students are suffering from having to learn in overcrowded and unsafe environments. Schools are cancelling games due to unsafe field conditions. Old schools are not energy efficient and can't meet building standards. Districts are wasting money running multiple bond initiatives. Bonds fail with even overwhelming support. The last election had 14 bond measures and of those four passed and ten failed. Nine would have passed under this 55 percent threshold, and all but two would have passed under a simple majority threshold. This outdated standard leaves

schools underfunded and students underserved. This requirement disproportionately impacts diverse and economically impacted communities. Washington is one of only seven states that require 60 percent, while 40 other states require a simple majority. This 55 percent is a thoughtful compromise that recognizes the protection of taxpayers but is a more realistic standard. It will empower local communities, avoid costly delays of failed bond measures, and foster trust in communities that their votes lead directly to serving schools. While a simple majority threshold is ideal, the 55 percent threshold has bipartisan support.

CON: This bill makes it easier for property taxes to go up faster. This is not the direction most voters want to go. The effort should be to lower taxes. This violates the constitution. When parents go to school board meetings the board members haven't read the documents. Districts do a poor job of outlining how money will be spent and community members aren't there. They vote no against bonds because of frustration of failure in the education system and the costs of school buildings being driven up.

OTHER: Moving to 55 percent is a step in the right direction but a simple majority should be the standard. This proposal falls short. The majority's will is thwarted by an outdated threshold.

Persons Testifying: PRO: Senator Adrian Cortes, Prime Sponsor; Melissa Stone, Washington State PTA; Paul Marquardt, Bethel Schools.

CON: Tim Eyman, Initiative Activist; Jeff Heckathorn; Loretta Byrnes.

OTHER: Harlan Gallinger, Issaquah School District; Kevin Collins, Orting School District; Julie Salvi, Washington Education Association.

Persons Signed In To Testify But Not Testifying: No one.