

# FINAL BILL REPORT

## EHB 1832

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C 314 L 99

Synopsis as Enacted

**Brief Description:** Authorizing the use of nonvoter-approved debt for school construction and repair.

**Sponsors:** Representatives Ogden, Thomas, Lantz, Cairnes, Keiser, Carlson, Talcott, H. Sommers, Lambert, Dunshee, Quall, O'Brien, Cody, Dunn, Santos, Schual-Berke, Lovick, Edmonds, Wood, Haigh, Rockefeller, Conway, Stensen, Dickerson, Tokuda, Kessler, Hurst and Esser.

**House Committee on Capital Budget**  
**Senate Committee on Education**  
**Senate Committee on Ways & Means**

### **Background:**

School districts, like other government entities, have constitutional authority to issue two general classifications of debt: nonvoter-approved, often referred to as councilmanic debt; and voter-approved. Current law allows school districts to borrow or issue debt without a vote of the people up to a limit of three-eighths of 1 percent of assessed value of the property in the district. Any debt above that level must be approved by the voters in the district. The statutory limit on voter-approved debt is 5 percent of assessed value, and one-half of that limit may be used only for capital outlays. Nonvoter-approved debt is paid from existing revenue sources because it does not give the district additional taxing authority.

The use of nonvoter-approved debt is limited to acquiring real or personal property. Although not defined in law, acquisition has been interpreted to exclude construction or repair of school district property. The House Task Force on School Construction Financing has recommended that the debt limits remain unchanged, but that districts be authorized to use nonvoter-approved debt to pay for construction of new facilities, repair of existing buildings or any use authorized by voter-approved debt.

### **Summary:**

A school district may use nonvoter-approved debt for the following:

- purchasing sites for buildings or athletic facilities;
- improving energy efficiency of school buildings; and

- making structural changes and additions to school facilities.

**Votes on Final Passage:**

House 98 0

Senate 48 0 (Senate amended)

House 88 9 (House concurred)

**Effective:** July 25, 1999