
HOUSE BILL 1829

State of Washington

56th Legislature

1999 Regular Session

By Representatives Thomas, Lantz, Carlson, Keiser, Cairnes, H. Sommers, Fortunato, Ogden, Dunshee, Quall, O'Brien, Cody, Pflug, Kenney, Dunn, Santos, Lovick, Edmonds, Wood, Haigh, Rockefeller, Conway, Stensen, Dickerson, Kessler and Esser

Read first time 02/08/1999. Referred to Committee on Capital Budget.

1 AN ACT Relating to financing school plant facilities; amending RCW
2 28A.530.010; adding a new section to chapter 28A.525 RCW; and creating
3 a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that long-term lease-
6 purchase agreements provide an alternative to the traditional school
7 construction process by enabling districts to respond quickly to
8 explosive enrollment growth and changing student demographics with
9 fewer up-front costs. It is the intent of the legislature to authorize
10 school districts to use capital project funds, including state
11 financial assistance, for lease-purchase agreements for school
12 facilities.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.525
14 RCW to read as follows:

15 The board of directors of any school district may use the proceeds
16 of voter-approved bonds, voter-approved levies, state allocations for
17 financial assistance, or other funds available to the district for:
18 (1) Payment of an installment purchase contract for school plant

1 facilities; or (2) payments under any financing lease the term of which
2 is ten years or longer and that contains an option by the school
3 district to purchase the leased property for nominal consideration.
4 The authority granted by this section for the use of moneys from such
5 sources is in addition to, and not in limitation of, any other
6 authority provided by law, and the proceeds of voter approved bonds or
7 tax levies may be used for such payments to the full extent allowed by
8 Article VII, section 2 of the state Constitution.

9 **Sec. 3.** RCW 28A.530.010 and 1991 c 114 s 3 are each amended to
10 read as follows:

11 The board of directors of any school district may borrow money and
12 issue negotiable bonds therefor for the purpose of:

13 (1) Funding outstanding indebtedness or bonds theretofore issued;
14 or

15 (2) For the purchase of sites for all buildings, playgrounds,
16 physical education and athletic facilities and structures authorized by
17 law or necessary or proper to carry out the functions of a school
18 district; or

19 (3) For erecting all buildings authorized by law, including but not
20 limited to those mentioned in subsection (2) of this section
21 immediately above or necessary or proper to carry out the functions of
22 a school district, and providing the necessary furniture, apparatus, or
23 equipment therefor; or

24 (4) For improving the energy efficiency of school district
25 buildings and/or installing systems and components to utilize renewable
26 and/or inexhaustible energy resources; or

27 (5) For major and minor structural changes and structural additions
28 to buildings, structures, facilities and sites necessary or proper to
29 carrying out the functions of the school district; or

30 (6) For payment of (a) an installment purchase contract for school
31 plant facilities or (b) a financing lease the term of which is ten
32 years or longer and that contains an option by the school district to
33 purchase the leased property for nominal consideration, but only to the
34 extent such payment constitutes a capital expenditure; or

35 (7) For any or all of these and other capital purposes.

36 Neither the amount of money borrowed nor bonds issued therefor
37 shall exceed the limitation of indebtedness prescribed by chapter 39.36
38 RCW, as now or hereafter amended.

1 Except for bonds issued under RCW 28A.530.080, bonds may be issued
2 only when authorized by the vote of the qualified electors of the
3 district as provided by law.

4 The bonds shall be issued and sold in accordance with chapter 39.46
5 RCW.

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