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**Education Committee**

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**PSHB 1995**

**Brief Description:** Changing the disposition of proceeds from the lease, rental, or sale of school district real property.

**Sponsors:** Representative Quall.

**Brief Summary of Bill**

- Permits school districts to deposit income from the rental or lease of surplus real property into the district's general fund to be used for nonrecurring facilities costs, including maintenance.

**Hearing Date:** 1/22/04

**Staff:** Susan Morrissey (786-7111).

**Background:**

School districts may rent or lease surplus district property and may sell any real property of the district that is no longer required for school purposes.

Revenues derived from the rental or sale of the district real property must first be deposited in the district's general fund to recover any costs associated with the rental or sale of that property. Any additional revenue must then be deposited in either the district's debt service fund and/or the district's capital projects fund.

**Summary of Bill:**

After evaluating whether a school district's capital projects fund has enough money to meet the district's demand for new construction and improvements, a school district may deposit any additional revenues from the rental or lease of surplus real property into the district's general fund. The money may be used exclusively for nonrecurring costs related to the operation of school facilities, including but not limited to maintenance.

**Differences between original bill and proposed substitute:**

Specific reference to using the money for utilities and custodial services is removed, money derived from the occasional use or sale of real property is not included, and the bill is restructured.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.