

SENATE BILL REPORT

SHB 1995

As Reported By Senate Committee On:
Education, February 25, 2004

Title: An act relating to school districts' property.

Brief Description: Changing the allowed disposition of proceeds from the lease, rental, or occasional use of school district real property.

Sponsors: House Committee on Education (originally sponsored by Representative Quall).

Brief History:

Committee Activity: Education: 2/20/04, 2/25/04 [DPA].

SENATE COMMITTEE ON EDUCATION

Majority Report: Do pass as amended.

Signed by Senators Johnson, Chair; Finkbeiner, Vice Chair; Carlson, Eide, McAuliffe, Pflug, Rasmussen and Schmidt.

Staff: Heather Lewis-Lechner (786-7448)

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 Amended Bill: After evaluating the sufficiency of the school district's capital projects fund for the purposes of meeting demands for new construction and improvements, a school district may choose where to deposit any additional revenues derived from the rental of surplus real property. Additional revenue is that revenue that remains after first covering any costs associated with the rental of the property. School boards may deposit the additional revenue into the district's debt service fund and/or capital projects fund or the board may deposit the revenues in the general fund to be used only for nonrecurring costs related to operating any school facilities.

Amended Bill Compared to Substitute Bill: Technical changes were made.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: There are many more school districts leasing and renting property. This bill is about giving schools greater flexibility in using that revenue. It is important for school districts to have this discretion in order to manage their funds in the most effective ways.

Testimony Against: None.

Testified: PRO: Representative Quall, prime sponsor; Mitch Denning, EAlliance of Educational Associations; Charlie Brown, King County School Coalition.