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HOUSE BILL 1280

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State of Washington

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By Representatives Ericks, Jarrett, Quall, O'Brien, Strow, Morrell, Roach, Hunt, McDonald, Chase, Simpson, Haler, Moeller, McCune, Schual-Berke, Miloscia and Springer

Read first time 01/16/2007. Referred to Committee on Education.

1 AN ACT Relating to the use of the school district capital projects  
2 funds for technology; amending RCW 28A.320.330 and 84.52.053; and  
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature recognizes that technology  
6 has become an integral part of the facilities and educational delivery  
7 systems in our schools. In order to prepare our state's students to  
8 participate fully in our state's economy, school districts are making  
9 substantial capital investments in their technology systems,  
10 facilities, and projects. Districts are implementing, applying, and  
11 modernizing their technology systems. Software companies are shifting  
12 from selling software as a one-time package to a license or an extended  
13 contractual relationship requiring a subscription and ongoing payments.  
14 School districts must be empowered to respond to the changing business  
15 models in the software industry and be given flexibility and authority  
16 to use capital projects funds to pay for licenses or online application  
17 fees. It is the intent of the legislature that these investments be  
18 deemed major capital purpose and are also permitted uses of the  
19 district's two to six-year levies authorized by RCW 84.52.053.

1       **Sec. 2.** RCW 28A.320.330 and 2002 c 275 s 2 are each amended to  
2 read as follows:

3       School districts shall establish the following funds in addition to  
4 those provided elsewhere by law:

5       (1) A general fund for maintenance and operation of the school  
6 district to account for all financial operations of the school district  
7 except those required to be accounted for in another fund.

8       (2) A capital projects fund shall be established for major capital  
9 purposes. All statutory references to a "building fund" shall mean the  
10 capital projects fund so established. Money to be deposited into the  
11 capital projects fund shall include, but not be limited to, bond  
12 proceeds, proceeds from excess levies authorized by RCW 84.52.053,  
13 state apportionment proceeds as authorized by RCW 28A.150.270, and  
14 earnings from capital projects fund investments as authorized by RCW  
15 28A.320.310 and 28A.320.320.

16       Money derived from the sale of bonds, including interest earnings  
17 thereof, may only be used for those purposes described in RCW  
18 28A.530.010, except that accrued interest paid for bonds shall be  
19 deposited in the debt service fund.

20       Money to be deposited into the capital projects fund shall include  
21 but not be limited to rental and lease proceeds as authorized by RCW  
22 28A.335.060, and proceeds from the sale of real property as authorized  
23 by RCW 28A.335.130.

24       Money legally deposited into the capital projects fund from other  
25 sources may be used for the purposes described in RCW 28A.530.010, and  
26 for the purposes of:

27       (a) Major renovation, including the replacement of facilities and  
28 systems where periodical repairs are no longer economical. Major  
29 renovation and replacement shall include, but shall not be limited to,  
30 roofing, heating and ventilating systems, floor covering, and  
31 electrical systems.

32       (b) Renovation and rehabilitation of playfields, athletic fields,  
33 and other district real property.

34       (c) The conduct of preliminary energy audits and energy audits of  
35 school district buildings. For the purpose of this section:

36       (i) "Preliminary energy audits" means a determination of the energy  
37 consumption characteristics of a building, including the size, type,

1 rate of energy consumption, and major energy using systems of the  
2 building.

3 (ii) "Energy audit" means a survey of a building or complex which  
4 identifies the type, size, energy use level, and major energy using  
5 systems; which determines appropriate energy conservation maintenance  
6 or operating procedures and assesses any need for the acquisition and  
7 installation of energy conservation measures, including solar energy  
8 and renewable resource measures.

9 (iii) "Energy capital improvement" means the installation, or  
10 modification of the installation, of energy conservation measures in a  
11 building which measures are primarily intended to reduce energy  
12 consumption or allow the use of an alternative energy source.

13 (d) Those energy capital improvements which are identified as being  
14 cost-effective in the audits authorized by this section.

15 (e) Purchase or installation of additional major items of equipment  
16 and furniture: PROVIDED, That vehicles shall not be purchased with  
17 capital projects fund money.

18 (f) (~~Costs associated with implementing~~) Implementation,  
19 application, and modernization of technology systems, facilities, and  
20 projects, including acquiring hardware, (~~licensing software, and~~)  
21 initial and ongoing fees for on-line applications and licensing of  
22 software, including upgrades and incidental services, and training  
23 related to the installation and integration of the foregoing. However,  
24 the software or applications must be an integral part of the district's  
25 technology systems, facilities, or projects.

26 (3) A debt service fund to provide for tax proceeds, other  
27 revenues, and disbursements as authorized in chapter 39.44 RCW.

28 (4) An associated student body fund as authorized by RCW  
29 28A.325.030.

30 (5) Advance refunding bond funds and refunded bond funds to provide  
31 for the proceeds and disbursements as authorized in chapter 39.53 RCW.

32 **Sec. 3.** RCW 84.52.053 and 1997 c 260 s 1 are each amended to read  
33 as follows:

34 The limitations imposed by RCW 84.52.050 through 84.52.056, and  
35 84.52.043 shall not prevent the levy of taxes by school districts, when  
36 authorized so to do by the voters of such school district in the manner  
37 and for the purposes and number of years allowable under Article VII,

1 section 2(a) of the Constitution of this state. Elections for such  
2 taxes shall be held in the year in which the levy is made or, in the  
3 case of propositions authorizing two-year through four-year levies for  
4 maintenance and operation support of a school district, authorizing  
5 two-year levies for transportation vehicle funds established in RCW  
6 28A.160.130, or authorizing two-year through six-year levies to support  
7 the construction, modernization, or remodeling of school facilities, as  
8 well as for the purposes of RCW 28A.320.330 (2)(f), in the year in  
9 which the first annual levy is made: PROVIDED, That once additional  
10 tax levies have been authorized for maintenance and operation support  
11 of a school district for a two-year through four-year period, no  
12 further additional tax levies for maintenance and operation support of  
13 the district for that period may be authorized.

14 A special election may be called and the time therefor fixed by the  
15 board of school directors, by giving notice thereof by publication in  
16 the manner provided by law for giving notices of general elections, at  
17 which special election the proposition authorizing such excess levy  
18 shall be submitted in such form as to enable the voters favoring the  
19 proposition to vote "yes" and those opposed thereto to vote "no".

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