

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 2357**

60th Legislature  
2007 Regular Session

Passed by the House April 17, 2007  
Yeas 97 Nays 0

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**Speaker of the House of Representatives**

Passed by the Senate April 13, 2007  
Yeas 47 Nays 0

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2357** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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HOUSE BILL 2357

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AS AMENDED BY THE SENATE

Passed Legislature - 2007 Regular Session

State of Washington                      60th Legislature                      2007 Regular Session

By Representatives McIntire and Fromhold

Read first time 02/26/2007. Referred to Committee on Capital Budget.

1            AN ACT Relating to school districts' use of state forest revenues;  
2 and amending RCW 79.64.110 and 28A.320.330.

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

4            **Sec. 1.** RCW 79.64.110 and 2003 c 334 s 207 are each amended to  
5 read as follows:

6            Any moneys derived from the lease of state forest lands or from the  
7 sale of valuable materials, oils, gases, coal, minerals, or fossils  
8 from those lands, must be distributed as follows:

9            (1) State forest lands acquired through RCW 79.22.040 or by  
10 exchange for lands acquired through RCW 79.22.040:

11            (a) The expense incurred by the state for administration,  
12 reforestation, and protection, not to exceed twenty-five percent, which  
13 rate of percentage shall be determined by the board, must be returned  
14 to the forest development account in the state general fund.

15            (b) Any balance remaining must be paid to the county in which the  
16 land is located to be paid, distributed, and prorated, except as  
17 otherwise provided in this section, to the various funds in the same  
18 manner as general taxes are paid and distributed during the year of  
19 payment.

1 (c) Any balance remaining, paid to a county with a population of  
2 less than sixteen thousand, must first be applied to the reduction of  
3 any indebtedness existing in the current expense fund of the county  
4 during the year of payment.

5 (d) With regard to moneys remaining under this subsection (1),  
6 within seven working days of receipt of these moneys, the department  
7 shall certify to the state treasurer the amounts to be distributed to  
8 the counties. The state treasurer shall distribute funds to the  
9 counties four times per month, with no more than ten days between each  
10 payment date.

11 (2) State forest lands acquired through RCW 79.22.010 or by  
12 exchange for lands acquired through RCW 79.22.010, except as provided  
13 in RCW 79.64.120:

14 (a) Fifty percent shall be placed in the forest development  
15 account.

16 (b) Fifty percent shall be prorated and distributed to the state  
17 general fund, to be dedicated for the benefit of the public schools,  
18 and the county in which the land is located according to the relative  
19 proportions of tax levies of all taxing districts in the county. The  
20 portion to be distributed to the state general fund shall be based on  
21 the regular school levy rate under RCW 84.52.065 and the levy rate for  
22 any maintenance and operation special school levies. With regard to  
23 the portion to be distributed to the counties, the department shall  
24 certify to the state treasurer the amounts to be distributed within  
25 seven working days of receipt of the money. The state treasurer shall  
26 distribute funds to the counties four times per month, with no more  
27 than ten days between each payment date. The money distributed to the  
28 county must be paid, distributed, and prorated to the various other  
29 funds in the same manner as general taxes are paid and distributed  
30 during the year of payment.

31 (3) A school district may transfer amounts deposited in its debt  
32 service fund pursuant to this section into its capital projects fund as  
33 authorized in RCW 28A.320.330.

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

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

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

4 (2) A capital projects fund shall be established for major capital  
5 purposes. All statutory references to a "building fund" shall mean the  
6 capital projects fund so established. Money to be deposited into the  
7 capital projects fund shall include, but not be limited to, bond  
8 proceeds, proceeds from excess levies authorized by RCW 84.52.053,  
9 state apportionment proceeds as authorized by RCW 28A.150.270, ~~((and))~~  
10 earnings from capital projects fund investments as authorized by RCW  
11 28A.320.310 and 28A.320.320, and state forest revenues transferred  
12 pursuant to subsection (3) of this section.

13 Money derived from the sale of bonds, including interest earnings  
14 thereof, may only be used for those purposes described in RCW  
15 28A.530.010, except that accrued interest paid for bonds shall be  
16 deposited in the debt service fund.

17 Money to be deposited into the capital projects fund shall include  
18 but not be limited to rental and lease proceeds as authorized by RCW  
19 28A.335.060, and proceeds from the sale of real property as authorized  
20 by RCW 28A.335.130.

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

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

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

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

33 (i) "Preliminary energy audits" means a determination of the energy  
34 consumption characteristics of a building, including the size, type,  
35 rate of energy consumption, and major energy using systems of the  
36 building.

37 (ii) "Energy audit" means a survey of a building or complex which  
38 identifies the type, size, energy use level, and major energy using

1 systems; which determines appropriate energy conservation maintenance  
2 or operating procedures and assesses any need for the acquisition and  
3 installation of energy conservation measures, including solar energy  
4 and renewable resource measures.

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

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

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

14 (f) Costs associated with implementing technology systems,  
15 facilities, and projects, including acquiring hardware, licensing  
16 software, and on-line applications and training related to the  
17 installation of the foregoing. However, the software or applications  
18 must be an integral part of the district's technology systems,  
19 facilities, or projects.

20 (3) A debt service fund to provide for tax proceeds, other  
21 revenues, and disbursements as authorized in chapter 39.44 RCW. State  
22 forest land revenues that are deposited in a school district's debt  
23 service fund pursuant to RCW 79.64.110 and to the extent not necessary  
24 for payment of debt service on school district bonds may be transferred  
25 by the school district into the district's capital projects fund.

26 (4) An associated student body fund as authorized by RCW  
27 28A.325.030.

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

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