

# SENATE BILL REPORT

## SB 5589

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As of February 22, 2013

**Title:** An act relating to school district elections.

**Brief Description:** Providing for a simple majority of voters voting to authorize school district bonds.

**Sponsors:** Senators Mullet, Kline, Eide, McAuliffe, Kohl-Welles, Frockt, Keiser, Shin and Chase.

**Brief History:**

**Committee Activity:** Governmental Operations: 2/21/13.

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### SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

**Staff:** Sam Thompson (786-7413)

**Background:** The Washington Constitution generally limits regular property tax levies to an aggregate of 1 percent of the value of property. Statutory law imposes further limits. These limits may be exceeded if voters assent. Levies by school districts and other local governments to pay for general obligation bonds issued for capital purposes may exceed these limits if at least 60 percent of voters voting on an authorizing proposition grant approval. In addition, the number of voters voting on the proposition must be at least 40 percent of the total voters at the preceding general election. The Washington Constitution also prohibits school districts and other local government entities from incurring debt exceeding 1.5 percent of the value of taxable property in the jurisdiction, unless 60 percent of voters grant their assent in an election. Total debt may not exceed 5 percent.

SJR 8208 has been introduced in the Legislature to amend the Washington Constitution to enable a majority of voters voting on the proposition to authorize a school district to:

- issue and pay for bonds by annual levies during the term of the bonds that exceed otherwise applicable limits on levies; and
- incur debt exceeding 1.5 percent of the value of taxable property in the district. An existing 5 percent limit on total debt remains applicable.

A constitutional amendment requires approval by a two-thirds vote of each chamber of the Legislature and a majority of the voters at the next general election.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill:** Statutory changes are made to enable a majority of voters voting on the proposition to authorize a school district to:

- issue and pay for bonds by annual levies that exceed otherwise applicable limits on levies; and
- incur debt exceeding a statutory limit of three-eighths of 1 percent of the value of taxable property in the district.

Provisions will take effect if SJR 8208 is validly submitted to and approved by voters, and certified by the Secretary of State. Provisions are void if SJR 8208 is not approved, ratified, and certified.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Contingent upon approval by the voters at the November 2013 general election.

**Staff Summary of Public Testimony:** PRO: This bill, implementing SJR 8208, provides necessary local flexibility for school funding, particularly in districts with surging populations, such as the Tahoma and Snoqualmie school districts. School districts should be able to take advantage of current historically low interest rates to fund new construction, renovations, and repairs. Many states allow for approval of excess levies by simple majorities; only California and Washington require supermajorities. In recent February elections, eight bond levy propositions appear to have passed but nine appear to have failed, some just below necessary 60 percent approval. Many bond levy propositions have failed in recent years, despite winning majority support. School boards do not propose these levies on a whim.

**Persons Testifying:** PRO: Senator Mullet, prime sponsor; Marie Sullivan, WA State School Directors' Assn.; Stan Bowman, American Institute of Architects, WA Council; Frank Ordway, League of Education Voters; Terry Tilton, NW Carpenters.