

SENATE BILL REPORT

SB 6246

As of January 24, 2018

Title: An act relating to school district elections.

Brief Description: Providing for approval of school district bonds by fifty-five percent of the voters voting.

Sponsors: Senators Mullet, Palumbo, Carlyle, Fain, Frockt, Dhingra, Pedersen, Wellman, Kuderer, Keiser, Billig, McCoy, Takko, Rolfes, Cleveland, Lias, Hunt, Conway, Van De Wege and Miloscia.

Brief History:

Committee Activity: State Government, Tribal Relations & Elections: 1/24/18.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Lowers voter approval threshold to 55 percent for school districts to issue general obligation capital bonds, levy taxes to pay off the bonds.
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SENATE COMMITTEE ON STATE GOVERNMENT, TRIBAL RELATIONS & ELECTIONS

Staff: Samuel Brown (786-7470)

Background: General Obligation Bonds. The board of directors of a school district may borrow money and issue bonds for any capital purpose. The amount that may be borrowed is limited by the state Constitution and state statutes.

School districts may exceed the constitutional debt limit for construction of 1.5 percent of the assessed value of property in the district, up to 5 percent indebtedness, with approval of at least 60 percent of the voters at an election where the total number of voters is at least 40 percent of the total at the last preceding general election. State statute imposes a lower threshold of 0.375 percent indebtedness, but allows districts to exceed this threshold to a total indebtedness of 2.5 percent with the approval of at least 60 percent of the voters voting.

Maintenance and Operation Levies and Capital Levies. Under constitutional restrictions on property taxes, school districts may collect property tax revenues in excess of 1 percent of the

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assessed value of property in the district for the maintenance and operation of common schools, or the construction, modernization, or remodeling of school facilities. In 2007, the voters approved a constitutional amendment allowing school districts to levy this additional tax by a simple majority of the voters voting at an election for that purpose.

Bond Levies. School districts may also levy taxes above the 1 percent limit to make required payments of principal and interest on bonds issued for capital purposes if approved by at least 60 percent of the voters at an election where the total number of voters is at least 40 percent of the total at the last preceding general election.

Constitutional Amendment. A proposed amendment to the state constitution must be approved by two-thirds of the members elected to each house of the Legislature, and then approved by a majority of the voters in the next general election.

Summary of Bill: School districts may issue general obligation bonds for capital purposes, levy taxes to make payments on those bonds, with 55 percent voter approval regardless of voter participation levels.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed. However, the act is null and void if the state constitutional amendment proposed by SJR 8213 is not approved by voters and ratified at the next general election.

Staff Summary of Public Testimony: PRO: We arrived at this number as a compromise—this strikes a balance between people who are concerned about a slightly higher threshold for capital bond issuance and districts who have been failing bond measures at 57 or 58 percent. Making these capital investments at the state level inhibits our ability to fund other programs. Bonding is a challenge for our school district, and we are looking at aging facilities without hope of refurbishing or replacing them. Since 2011, 22 bond measures in eastern Washington school districts have received at least 55 percent support, but still failed. Students deserve better. Many school districts whose bond measures initially fail keep trying, and when they do finally pass, there are higher building costs and lower requests than initially submitted.

CON: There may only be one chance to change this, so we'd recommend going to a simple majority. The supermajority requirement requires districts to be disciplined in the improvements they want to make, maintain their current structures more effectively, and seek community input to obtain passage of bond proposals.

Persons Testifying: PRO: Senator Mark Mullet, Prime Sponsor; Eric Swanson, Superintendent, Omak School District; Jim Kowalkowski, Superintendent, Davenport School District; Jessica Vavrus, Washington State School Directors' Association.

CON: Lucinda Young, Washington Education Association; Glen Morgan, citizen.

Persons Signed In To Testify But Not Testifying: No one.