
Education Committee

HB 1226

Brief Description: Concerning school district elections.

Sponsors: Representatives Stonier, Berg, Ramos, Kloba, Santos, Ortiz-Self, Gregerson, Bergquist, Valdez, Callan, Riccelli, Macri and Frame.

Brief Summary of Bill

- Authorizes school districts to issue general obligation bonds for capital purposes, levy taxes to make payments on those bonds, and exceed the statutory debt limit with approval by a simple majority of the voters voting at the election, rather than approval by 60 percent of the voters voting where the total number of voters is at least 40 percent of the total at the last preceding general election.
- Provides that the bill is void unless a constitutional amendment to this effect is approved at the next general election.

Hearing Date: 1/18/22

Staff: Megan Wargacki

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 Washington Constitution (Constitution) and state statutes. The Constitution sets a debt limit for school districts at 1.5 percent of the assessed value of property in the district, but the Constitution permits districts to exceed this limit for construction, 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

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total at the last preceding general election. State statute imposes a lower threshold of 0.375 percent indebtedness, but allows school districts to exceed this threshold to a total indebtedness of 2.5 percent for capital outlays with the approval of at least 60 percent of the voters voting.

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.

To amend the Constitution, the amendment 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:

If the voters at the next general election approve an amendment to the Constitution to change the voter approval requirement for school district bonds, levies, and indebtedness limits, school districts may: (1) issue general obligation bonds for capital purposes; (2) levy taxes to make payments on those bonds; and (3) exceed the statutory debt limit, with approval by a simple majority of the voters voting on the proposition.

If the constitutional amendment is not approved and ratified at the next general election, and ratified by the Secretary of State, the bill is void in its entirety.

Appropriation: None.

Fiscal Note: Requested on January 11, 2022.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the act is null and void if the state constitutional amendment proposed by HJR 4200 is not approved by voters and ratified at the next general election.