

HOUSE BILL REPORT

HB 1226

As Reported by House Committee On:
Education

Title: An act relating to school district elections.

Brief Description: Concerning school district elections.

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

Brief History:

Committee Activity:

Education: 1/18/22, 2/3/22 [DP].

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.

HOUSE COMMITTEE ON EDUCATION

Majority Report: Do pass. Signed by 7 members: Representatives Santos, Chair; Dolan, Vice Chair; Berg, Bergquist, Callan, Ortiz-Self and Stonier.

Minority Report: Do not pass. Signed by 6 members: Representatives Ybarra, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; McCaslin, McEntire, Rude and Steele.

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

Staff: Megan Wargacki (786-7194).

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 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 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: Available.

Effective Date: This bill takes effect on the date the constitutional amendment in House Joint Resolution 4200, school district bonds, is ratified by the voters and becomes effective.

Staff Summary of Public Testimony:

(In support) Capital levy and bond measures are put to the voters to build new schools, modernize aging facilities, update technology, and build specialized learning environments. Students should not have to learn in classrooms with health hazards or susceptible to natural disasters. Many school buildings are overcrowded or have outdated designs without spaces for specialized instruction. Students need safe and permanent buildings, not portables. Communities also use school buildings.

Until there is a simple majority requirement for school construction bonds, there will not be a quality statewide school system. The original Constitution allowed for simple majority and was not amended until World War II. Between 2017 and 2020, 130 school bond measures were run, 62 of these met the 60 percent voter approval threshold, while 15 failed to reach 50 percent. This means that 53 school districts met a simple majority approval threshold, but their students were denied new or renovated schools due to the outdated 60 percent approval threshold.

Bonds are the most affordable way to build and modernize school buildings. Washington is just one of 11 states that require super majority, while 30 states require simple majority. Construction costs are rising, which means school districts that cannot pass construction bonds on the first attempt end up paying a higher price for fewer improvements. School districts with lower assessed property values that must rely on capital bonds to fund capital projects are at a disadvantage.

Even with highly engaged communities, some school districts cannot pass bonds at the 60 percent approval threshold. It should not be okay for a minority of voters to prevent a school district from making necessary health, safety, and capital construction updates that are required. Simple majority would allow a community to make an infrastructure investment into the education of their children. This is not a tax increase. It is about voter approved actions to ensure that students are learning in the best possible environments that communities can and want to afford.

(Opposed) None.

Persons Testifying: Representative Monica Jurado Stonier, prime sponsor; Tom Seigel, Bethel School District; Tyler Muench, Office of the Superintendent of Public Instruction; Jon Holmen, Lake Washington School District; Graeme Sackrison, North Thurston Public Schools; Charlie Brown, Tacoma, Federal Way, Puyallup School District, and Bethel School District; Ron Mabry, Washington State School Directors' Association, and Kennewick School Board; Caroline Mason, Washington State School Directors' Association, and Everett School Board; Stephanie Smith, Washington State School

Directors' Association, and Elma School Board; Denise Hendrickson, Washington State School Directors' Association; Debra Long, Washington State School Directors' Association, and Central Valley School Board; Monika Christensen, Wenatchee Education Association; and Melissa Stone.

Persons Signed In To Testify But Not Testifying: None.