
Education Committee

HJR 4200

Brief Description: Amending the Constitution to allow a simple majority of voters voting to authorize school district bonds.

Sponsors: Representatives Stonier, Berg, Duerr, Fitzgibbon, Kloba, Chapman, Davis, Senn, Wicks, Santos, Ormsby, Slatter, Gregerson, Bergquist, Hackney, Valdez, Ramel, Callan, Ramos, Riccelli, Macri, Goodman, Frame, Harris-Talley and Dolan.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Proposes a constitutional amendment to authorize school districts to issue general obligation bonds for capital purposes, levy taxes to make payments on those bonds, and exceed a constitutional debt limit with approval by a simple majority of the voters, voting on the proposition, rather than approval by 60 percent of the voters at a general election where the total number of voters is at least 40 percent of the total at the last preceding 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

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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 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:

A proposed constitutional amendment must be submitted to the voters at the next general election to change the voter approval requirement for school district bonds and bond levies. Under the proposal, school districts may: (1) issue general obligation bonds for capital purposes; (2) levy taxes to make payments on those bonds; and (3) exceed a constitutional debt limit, with approval by a simple majority of the voters voting on the proposition.

Appropriation: None.

Fiscal Note: Requested on January 11, 2022.

Effective Date: Subject to ratification by the voters at the next general election.