
Education Committee

HB 1843

Brief Description: Modifying school district elections.

Sponsors: Representatives Harris, Stonier, Leavitt, Santos, Gregerson, Ryu, Tharinger, Senn and Bergquist.

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 55 percent of the voters.
- Provides that the bill is void unless a constitutional amendment to this effect is approved at the next general election.

Hearing Date: 1/15/24

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 permits school districts to exceed this limit for construction, up to 5 percent indebtedness, with approval of at least 60 percent of the voters voting 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, and permits

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school districts to exceed this threshold to a total indebtedness of 5 percent for capital outlays with the approval of at least 60 percent of the voters voting at an election held for that purpose.

Property Tax Levies.

The Constitution limits regular property tax levies to a maximum of 1 percent of the property's value. Upon majority voter approval, school districts are authorized to collect excess levies above this 1 percent limit for purposes of enrichment, transportation vehicles, and capital projects.

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 and ratified 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 Washington Constitution to change the voter approval requirement for school district bonds, levies, and indebtedness limits, school districts may, with approval by 55 percent of the voters voting on the proposition:

1. issue general obligation bonds for capital purposes;
2. levy taxes to make payments on those bonds; and
3. exceed the statutory debt limit.

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

Appropriation: None.

Fiscal Note: Requested on January 9, 2024.

Effective Date: This bill takes effect on the date the constitutional amendment in House Joint Resolution 4207 is approved and ratified by the voters at the next general election, and certified by the Secretary of State.