

Education Committee

HJR 4201

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

Sponsors: Representatives Stonier, Ryu, Leavitt, Ramel, Berry, Macri, Callan, Gregerson, Goodman, Doglio, Wylie, Pollet, Fey, Ormsby, Tharinger and Hill.

Brief Summary of Bill

- Proposes a constitutional amendment to permit 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.

Hearing Date: 2/4/25

Staff: Ethan Moreno (786-7386).

Background:

General Obligation Bonds and Indebtedness Limits.

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 imposes a debt limit of 1.5 percent of the assessed value of property in the district. School districts may exceed this debt limit, up to the maximum limit of 5 percent indebtedness, plus an additional 5 percent for capital outlays, with the approval of at least 60 percent of the voters voting on the proposition.

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.

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, plus an additional 2.5 percent for capital outlays, with the approval of at least 60 percent of the voters voting on the proposition.

Levy Limits and Exceptions for School Districts.

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 the 1 percent constitutional property tax limit for enrichment, transportation vehicles, and capital projects.

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

Constitutional Amendments.

A proposed amendment to the 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:

A proposed constitutional amendment must be submitted to the voters at the next general election to permit 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.

Appropriation: None.

Fiscal Note: Requested on January 27, 2025.

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