

Education Committee

HB 1032

Brief Description: Concerning school district elections.

Sponsors: Representatives Stonier, Ramel, Reed, Fitzgibbon, Macri, Callan, Fosse, Gregerson, Ortiz-Self, Goodman, Wylie, Doglio, Pollet, Duerr, Berg, Lekanoff, Bergquist, Reeves and Hill.

Brief Summary of Bill

- Permits 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 on the proposition.
- Provides that the bill is void unless a corresponding constitutional amendment is approved at the next general election.

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

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percent of the voters voting on the proposition.

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:

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

The bill takes effect only if the proposed amendment to the Constitution is approved by voters at the next general election.

Appropriation: None.

Fiscal Note: Requested on January 27, 2025.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void if the state constitutional amendment proposed by HJR 4201 is not approved by voters and ratified at the next general election.