

# SENATE BILL REPORT

## SB 6306

---

As Passed Senate, February 13, 1996

**Title:** An act relating to school district indebtedness.

**Brief Description:** Issuing school district bonds.

**Sponsors:** Senators Rinehart, Snyder and McAuliffe.

**Brief History:**

**Committee Activity:** Education: 1/25/96, 2/1/96 [DP].  
Passed Senate, 2/13/96, 41-8.

---

### SENATE COMMITTEE ON EDUCATION

**Majority Report:** Do pass.

Signed by Senators McAuliffe, Chair; Goings, Vice Chair; Finkbeiner, Johnson, Pelz and Rasmussen.

**Staff:** Leslie Goldstein (786-7424)

**Background:** In 1991, school districts were authorized to issue limited tax general obligation bonds for the purchase of real and personal property without a vote of the people. The bonds are subject to the existing debt limits in state law. The bond proceeds must be deposited in the districts' capital fund, transportation fund, or the general fund as applicable.

School districts may incur an indebtedness amount not exceeding 3/8ths of 1 percent of the assessed value of the taxable property in the district without getting approval of school district voters.

**Summary of Bill:** The authority of school districts to contract non-voter approved indebtedness using bonds, notes, or other evidence of indebtedness is expanded from the purchase of real and personal property to also include the funding of outstanding indebtedness, the erection of buildings, the improvement of energy efficiency, the making of structural changes, and other capital purposes. Bonds issued prior to the effective date of this law are valid.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This increases school districts' flexibility and efficiency. It permits school districts to use these bonds to purchase buildings or to finance energy-efficiency improvements. The bonds must be within the debt limit. This does not affect the debt limit.

**Testimony Against:** None.

**Testified:** Mark Mitrovich, Peninsula School District (pro); Dwayne Slate, WSSDA (pro); Karen Davis, WEA (pro); Robert Shelley, Seattle NW Securities (pro); Roy Koegen, Perkins Coie (pro).