

SENATE BILL REPORT

SB 5986

As Passed Senate, March 10, 1995

Title: An act relating to school district indebtedness.

Brief Description: Issuing school district bonds.

Sponsors: Senator Gaspard.

Brief History:

Committee Activity: Education: 2/28/95 [DP].
Passed Senate, 3/10/95, 45-0.

SENATE COMMITTEE ON EDUCATION

Majority Report: Do pass.

Signed by Senators McAuliffe, Chair; Pelz, Vice Chair; Finkbeiner, Gaspard, Hochstatter, Johnson 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.

Summary of Bill: School districts' authority to issue limited tax general obligation bonds is expanded from the purchase of real and personal property to include funding outstanding indebtedness, purchase sites, erect buildings, improve energy efficiency, structural changes, or other capital purposes. Any bonds issued for these purposes 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 or increase taxes.

Testimony Against: None.

Testified: PRO: John Rose, Seattle Northwest Securities; Roy Koeger, Perkins Coie; David James, Royal School District; Dwayne Slate, WSSDA.