

FINAL BILL REPORT

2ESB 5529

C 11 L 95 E1
Synopsis as Enacted

Brief Description: Changing school district levy provisions.

Sponsors: Senators McAuliffe, Rinehart, Moyer, McDonald, Wojahn and Winsley; by request of Office of Financial Management.

Senate Committee on Ways & Means
Senate Committee on Education
House Committee on Appropriations

Background: Since 1978, there has been a statutory limit on school district maintenance and operation levies. This limit is commonly known as the levy lid law. Initially, the lid was set at 10 percent of state basic education funds. School districts having levies in excess of 10 percent were provided grandfather exemptions. Since its inception, the levy lid law has been amended 11 times, with the latest change having been enacted in 1993. The 1993 amendment increased the levy lid from 20 percent to 24 percent for calendar years 1994 and 1995. The limit for grandfathered districts was also increased 4 percent, and the highest authorized levy rate is currently 33.9 percent. In 1996, absent legislative action, the limit will revert to 20 percent, and be reduced 4 percent for grandfather districts.

Summary: The 4 percent levy lid increase is extended for two years (calendar years 1996 and 1997). For levies to be collected in 1998 and thereafter, school boards can only request voter approval for amounts consistent with the 1993 levy rate prior to the 4 percent increase.

Votes on Final Passage:

Senate	37	10	
House	79	16	(House amended)
Senate			(Senate refused to concur)
House	78	16	(House amended)
Senate			(Senate refused to concur)
House			(House refused to recede)

First Special Session

Senate	44	2
House	83	14

Effective: August 22, 1995