

SENATE BILL REPORT

ESHB 2069

As of April 18, 1997

Title: An act relating to school district levies.

Brief Description: Changing school levy provisions.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Wensman, Cole, Bush, H. Sommers, Benson, D. Schmidt, L. Thomas, Dyer, B. Thomas, Reams, Doumit, Ballasiotes, Alexander, Hatfield, Lantz, Sullivan, Thompson, Kessler and Butler).

Brief History:

Staff: William Freund (786-7441)

Background: Since 1979, there has been a lid on the amount that school districts may levy for maintenance and operations. The Legislature has amended this levy lid numerous times since its inception, and the most recent changes occurred in 1993 and 1995.

The 1993 Legislature enacted a two year temporary levy lid increase, increasing the levy lid from 20 percent to 24 percent, and by 4 percent for districts grandfathered above 20 percent. The 1995 Legislature extended the temporary increase for another two years, and it expires after calendar year 1997.

The 1987 Legislature increased the levy lid from 10 percent to 20 percent and enacted a local effort assistance program to equalize half of the permissible levy. Under this program, the state assists any district requiring a property tax rate for a 10 percent levy which exceeds the state average for a 10 percent levy.

Summary of Bill: The levy lid is increased 2 percent for calendar year 1998 and 4 percent for calendar year 1999 and thereafter. Beginning in 1999, levy equalization is increased to 12 percent for districts having a property tax rate for a 10 percent levy that is in the highest quartile among school districts. A study of levy equalization by the fiscal committees of the Legislature is required with a completion date of December 1, 1997.

Appropriation: None.

Fiscal Note: Available.

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