

SENATE BILL REPORT

SB 5001

As of January 29, 1997

Title: An act relating to replacement of school levy funding.

Brief Description: Replacing school levy funding.

Sponsors: Senators Bauer, McAuliffe, Haugen, Goings and Patterson.

Brief History:

Committee Activity: Education: 1/31/97.

SENATE COMMITTEE ON EDUCATION

Staff: Karen Carter (786-7424)

Background: School districts are allowed to collect excess property tax revenues, with voter approval, to enrich their programs beyond the level of basic education.

Since 1988, local excess levies have been limited to an amount equal to 20 percent of state and federal allocations school districts receive for basic education. The maximum levy percentage is also known as the district's levy authority.–

Certain districts were collecting a higher percentage before the levy lid was imposed. Those districts have the authority to raise amounts greater than 20 percent through a grandfather clause in Chapter 84.52 RCW.

In 1993, the Legislature extended to all districts the temporary authority to raise, with voter approval, an additional 4 percent through local levies. This temporary authority is scheduled to expire December, 1997.

Summary of Substitute Bill: School districts' levy authority is reduced by 10 percent over two years. The state must pay each school district an amount equivalent to a 5 percent levy for calendar year 1998, and an amount equivalent to a 5 percent levy for calendar year 1999.

These state funds, called levy authority replacement funds,– are not part of basic education. Levy authority replacement funds must be used to enrich programs in the same manner as local levy dollars.

Current levy authority is the starting point for calculating a district's maximum levy percentage in 1998, as the temporary 4 percent authority does not expire under this act.

State funding for the 10 percent levy authority replacements is exempt from the Initiative 601 expenditure limits. The use of revenue in excess of the limit for property tax reduction and school funding is allowed.

Substitute Bill Compared to Original Bill: The original bill was not considered.

Appropriation: None.

Fiscal Note: Requested on January 27, 1997.

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