
HOUSE BILL 1045

State of Washington 55th Legislature 1997 Regular Session

By Representatives Carlson and Boldt

Read first time 01/13/97. Referred to Committee on Appropriations.

1 AN ACT Relating to replacement of school levy funding; amending RCW
2 84.52.0531 and 43.135.025; adding a new section to chapter 84.52 RCW;
3 and creating new sections.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
6 strengthen its commitment to funding public education first and fully
7 while deriving a more equitable and reliable tax structure. It is also
8 the intent of the legislature to lessen the reliance of supporting
9 public education upon local property taxation and seek to provide
10 meaningful property tax relief to taxpayers. The purposes of this act
11 are to reduce local property taxes by decreasing the maximum levy
12 percentage for all local school districts by an additional two percent
13 and authorizing additional state funding equivalent to an amount of the
14 levy reduction.

15 NEW SECTION. **Sec. 2.** The legislature shall provide from the state
16 general fund to those school districts with a voter-approved levy
17 authorization equivalent to twenty percent or more and authorized to
18 collect a maximum of twenty-four percent in calendar year 1997:

1 (1) Replacement moneys in an amount equal to the difference between
2 voter-approved levies in calendar year 1997 and revenue that would have
3 otherwise resulted from a twenty-four-percent levy in calendar year
4 1998; and

5 (2) Replacement moneys in an amount equal to the difference between
6 the maximum levy under RCW 84.52.0531(5) and revenue that would have
7 otherwise resulted from a twenty-percent levy in calendar year 1999.

8 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.52 RCW
9 to read as follows:

10 School levies authorized by this chapter shall be used for program
11 enrichment purposes and may not be considered any part of the state's
12 basic education obligation. Levy funds may be expended for basic
13 education programs and such expenditures constitute enrichment of such
14 programs.

15 **Sec. 4.** RCW 84.52.0531 and 1995 1st sp.s. c 11 s 1 are each
16 amended to read as follows:

17 The maximum dollar amount which may be levied by or for any school
18 district for maintenance and operation support under the provisions of
19 RCW 84.52.053 shall be determined as follows:

20 (1) For excess levies for collection in calendar year 1992, the
21 maximum dollar amount shall be calculated pursuant to the laws and
22 rules in effect in November 1991.

23 (2) For the purpose of this section, the basic education allocation
24 shall be determined pursuant to RCW 28A.150.250, 28A.150.260, and
25 28A.150.350: PROVIDED, That when determining the basic education
26 allocation under subsection (4) of this section, nonresident full time
27 equivalent pupils who are participating in a program provided for in
28 chapter 28A.545 RCW or in any other program pursuant to an
29 interdistrict agreement shall be included in the enrollment of the
30 resident district and excluded from the enrollment of the serving
31 district.

32 (3) For excess levies for collection in calendar year 1993 and
33 thereafter, the maximum dollar amount shall be the sum of (a) and (b)
34 of this subsection minus (c) of this subsection:

35 (a) The district's levy base as defined in subsection (4) of this
36 section multiplied by the district's maximum levy percentage as defined
37 in subsection (5) of this section;

1 (b) In the case of nonhigh school districts only, an amount equal
2 to the total estimated amount due by the nonhigh school district to
3 high school districts pursuant to chapter 28A.545 RCW for the school
4 year during which collection of the levy is to commence, less the
5 increase in the nonhigh school district's basic education allocation as
6 computed pursuant to subsection (1) of this section due to the
7 inclusion of pupils participating in a program provided for in chapter
8 28A.545 RCW in such computation;

9 (c) The maximum amount of state matching funds under RCW
10 28A.500.010 for which the district is eligible in that tax collection
11 year.

12 (4) For excess levies for collection in calendar year 1993 and
13 thereafter, a district's levy base shall be the sum of allocations in
14 (a) through (c) of this subsection received by the district for the
15 prior school year, including allocations for compensation increases,
16 plus the sum of such allocations multiplied by the percent increase per
17 full time equivalent student as stated in the state basic education
18 appropriation section of the biennial budget between the prior school
19 year and the current school year and divided by fifty-five percent. A
20 district's levy base shall not include local school district property
21 tax levies or other local revenues, or state and federal allocations
22 not identified in (a) through (c) of this subsection.

23 (a) The district's basic education allocation as determined
24 pursuant to RCW 28A.150.250, 28A.150.260, and 28A.150.350;

25 (b) State and federal categorical allocations for the following
26 programs:

27 (i) Pupil transportation;

28 (ii) Handicapped education;

29 (iii) Education of highly capable students;

30 (iv) Compensatory education, including but not limited to learning
31 assistance, migrant education, Indian education, refugee programs, and
32 bilingual education;

33 (v) Food services; and

34 (vi) State-wide block grant programs; and

35 (c) Any other federal allocations for elementary and secondary
36 school programs, including direct grants, other than federal impact aid
37 funds and allocations in lieu of taxes.

1 (5) For excess levies for collection in calendar year ((1993)) 1998
2 and thereafter, a district's maximum levy percentage shall be
3 determined as follows:

4 (a) Multiply the district's maximum levy percentage for the prior
5 year by the district's levy base as determined in subsection (4) of
6 this section, less two percent;

7 (b) Reduce the amount in (a) of this subsection by the total
8 estimated amount of any levy reduction funds as defined in subsection
9 (6) of this section which are to be allocated to the district for the
10 current school year;

11 (c) Divide the amount in (b) of this subsection by the district's
12 levy base to compute a new percentage; and

13 (d) The percentage in (c) of this subsection or ((twenty)) eighteen
14 percent, whichever is greater, shall be the district's maximum levy
15 percentage for levies collected in that calendar year((~~and~~

16 ~~(e) For levies to be collected in calendar years 1994 through 1997,~~
17 ~~the maximum levy rate shall be the district's maximum levy percentage~~
18 ~~for 1993 plus four percent reduced by any levy reduction funds. For~~
19 ~~levies collected in 1998, the prior year shall mean 1993)).~~

20 (6) "Levy reduction funds" shall mean increases in state funds from
21 the prior school year for programs included under subsection (4) of
22 this section: (a) That are not attributable to enrollment changes,
23 compensation increases, or inflationary adjustments; and (b) that are
24 or were specifically identified as levy reduction funds in the
25 appropriations act. If levy reduction funds are dependent on formula
26 factors which would not be finalized until after the start of the
27 current school year, the superintendent of public instruction shall
28 estimate the total amount of levy reduction funds by using prior school
29 year data in place of current school year data. Levy reduction funds
30 shall not include moneys received by school districts from cities or
31 counties.

32 (7) For the purposes of this section, "prior school year" shall
33 mean the most recent school year completed prior to the year in which
34 the levies are to be collected.

35 (8) For the purposes of this section, "current school year" shall
36 mean the year immediately following the prior school year.

37 (9) Funds collected from transportation vehicle fund tax levies
38 shall not be subject to the levy limitations in this section.

1 (10) The superintendent of public instruction shall develop rules
2 and regulations and inform school districts of the pertinent data
3 necessary to carry out the provisions of this section.

4 **Sec. 5.** RCW 43.135.025 and 1994 c 2 s 2 are each amended to read
5 as follows:

6 (1) The state shall not expend from the general fund during any
7 fiscal year state moneys in excess of the state expenditure limit
8 established under this chapter.

9 (2) Except pursuant to a declaration of emergency under RCW
10 43.135.035 or pursuant to an appropriation under RCW 43.135.045(4)(b),
11 the state treasurer shall not issue or redeem any check, warrant, or
12 voucher that will result in a state general fund expenditure for any
13 fiscal year in excess of the state expenditure limit established under
14 this chapter. A violation of this subsection constitutes a violation
15 of RCW 43.88.290 and shall subject the state treasurer to the penalties
16 provided in RCW 43.88.300.

17 (3) The state expenditure limit for any fiscal year shall be the
18 previous fiscal year's state expenditure limit increased by a
19 percentage rate that equals the fiscal growth factor.

20 (4) For purposes of computing the state expenditure limit for the
21 fiscal year beginning July 1, 1995, the phrase "the previous fiscal
22 year's state expenditure limit" means the total state expenditures from
23 the state general fund, not including federal funds, for the fiscal
24 year beginning July 1, 1989, plus the fiscal growth factor. This
25 calculation is then computed for the state expenditure limit for fiscal
26 years 1992, 1993, 1994, and 1995, and as required under RCW
27 43.135.035(4).

28 (5) Each November, the office of financial management shall adjust
29 the expenditure limit for the preceding fiscal year based on actual
30 expenditures and known changes in the fiscal growth factor and then
31 project an expenditure limit for the next two fiscal years. The office
32 of financial management shall notify the legislative fiscal committees
33 of all adjustments to the state expenditure limit and projections of
34 future expenditure limits.

35 (6) This section does not apply to expenditures for levy authority
36 replacement moneys under section 2 of this act.

1 (7) "Fiscal growth factor" means the average of the sum of
2 inflation and population change for each of the prior three fiscal
3 years.

4 (~~(7)~~) (8) "Inflation" means the percentage change in the implicit
5 price deflator for the United States for each fiscal year as published
6 by the federal bureau of labor statistics.

7 (~~(8)~~) (9) "Population change" means the percentage change in
8 state population for each fiscal year as reported by the office of
9 financial management.

10 NEW SECTION. Sec. 6. This act applies to special levies collected
11 in calendar year 1998 and thereafter.

--- END ---