
SUBSTITUTE HOUSE BILL 2069

State of Washington

55th Legislature

1997 Regular Session

By 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)

Read first time 03/10/97.

1 AN ACT Relating to school district levies; amending RCW 84.52.0531
2 and 28A.500.010; creating new sections; and repealing RCW 28A.320.150.

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

4 NEW SECTION. **Sec. 1.** Funding resulting from this act is for
5 school district activities which supplement or are not related to the
6 state's basic program of education obligation as set forth under
7 Article IX of the state Constitution.

8 **Sec. 2.** RCW 84.52.0531 and 1995 1st sp.s. c 11 s 1 are each
9 amended to read as follows:

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

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

16 (2) (~~For the purpose of this section, the basic education~~
17 ~~allocation shall be determined pursuant to RCW 28A.150.250,~~
18 ~~28A.150.260, and 28A.150.350: PROVIDED, That when determining the~~

1 basic education allocation under subsection (4) of this section,
2 nonresident full time equivalent pupils who are participating in a
3 program provided for in chapter 28A.545 RCW or in any other program
4 pursuant to an interdistrict agreement shall be included in the
5 enrollment of the resident district and excluded from the enrollment of
6 the serving district.

7 (3)) For excess levies for collection in calendar year 1993 and
8 thereafter, the maximum dollar amount shall be the sum of (a) ((and))
9 plus or minus (b) and (c) of this subsection minus ((+e)) (d) of this
10 subsection:

11 (a) The district's levy base as defined in subsection ((+4)) (3)
12 of this section multiplied by the district's maximum levy percentage as
13 defined in subsection ((+5)) (4) of this section;

14 (b) ((In the case of nonhigh school districts only, an amount equal
15 to the total estimated amount due by the nonhigh school district to
16 high school districts pursuant to chapter 28A.545 RCW for the school
17 year during which collection of the levy is to commence, less the
18 increase in the nonhigh school district's basic education allocation as
19 computed pursuant to subsection (1) of this section due to the
20 inclusion of pupils participating in a program provided for in chapter
21 28A.545 RCW in such computation)) For districts in a high/nonhigh
22 relationship, the high school district's maximum levy amount shall be
23 reduced and the nonhigh school district's maximum levy amount shall be
24 increased by an amount equal to the estimated amount of the nonhigh
25 payment due to the high school district under RCW 28A.545.030(3) and
26 28A.545.050 for the school year commencing the year of the levy;

27 (c) For school districts in an interdistrict cooperative agreement,
28 the nonresident school district's maximum levy amount shall be reduced
29 and the resident school district's maximum levy amount shall be
30 increased by an amount equal to the per pupil basic education
31 allocation included in the nonresident school district's levy base
32 under this subsection multiplied by:

33 (i) The number of full-time equivalent students served from the
34 resident school district in the prior school year multiplied by

35 (ii) The serving district's maximum levy percentage determined
36 under subsection (4) of this section multiplied by

37 (iii) The percent increase per full-time equivalent student as
38 stated in the state basic education appropriation section of the

1 biennial budget between the prior school year and the current school
2 year divided by fifty-five percent;

3 (d) The maximum amount of state matching funds for which the school
4 district is eligible under RCW 28A.500.010 (~~for which the district is~~
5 ~~eligible in that tax collection year~~)).

6 (~~(4)~~) (3) For excess levies for collection in calendar year 1993
7 and thereafter, a district's levy base shall be the sum of allocations
8 in (a) through (c) of this subsection received by the district for the
9 prior school year, including allocations for compensation increases,
10 plus the sum of such allocations multiplied by the percent increase per
11 full time equivalent student as stated in the state basic education
12 appropriation section of the biennial budget between the prior school
13 year and the current school year and divided by fifty-five percent. A
14 district's levy base shall not include local school district property
15 tax levies or other local revenues, or state and federal allocations
16 not identified in (a) through (c) of this subsection.

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

19 (b) State and federal categorical allocations for the following
20 programs:

21 (i) Pupil transportation;

22 (ii) Handicapped education;

23 (iii) Education of highly capable students;

24 (iv) Compensatory education, including but not limited to learning
25 assistance, migrant education, Indian education, refugee programs, and
26 bilingual education;

27 (v) Food services; and

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

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

32 (~~(5)~~) (4) For excess levies for collection in calendar year 1993
33 (~~and thereafter~~) through 1999, a district's maximum levy percentage
34 shall be determined as follows:

35 (a) Multiply the district's maximum levy percentage for the prior
36 year by the district's levy base as determined in subsection (~~(4)~~)
37 (3) of this section;

38 (b) Reduce the amount in (a) of this subsection by the total
39 estimated amount of any levy reduction funds as defined in subsection

1 (6) of this section which are to be allocated to the district for the
2 current school year;

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

5 (d) The percentage in (c) of this subsection or twenty percent,
6 whichever is greater, shall be the district's maximum levy percentage
7 for levies collected in that calendar year; and

8 (e) For levies to be collected in calendar years 1994 through 1997,
9 the maximum levy rate shall be the district's maximum levy percentage
10 for 1993 plus four percent reduced by any levy reduction funds. For
11 levies collected in 1998, the prior year shall mean 1993. For levies
12 collected in 1999, the prior year shall mean 1997.

13 (5) For excess levies for collection in calendar year 2000 and
14 thereafter, a district's maximum levy percentage shall be determined as
15 follows:

16 (a) Multiply the district's maximum levy percentage for the prior
17 year by the district's levy base as determined in subsection (3) of
18 this section;

19 (b) Reduce the amount in (a) of this subsection by the total
20 estimated amount of any levy reduction funds as defined in subsection
21 (6) of this section that are to be allocated to the district for the
22 current school year;

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

25 (d) The percentage in (c) of this subsection or twenty-four
26 percent, whichever is greater, shall be the district's maximum levy
27 percentage for levies collected in that calendar year.

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

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

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

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

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

11 NEW SECTION. **Sec. 3.** The house of representatives and senate
12 fiscal committees shall study data and issues relevant to the state
13 funded local effort assistance program known as "levy equalization" and
14 prepare a report of findings and recommendations to the legislature by
15 December 1, 1997.

16 **Sec. 4.** RCW 28A.500.010 and 1993 c 410 s 1 are each amended to
17 read as follows:

18 (1) Commencing with taxes assessed in 1988 to be collected in
19 calendar year 1989 and thereafter, in addition to a school district's
20 other general fund allocations, each eligible district shall be
21 provided local effort assistance funds as provided in this section.
22 Such funds are not part of the district's basic education allocation.
23 ~~((For the first distribution of local effort assistance funds provided
24 under this section in calendar year 1989, state funds may be prorated
25 according to the formula in this section.))~~

26 (2)(a) "Prior tax collection year" shall mean the year immediately
27 preceding the year in which the local effort assistance shall be
28 allocated.

29 (b) The "state-wide average ten percent levy rate" shall mean ten
30 percent of the total levy bases as defined in RCW 84.52.0531(~~((+4))~~) (3)
31 summed for all school districts, and divided by the total assessed
32 valuation for excess levy purposes in the prior tax collection year for
33 all districts as adjusted to one hundred percent by the county
34 indicated ratio established in RCW 84.48.075.

35 (c) The "ten percent levy rate" of a district shall mean:

36 (i) Ten percent of the district's levy base as defined in RCW
37 84.52.0531(~~((+4))~~) (3), plus ~~((one-half))~~ or minus ten percent of any

1 amount computed under RCW 84.52.0531(~~((3)(b))~~) (2)(b) and (c) in the
2 case of (~~(nonhigh)~~) school districts in a high/nonhigh relationship or
3 interdistrict cooperative relationship; divided by

4 (ii) The district's assessed valuation for excess levy purposes for
5 the prior tax collection year as adjusted to one hundred percent by the
6 county indicated ratio.

7 (d) "Eligible districts" shall mean those districts with a ten
8 percent levy rate which exceeds the state-wide average ten percent levy
9 rate.

10 (3) Allocation of state matching funds for collection years before
11 1999 to eligible districts for local effort assistance shall be
12 determined as follows:

13 (a) Funds raised by the district through maintenance and operation
14 levies during that tax collection year shall be matched with state
15 funds using the following ratio of state funds to levy funds: (i) The
16 difference between the district's ten percent levy rate and the state-
17 wide average ten percent levy rate; to (ii) the state-wide average ten
18 percent levy rate.

19 (b) The maximum amount of state matching funds for which a district
20 may be eligible in any tax collection year shall be ten percent of the
21 district's levy base as defined in RCW 84.52.0531(~~((4))~~) (3),
22 multiplied by the following percentage: (i) The difference between the
23 district's ten percent levy rate and the state-wide average ten percent
24 levy rate; divided by (ii) the district's ten percent levy rate.

25 (4) Effective for collection year 1999 and thereafter:

26 (a) "Prior tax collection year" means the year immediately
27 preceding the year in which the local effort assistance shall be
28 allocated.

29 (b) The "state-wide average ten percent levy rate" means ten
30 percent of the total levy bases as defined in RCW 84.52.0531(4) summed
31 for all school districts, and divided by the total assessed valuation
32 for excess levy purposes in the prior tax collection year for all
33 districts as adjusted to one hundred percent by the county indicated
34 ratio established in RCW 84.48.075.

35 (c) The "ten percent levy rate" of a district means:

36 (i) Ten percent of the district's levy base as defined in RCW
37 84.52.0531(3), plus or minus ten percent of any amount computed under
38 RCW 84.52.0531(2)(b) and (c) in the case of school districts in a

1 high/nonhigh relationship or interdistrict cooperative relationship;
2 divided by

3 (ii) The district's assessed valuation for excess levy purposes for
4 the prior tax collection year as adjusted to one hundred percent by the
5 county indicated ratio.

6 (d) "Eligible districts for ten percent local effort assistance"
7 means those districts with a ten percent levy rate that exceeds the
8 state-wide average ten percent levy rate.

9 (e) The "state-wide average twelve percent levy rate" means twelve
10 percent of the total levy bases as defined in RCW 84.52.0531(3) summed
11 for all school districts, and divided by the total assessed valuation
12 for excess levy purposes in the prior tax collection year for all
13 districts as adjusted to one hundred percent by the county indicated
14 ratio established in RCW 84.48.075.

15 (f) The "twelve percent levy rate" of a district means:

16 (i) Twelve percent of the district's levy base as defined in RCW
17 84.52.0531(3), plus or minus twelve percent any amount computed under
18 RCW 84.52.0531(2)(b) and (c) in the case of school districts in a
19 high/nonhigh relationship or interdistrict cooperative relationship;
20 divided by

21 (ii) The district's assessed valuation for excess levy purposes for
22 the prior tax collection year as adjusted to one hundred percent by the
23 county indicated ratio.

24 (g) "Eligible districts for twelve percent local effort assistance"
25 means those districts:

26 (i) With a twelve percent levy rate that exceeds the state-wide
27 average twelve percent levy rate; and

28 (ii) Whose ten percent levy rate is in the top quartile when the
29 ten percent levy rate for all school districts is ranked from highest
30 to lowest.

31 (h) "Maximum local effort assistance percent" means the highest
32 percent of local effort assistance that the district is eligible for,
33 either twelve or ten percent.

34 (5) Allocation of state matching funds for collection years
35 beginning 1999 to eligible districts for local effort assistance shall
36 be determined as follows:

37 (a) Funds raised by the district through maintenance and operation
38 levies during that tax collection year shall be matched with state
39 funds using the following ratio of state funds to levy funds: (i) The

1 difference between the district's maximum local effort assistance
2 percent levy rate and the state-wide average percent levy rate
3 calculated using the district's maximum local effort assistance
4 percentage; to (ii) the state-wide average percent levy rate calculated
5 using the district's maximum local effort assistance percentage.

6 (b) The maximum amount of state matching funds for which a district
7 may be eligible in any tax collection year shall be the maximum local
8 effort assistance percent of the district's levy base as defined in RCW
9 84.52.0531(3) for which the district is eligible, multiplied by the
10 following percentage: (i) The difference between the district's
11 maximum local effort assistance percent levy rate and the state-wide
12 average levy rate calculated using the district's maximum local effort
13 assistance percentage; divided by (ii) the district's maximum local
14 effort assistance percent levy rate.

15 (6)(a) Through tax collection year 1992, fifty-five percent of
16 local effort assistance funds shall be distributed to qualifying
17 districts during the applicable tax collection year on or before June
18 30 and forty-five percent shall be distributed on or before December 31
19 of any year.

20 (b) In tax collection year 1993 and thereafter, local effort
21 assistance funds shall be distributed to qualifying districts as
22 follows:

- 23 (i) Thirty percent in April;
- 24 (ii) Twenty-three percent in May;
- 25 (iii) Two percent in June;
- 26 (iv) Seventeen percent in August;
- 27 (v) Nine percent in October;
- 28 (vi) Seventeen percent in November; and
- 29 (vii) Two percent in December.

30 NEW SECTION. Sec. 5. RCW 28A.320.150 and 1995 1st sp.s. c 11 s 2
31 are each repealed.

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