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**SUBSTITUTE SENATE BILL 5734**

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**State of Washington**

**55th Legislature**

**1997 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Finkbeiner, Wood, Brown, McAuliffe, Spanel, Wojahn, McDonald, Goings, Kline, Winsley and Kohl)

Read first time 03/10/97.

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

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

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

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

9 (1) For excess levies for collection in calendar year ((1992))  
10 1997, the maximum dollar amount shall be calculated pursuant to the  
11 laws and rules in effect in November ((1991)) 1996.

12 ((For the purpose of this section, the basic education  
13 allocation shall be determined pursuant to RCW 28A.150.250,  
14 28A.150.260, and 28A.150.350: PROVIDED, That when determining the  
15 basic education allocation under subsection (4) of this section,  
16 nonresident full time equivalent pupils who are participating in a  
17 program provided for in chapter 28A.545 RCW or in any other program  
18 pursuant to an interdistrict agreement shall be included in the

1 enrollment of the resident district and excluded from the enrollment of  
2 the serving district.

3 ~~(3))~~ For excess levies for collection in calendar year ~~((1993))~~  
4 1998 and thereafter, the maximum dollar amount shall be the sum of (a)  
5 ~~((and))~~ plus or minus (b) and (c) of this subsection minus ~~((e))~~ (d)  
6 of this subsection:

7 (a) The district's levy base as defined in subsection ~~((4))~~ (3)  
8 of this section multiplied by the district's maximum levy percentage as  
9 defined in subsection ~~((5))~~ (4) of this section;

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

23 (c) For districts in an interdistrict cooperative agreement, the  
24 nonresident school district's maximum levy amount shall be reduced and  
25 the resident school district's maximum levy amount shall be increased  
26 by an amount equal to the per pupil basic education allocation included  
27 in the nonresident district's levy base under subsection (3) of this  
28 section multiplied by:

29 (i) The number of full-time equivalent students served from the  
30 resident district in the prior school year; multiplied by:

31 (ii) The serving district's maximum levy percentage determined  
32 under subsection (4) of this section; multiplied by:

33 (iii) The percent increase per full-time equivalent student as  
34 stated in the state basic education appropriation section of the  
35 biennial budget between the prior school year and the current school  
36 year divided by fifty-five percent;

37 (d) The district's maximum levy amount shall be reduced by the  
38 maximum amount of state matching funds for which the district is

1 eligible under RCW 28A.500.010 (~~for which the district is eligible in~~  
2 ~~that tax collection year~~)).

3 (~~(4)~~) (3) For excess levies for collection in calendar year  
4 (~~1993~~) 1998 and thereafter, a district's levy base shall be the sum  
5 of allocations in (a) through (c) of this subsection received by the  
6 district for the prior school year, including allocations for  
7 compensation increases, plus the sum of such allocations multiplied by  
8 the percent increase per full time equivalent student as stated in the  
9 state basic education appropriation section of the biennial budget  
10 between the prior school year and the current school year and divided  
11 by fifty-five percent. A district's levy base shall not include local  
12 school district property tax levies or other local revenues, or state  
13 and federal allocations not identified in (a) through (c) of this  
14 subsection.

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

17 (b) State and federal categorical allocations for the following  
18 programs:

19 (i) Pupil transportation;

20 (ii) (~~Handicapped~~) Special education;

21 (iii) Education of highly capable students;

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

25 (v) Food services; and

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

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

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

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

36 (~~(b) Reduce the amount in (a) of this subsection by the total~~  
37 ~~estimated amount of any levy reduction funds as defined in subsection~~  
38 ~~(6) of this section which are to be allocated to the district for the~~  
39 ~~current school year;~~

1       ~~(c) Divide the amount in (b) of this subsection by the district's~~  
2 ~~levy base to compute a new percentage;~~  
3       ~~(d) The percentage in (c) of this subsection or twenty percent,~~  
4 ~~whichever is greater, shall be the district's maximum levy percentage~~  
5 ~~for levies collected in that calendar year; and~~  
6       ~~(e) For levies to be collected in calendar years 1994 through 1997,~~  
7 ~~the maximum levy rate shall be the district's maximum levy percentage~~  
8 ~~for 1993 plus four percent reduced by any levy reduction funds.~~  
9       ~~For levies collected in 1998, the prior year shall mean 1993.~~  
10       ~~(6)) (4) A district's maximum levy percentage shall be twenty-two~~  
11 ~~percent in 1998 and twenty-four percent in 1999 and every year~~  
12 ~~thereafter; plus, for qualifying districts, the grandfathered~~  
13 ~~percentage determined as follows:~~  
14       ~~(a) For 1997, the difference between the district's 1993 maximum~~  
15 ~~levy percentage and twenty percent; and~~  
16       ~~(b) For 1998 and thereafter, the percentage calculated as follows:~~  
17       ~~(i) Multiply the grandfathered percentage for the prior year times~~  
18 ~~the district's levy base determined under subsection (3) of this~~  
19 ~~section;~~  
20       ~~(ii) Reduce the result of (b)(i) of this subsection by any levy~~  
21 ~~reduction funds as defined in subsection (5) of this section that are~~  
22 ~~to be allocated to the district for the current school year;~~  
23       ~~(iii) Divide the result of (b)(ii) of this subsection by the~~  
24 ~~district's levy base; and~~  
25       ~~(iv) Take the greater of zero or the percentage calculated in~~  
26 ~~(b)(iii) of this subsection.~~  
27       ~~(5) "Levy reduction funds" shall mean increases in state funds from~~  
28 ~~the prior school year for programs included under subsection ((+4))~~  
29 ~~(3) of this section: (a) That are not attributable to enrollment~~  
30 ~~changes, compensation increases, or inflationary adjustments; and (b)~~  
31 ~~that are or were specifically identified as levy reduction funds in the~~  
32 ~~appropriations act. If levy reduction funds are dependent on formula~~  
33 ~~factors which would not be finalized until after the start of the~~  
34 ~~current school year, the superintendent of public instruction shall~~  
35 ~~estimate the total amount of levy reduction funds by using prior school~~  
36 ~~year data in place of current school year data. Levy reduction funds~~  
37 ~~shall not include moneys received by school districts from cities or~~  
38 ~~counties.~~

1       (~~(7)~~) (6) For the purposes of this section, "prior school year"  
2 (~~shall~~) means the most recent school year completed prior to the year  
3 in which the levies are to be collected.

4       (~~(8)~~) (7) For the purposes of this section, "current school year"  
5 (~~shall~~) means the year immediately following the prior school year.

6       (~~(9)~~) (8) Funds collected from transportation vehicle fund tax  
7 levies shall not be subject to the levy limitations in this section.

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

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

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