

FINAL BILL REPORT

SSB 5298

C 317 L 99
Synopsis as Enacted

Brief Description: Changing local assistance funds provisions.

Sponsors: Senate Committee on Education (originally sponsored by Senators McAuliffe, Winsley, Goings, Honeyford, Eide, Brown, Kohl-Welles and Patterson; by request of Superintendent of Public Instruction).

Senate Committee on Education
Senate Committee on Ways & Means

Background: School districts are authorized to run maintenance and operations levies to supplement state basic education funding. The amount which school districts may collect is limited by the 1977 Levy Lid Act. Initially, the act set the levy lid at 10 percent and established a four-year period in which districts above 10 percent would be reduced to 10 percent. Subsequently, the Legislature amended the act to grandfather a number of districts at higher percentages.

In 1987, the Legislature increased the levy lid to 20 percent and enacted the Local Effort Assistance Act, which is also referred to as levy equalization. It provided state assistance so that eligible districts could collect a 10 percent levy at a property tax rate which did not exceed the state average property tax rate for a 10 percent levy. To receive state levy equalization funds, a district had to pass a levy.

In 1997, the Legislature permanently increased the levy lid to 24 percent effective for the 1999 calendar year. At the same time, the Legislature increased levy equalization from 10 percent to 12 percent for the 25 percent of districts having the highest property tax rates for a 10 percent levy. This resulted in 74 school districts eligible for 12 percent levy equalization and 146 districts eligible for 10 percent levy equalization.

Summary: Levy equalization is provided at 12 percent for all districts passing a levy requiring a property tax rate for a 12 percent levy that exceeds the state average property tax rate for a 12 percent levy.

Votes on Final Passage:

Senate	47 0
House	94 2

Effective: January 1, 2000