

SENATE BILL REPORT

SB 5511

As of February 16, 1999

Title: An act relating to school district revenues.

Brief Description: Distributing school district revenues.

Sponsors: Senators Gardner, Hargrove, T. Sheldon, Morton, Spanel, McCaslin, Rasmussen, Costa, Honeyford, Brown, Bauer, Swecker, Oke, Long, Sellar, Horn, Rossi, Johnson, Deccio, Stevens and Hochstatter.

Brief History:

Committee Activity: Ways & Means: 2/18/99.

SENATE COMMITTEE ON WAYS & MEANS

Staff: William Freund (786-7441)

Background: School districts are guaranteed an amount of state basic education funding based on enrollment and other factors. This guaranteed amount consists of state funds and local deductible revenues. Local deductible revenues received by a school district are deducted from a district's state basic education entitlement.

Local deductible revenues are composed of federal and state forest revenues and federal and local in-lieu of taxes. For the 1997-98 school year these revenues totaled \$27.1 million of which \$24.8 million was used to offset the state's basic education obligation.

Recipients of state forest funds consist of the forest development account, the state general fund, school districts and other local taxing districts. Fifty percent of the state forest funds are distributed to the state for the benefit of public schools and to the taxing districts of the county in which the forest land is located. The state share is based on the proportion that state property taxes plus school district operating levies are of all the property taxes in a county. The remainder is distributed to the taxing districts of a county based on the relative proportions of the tax levies of the taxing districts.

Summary of Bill: The local revenue deduction is eliminated for purposes of calculating each school district's state basic education funding entitlement.

The formula for determining the state share of state forest funds is changed, eliminating the inclusion of school levies. The state's share would now be determined by the proportion that the state collected property tax is of all the property taxes in a county.

Appropriation: None.

Fiscal Note: Available.

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