

SENATE BILL REPORT

SB 5958

As of March 1, 1999

Title: An act relating to enhancing local effort assistance.

Brief Description: Changing local assistance funds provisions.

Sponsors: Senators Brown, Eide and Rasmussen.

Brief History:

Committee Activity: Education: 3/1/99.

SENATE COMMITTEE ON EDUCATION

Staff: William Bridges (786-7424)

Background: School districts are authorized to run maintenance and operations levies to supplement state basic education funding. The amount school districts may collect is limited by the 1977 Levy Lid Act. The act initially set the levy lid at 10 percent, which was increased to 20 percent in 1987, and to 24 percent in 1997, to start in the 1999 calendar year.

In 1987 the Legislature enacted the local effort assistance program, also known as levy equalization. Levy equalization provides state assistance to districts that must use a property tax rate that is higher than the statewide average to run a 10 percent levy. In 1997 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. To receive levy equalization funds, a district must pass a levy.

Summary of Bill: Levy equalization is provided at 12 percent for all eligible districts that pass a levy or have a majority of voters cast votes in support of a levy. The current code section regarding levy equalization is divided into four individual sections.

Appropriation: None.

Fiscal Note: Requested on March 1, 1999.

Effective Date: The bill takes effect on January 1, 2000.