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**SUBSTITUTE SENATE BILL 5298**

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**State of Washington**

**56th Legislature**

**1999 Regular Session**

**By** 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)

Read first time 02/12/1999.

1 AN ACT Relating to local effort assistance; amending RCW  
2 28A.500.010; adding new sections to chapter 28A.500 RCW; and providing  
3 an effective date.

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

5 **Sec. 1.** RCW 28A.500.010 and 1997 c 259 s 4 are each amended to  
6 read as follows:

7 ~~((1))~~ Commencing with ~~((taxes assessed in 1988 to be collected~~  
8 ~~in))~~ calendar year ~~((1989 and thereafter))~~ 2000, in addition to a  
9 school district's other general fund allocations, each eligible  
10 district shall be provided local effort assistance funds ~~((as provided~~  
11 ~~in this section))~~. The purpose of these funds is to mitigate the  
12 effect that above average property tax rates might have on the ability  
13 of a school district to raise local revenues to supplement the state's  
14 basic program of education. These funds serve to equalize the property  
15 tax rates that individual taxpayers would pay for such levies and to  
16 provide tax relief to taxpayers in high tax rate school districts.  
17 Such funds are not part of the district's basic education allocation.

1       ~~((2)(a) "Prior tax collection year" means the year immediately~~  
2 ~~preceding the year in which the local effort assistance shall be~~  
3 ~~allocated.~~

4       ~~(b) The "state wide average ten percent levy rate" means ten~~  
5 ~~percent of the total levy bases as defined in RCW 84.52.0531(3) summed~~  
6 ~~for all school districts, and divided by the total assessed valuation~~  
7 ~~for excess levy purposes in the prior tax collection year for all~~  
8 ~~districts as adjusted to one hundred percent by the county indicated~~  
9 ~~ratio established in RCW 84.48.075.~~

10       ~~(c) The "district's ten percent levy rate" means the district's ten~~  
11 ~~percent levy amount divided by the district's assessed valuation for~~  
12 ~~excess levy purposes for the prior tax collection year as adjusted to~~  
13 ~~one hundred percent by the county indicated ratio.~~

14       ~~(d) The "district's ten percent levy amount" means the school~~  
15 ~~district's maximum levy authority after transfers determined under RCW~~  
16 ~~84.52.0531(2) (a) through (c) divided by the district's maximum levy~~  
17 ~~percentage determined under RCW 84.52.0531(4) multiplied by ten~~  
18 ~~percent.~~

19       ~~(e) The "district's twelve percent levy amount" means the school~~  
20 ~~district's maximum levy authority after transfers determined under RCW~~  
21 ~~84.52.0531(2) (a) through (c) divided by the district's maximum levy~~  
22 ~~percentage determined under RCW 84.52.0531(4) multiplied by twelve~~  
23 ~~percent.~~

24       ~~(f) "Districts eligible for ten percent equalization" means:~~

25       ~~(i) Before the 1999 calendar year, those districts with a ten~~  
26 ~~percent levy rate which exceeds the state wide average ten percent levy~~  
27 ~~rate; and~~

28       ~~(ii) In the 1999 calendar year and thereafter, those districts with~~  
29 ~~a ten percent levy rate that exceeds the state wide average ten percent~~  
30 ~~levy rate but that is not in the top quartile of all district rates~~  
31 ~~ranked from highest to lowest.~~

32       ~~(g) "Districts eligible for twelve percent equalization" means in~~  
33 ~~the 1999 calendar year and thereafter, those districts with a ten~~  
34 ~~percent levy rate in the top quartile of all district rates ranked from~~  
35 ~~highest to lowest.~~

36       ~~(h) Unless otherwise stated all rates, percents, and amounts are~~  
37 ~~for the calendar year for which local effort assistance is being~~  
38 ~~calculated under this section.~~

1       ~~(3) Allocation of state matching funds to eligible districts for~~  
2 ~~local effort assistance shall be determined as follows:~~

3       ~~(a) Funds raised by the district through maintenance and operation~~  
4 ~~levies shall be matched with state funds using the following ratio of~~  
5 ~~state funds to levy funds:—(i) The difference between the district's~~  
6 ~~ten percent levy rate and the state wide average ten percent levy rate;~~  
7 ~~to (ii) the state wide average ten percent levy rate.~~

8       ~~(b) The maximum amount of state matching funds for districts~~  
9 ~~eligible for ten percent equalization shall be the district's ten~~  
10 ~~percent levy amount, multiplied by the following percentage:—(i) The~~  
11 ~~difference between the district's ten percent levy rate and the state-~~  
12 ~~wide average ten percent levy rate; divided by (ii) the district's ten~~  
13 ~~percent levy rate.~~

14       ~~(c) In the 1999 calendar year and thereafter, the maximum amount of~~  
15 ~~state matching funds for districts eligible for twelve percent~~  
16 ~~equalization shall be the district's twelve percent levy amount~~  
17 ~~multiplied by the following percentage:—(i) The difference between the~~  
18 ~~district's ten percent levy rate and the state wide average ten percent~~  
19 ~~levy rate; divided by (ii) the district's ten percent levy rate.~~

20       ~~(4) Local effort assistance funds shall be distributed to~~  
21 ~~qualifying districts as follows:~~

22       ~~(a) Thirty percent in April;~~

23       ~~(b) Twenty three percent in May;~~

24       ~~(c) Two percent in June;~~

25       ~~(d) Seventeen percent in August;~~

26       ~~(e) Nine percent in October;~~

27       ~~(f) Seventeen percent in November; and~~

28       ~~(g) Two percent in December.)~~

29       NEW SECTION.   **Sec. 2.**   A new section is added to chapter 28A.500  
30 RCW to read as follows:

31       (1) Unless the context clearly requires otherwise, the definitions  
32 in this section apply throughout this chapter.

33       (a) "Prior tax collection year" means the year immediately  
34 preceding the year in which the local effort assistance shall be  
35 allocated.

36       (b) "State-wide average twelve percent levy rate" means twelve  
37 percent of the total levy bases as defined in RCW 84.52.0531(3) summed  
38 for all school districts, and divided by the total assessed valuation

1 for excess levy purposes in the prior tax collection year for all  
2 districts as adjusted to one hundred percent by the county indicated  
3 ratio established in RCW 84.48.075.

4 (c) The "district's twelve percent levy amount" means the school  
5 district's maximum levy authority after transfers determined under RCW  
6 84.52.0531(2) (a) through (c) divided by the district's maximum levy  
7 percentage determined under RCW 84.52.0531(4) multiplied by twelve  
8 percent.

9 (d) The "district's twelve percent levy rate" means the district's  
10 twelve percent levy amount divided by the district's assessed valuation  
11 for excess levy purposes for the prior tax collection year as adjusted  
12 to one hundred percent by the county indicated ratio.

13 (e) "Districts eligible for local effort assistance" means those  
14 districts with a twelve percent levy rate that exceeds the state-wide  
15 average twelve percent levy rate.

16 (2) Unless otherwise stated all rates, percents, and amounts are  
17 for the calendar year for which local effort assistance is being  
18 calculated under this chapter.

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.500  
20 RCW to read as follows:

21 Allocation of state matching funds to eligible districts for local  
22 effort assistance shall be determined as follows:

23 (1) Funds raised by the district through maintenance and operation  
24 levies shall be matched with state funds using the following ratio of  
25 state funds to levy funds:

26 (a) The difference between the district's twelve percent levy rate  
27 and the state-wide average twelve percent levy rate; to

28 (b) The state-wide average twelve percent levy rate.

29 (2) The maximum amount of state matching funds for districts  
30 eligible for local effort assistance shall be the district's twelve  
31 percent levy amount, multiplied by the following percentage:

32 (a) The difference between the district's twelve percent levy rate  
33 and the state-wide average twelve percent levy rate; divided by

34 (b) The district's twelve percent levy rate.

35 NEW SECTION. **Sec. 4.** A new section is added to chapter 28A.500  
36 RCW to read as follows:

1       Local effort assistance funds shall be distributed to qualifying  
2 districts as follows:

- 3       (1) Thirty percent in April;
- 4       (2) Twenty-three percent in May;
- 5       (3) Two percent in June;
- 6       (4) Seventeen percent in August;
- 7       (5) Nine percent in October;
- 8       (6) Seventeen percent in November; and
- 9       (7) Two percent in December.

10       NEW SECTION.   **Sec. 5.**   This act takes effect January 1, 2000.

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