

HOUSE BILL REPORT

ESSB 6058

As Passed House:

June 4, 2003

Title: An act relating to the distribution of state property taxes.

Brief Description: Modifying the distribution of state property taxes.

Sponsors: By Senate Committee on Ways & Means (originally sponsored by Senator Oke; by request of Office of Financial Management).

Brief History:

Committee Activity:

Finance: 4/26/03 [DPA].

First Special Session

Floor Activity:

Passed House: 6/5/03, 66-31.

Brief Summary of Engrossed Substitute Bill

- Changes the per student allocations from the Student Achievement Fund (SAF).
- Changes the SAF distribution schedule from 10 months to 12 months.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass as amended. Signed by 5 members: Representatives Gombosky, Chair; McIntire, Vice Chair; Conway, Morris and Santos.

Minority Report: Do not pass. Signed by 4 members: Representatives Cairnes, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Ahern and Roach.

Staff: Denise Graham (786-7137).

Background:

Under the law prior to enactment of Initiative 728 (I-728), lottery and state collected property tax revenues were deposited in the state General Fund.

I-728 was approved by voters in the November 2000 general election. Under this initiative, lottery proceeds and a portion of the state property tax are dedicated for educational purposes by transferring revenues into the Student Achievement Fund and the Education Construction Account.

Under I-728, allowable uses of the Student Achievement Fund include: hiring more teachers to reduce class sizes and making necessary capital improvements; creating extended learning opportunities for students; providing professional development for educators; and providing early childhood programs

Between school years 2001 and 2004, varying percentages of the lottery and a portion of the state property tax are deposited into the Student Achievement Fund

Under I-728, the Student Achievement Funds provided to school districts are scheduled to increase in the 2004-05 school year through changes to property tax transfers into the account. These changes would increase the school district allocation from \$211.67 per FTE student in the 2003-04 school year to \$450 per FTE student in the 2004-05 school year. In subsequent school years, the \$450 per student allocation to school districts would increase by inflation measured by the implicit price deflator

Student Achievement Fund distributions to school districts have been made over a 10-month period each year, from September through June. Basic education apportionment funds are distributed to districts according to a 12-month schedule required by statute.

Summary of Bill:

The per student allocations from the Student Achievement Fund are: \$254 per FTE student in the 2004-05 school year; \$300 per FTE student in the 2005-06 school year; \$375 per FTE student in the 2006-07 school year; and \$450 per FTE student in the 2007-08 school year. In subsequent school years, the \$450 per student allocation to school districts increases by inflation measured by the implicit price deflator.

Beginning in 2004-05 school year, Student Achievement Fund allocations will be distributed to school districts based on the state apportionment schedule.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Testified: None.