
HOUSE BILL 2071

State of Washington 58th Legislature 2003 Regular Session

By Representatives Cox and Anderson

Read first time 02/24/2003. Referred to Committee on Education.

1 AN ACT Relating to financing education; amending RCW 82.08.020 and
2 84.52.0531; adding a new section to chapter 28A.150 RCW; providing a
3 contingent effective date; and providing for submission of this act to
4 a vote of the people.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.150
7 RCW to read as follows:

8 The basic education account is created in the state treasury.
9 Money in the account shall be used to support basic education and to
10 replace all or a part of the revenue raised through local levies and
11 state funding for levy equalization, using the levy limitation formula
12 in place on January 1, 2003. All revenue from RCW 82.08.020(3) must be
13 deposited in the account. Moneys in the account may be spent only
14 after appropriation. Expenditures from the account may be used for
15 common school basic education and any additional common school student
16 achievement purposes described in any act appropriating the funds.

17 **Sec. 2.** RCW 82.08.020 and 2000 2nd sp.s. c 4 s 1 are each amended
18 to read as follows:

1 (1) There is levied and there shall be collected a tax on each
2 retail sale in this state equal to six and five-tenths percent of the
3 selling price.

4 (2) There is levied and there shall be collected an additional tax
5 on each retail car rental, regardless of whether the vehicle is
6 licensed in this state, equal to five and nine-tenths percent of the
7 selling price. The revenue collected under this subsection shall be
8 deposited in the multimodal transportation account created in RCW
9 47.66.070.

10 (3) There is levied and shall be collected an additional tax on
11 each retail sale in this state equal to one percent of the selling
12 price. The revenue collected under this subsection shall be deposited
13 in the basic education account created in section 1 of this act.

14 (4) The taxes imposed under this chapter shall apply to successive
15 retail sales of the same property.

16 ((+4)) (5) The rates provided in this section apply to taxes
17 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

18 **Sec. 3.** RCW 84.52.0531 and 1997 c 259 s 2 are each amended to read
19 as follows:

20 The maximum dollar amount which may be levied by or for any school
21 district for maintenance and operation support under the provisions of
22 RCW 84.52.053 shall be determined as follows:

23 (1) For excess levies for collection in calendar year 1997, the
24 maximum dollar amount shall be calculated pursuant to the laws and
25 rules in effect in November 1996.

26 (2) For excess levies for collection in calendar year 1998 and
27 thereafter, the maximum dollar amount shall be the sum of (a) plus or
28 minus (b) and (c) of this subsection minus (d) of this subsection:

29 (a) The district's levy base as defined in subsection (3) of this
30 section multiplied by the district's maximum levy percentage as defined
31 in subsection (4) of this section;

32 (b) For districts in a high/nonhigh relationship, the high school
33 district's maximum levy amount shall be reduced and the nonhigh school
34 district's maximum levy amount shall be increased by an amount equal to
35 the estimated amount of the nonhigh payment due to the high school
36 district under RCW 28A.545.030(3) and 28A.545.050 for the school year
37 commencing the year of the levy;

1 (c) For districts in an interdistrict cooperative agreement, the
2 nonresident school district's maximum levy amount shall be reduced and
3 the resident school district's maximum levy amount shall be increased
4 by an amount equal to the per pupil basic education allocation included
5 in the nonresident district's levy base under subsection (3) of this
6 section multiplied by:

7 (i) The number of full-time equivalent students served from the
8 resident district in the prior school year; multiplied by:

9 (ii) The serving district's maximum levy percentage determined
10 under subsection (4) of this section; increased by:

11 (iii) The percent increase per full-time equivalent student as
12 stated in the state basic education appropriation section of the
13 biennial budget between the prior school year and the current school
14 year divided by fifty-five percent;

15 (d) The district's maximum levy amount shall be reduced by the
16 maximum amount of state matching funds for which the district is
17 eligible under RCW 28A.500.010.

18 (3) For excess levies for collection in calendar year 1998 and
19 thereafter, a district's levy base shall be the sum of allocations in
20 (a) through (c) of this subsection received by the district for the
21 prior school year, including allocations for compensation increases,
22 plus the sum of such allocations multiplied by the percent increase per
23 full time equivalent student as stated in the state basic education
24 appropriation section of the biennial budget between the prior school
25 year and the current school year and divided by fifty-five percent. A
26 district's levy base shall not include local school district property
27 tax levies or other local revenues, or state and federal allocations
28 not identified in (a) through (c) of this subsection.

29 (a) The district's basic education allocation as determined
30 pursuant to RCW 28A.150.250, 28A.150.260, and 28A.150.350;

31 (b) State and federal categorical allocations for the following
32 programs:

33 (i) Pupil transportation;

34 (ii) Special education;

35 (iii) Education of highly capable students;

36 (iv) Compensatory education, including but not limited to learning
37 assistance, migrant education, Indian education, refugee programs, and
38 bilingual education;

1 (v) Food services; and

2 (vi) Statewide block grant programs; and

3 (c) Any other federal allocations for elementary and secondary
4 school programs, including direct grants, other than federal impact aid
5 funds and allocations in lieu of taxes.

6 (4) A district's maximum levy percentage shall be twenty-two
7 percent in 1998 (~~and~~), twenty-four percent in 1999, and five percent
8 in 2004 and every year thereafter (~~; plus, for qualifying districts,~~
9 ~~the grandfathered percentage determined as follows:~~

10 ~~(a) For 1997, the difference between the district's 1993 maximum~~
11 ~~levy percentage and twenty percent; and~~

12 ~~(b) For 1998 and thereafter, the percentage calculated as follows:~~

13 ~~(i) Multiply the grandfathered percentage for the prior year times~~
14 ~~the district's levy base determined under subsection (3) of this~~
15 ~~section;~~

16 ~~(ii) Reduce the result of (b)(i) of this subsection by any levy~~
17 ~~reduction funds as defined in subsection (5) of this section that are~~
18 ~~to be allocated to the district for the current school year;~~

19 ~~(iii) Divide the result of (b)(ii) of this subsection by the~~
20 ~~district's levy base; and~~

21 ~~(iv) Take the greater of zero or the percentage calculated in~~
22 ~~(b)(iii) of this subsection)).~~

23 (5) "Levy reduction funds" shall mean increases in state funds from
24 the prior school year for programs included under subsection (3) of
25 this section: (a) That are not attributable to enrollment changes,
26 compensation increases, or inflationary adjustments; and (b) that are
27 or were specifically identified as levy reduction funds in the
28 appropriations act. If levy reduction funds are dependent on formula
29 factors which would not be finalized until after the start of the
30 current school year, the superintendent of public instruction shall
31 estimate the total amount of levy reduction funds by using prior school
32 year data in place of current school year data. Levy reduction funds
33 shall not include moneys received by school districts from cities or
34 counties.

35 (6) For the purposes of this section, "prior school year" means the
36 most recent school year completed prior to the year in which the levies
37 are to be collected.

1 (7) For the purposes of this section, "current school year" means
2 the year immediately following the prior school year.

3 (8) Funds collected from transportation vehicle fund tax levies
4 shall not be subject to the levy limitations in this section.

5 (9) The superintendent of public instruction shall develop rules
6 (~~and regulations~~) and inform school districts of the pertinent data
7 necessary to carry out the provisions of this section.

8 (10) The formula in this section may be adjusted in a manner that
9 increases the revenue for school districts only by a statewide vote of
10 the people.

11 NEW SECTION. Sec. 4. If any provision of this act or its
12 application to any person or circumstance is held invalid, the
13 remainder of the act or the application of the provision to other
14 persons or circumstances is not affected.

15 NEW SECTION. Sec. 5. This act takes effect January 1, 2004, only
16 if approved by a statewide vote of the people under section 6 of this
17 act.

18 NEW SECTION. Sec. 6. The secretary of state shall submit this act
19 to the people for their adoption and ratification, or rejection, at the
20 next general election to be held in this state, in accordance with
21 Article II, section 1 of the state Constitution and the laws adopted to
22 facilitate its operation.

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