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**SUBSTITUTE SENATE BILL 6488**

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**State of Washington**

**61st Legislature**

**2010 Regular Session**

**By** Senate Early Learning & K-12 Education (originally sponsored by Senators Oemig, Gordon, McAuliffe, Tom, Rockefeller, Kline, and Ranker; by request of Governor Gregoire)

READ FIRST TIME 01/26/10.

1       AN ACT Relating to school levies; amending RCW 84.52.053,  
2 84.52.0531, and 28A.500.020; reenacting and amending RCW 28A.500.030;  
3 amending 2006 c 119 s 3 (uncodified); amending 2009 c 4 s 909  
4 (uncodified); and providing an expiration date.

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

6       **Sec. 1.** RCW 84.52.053 and 2009 c 460 s 2 are each amended to read  
7 as follows:

8       (1) The limitations imposed by RCW 84.52.050 through 84.52.056, and  
9 84.52.043 shall not prevent the levy of taxes by school districts, when  
10 authorized so to do by the voters of such school district in the manner  
11 and for the purposes and number of years allowable under Article VII,  
12 section 2(a) of the Constitution of this state. Elections for such  
13 taxes shall be held in the year in which the levy is made or, in the  
14 case of propositions authorizing two-year through four-year levies for  
15 maintenance and operation support of a school district, authorizing  
16 two-year levies for transportation vehicle funds established in RCW  
17 28A.160.130, or authorizing two-year through six-year levies to support  
18 the construction, modernization, or remodeling of school facilities,

1 which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the  
2 year in which the first annual levy is made.

3 (2) Once additional tax levies have been authorized for maintenance  
4 and operation support of a school district for a two-year through four-  
5 year period as provided under subsection (1) of this section, no  
6 further additional tax levies for maintenance and operation support of  
7 the district for that period may be authorized, except as provided in  
8 subsection (4) of this section. For the purpose of applying the  
9 limitation of this subsection, a two-year through six-year levy to  
10 support the construction, modernization, or remodeling of school  
11 facilities shall not be deemed to be a tax levy for maintenance and  
12 operation support of a school district.

13 (3) A special election may be called and the time therefor fixed by  
14 the board of school directors, by giving notice thereof by publication  
15 in the manner provided by law for giving notices of general elections,  
16 at which special election the proposition authorizing such excess levy  
17 shall be submitted in such form as to enable the voters favoring the  
18 proposition to vote "yes" and those opposed thereto to vote "no".

19 (4) During calendar years 2011 through 2017, school districts where  
20 voters have authorized a multiyear levy may seek voter authorization  
21 for an additional maintenance and operations levy if all of the  
22 following conditions are met:

23 (a) The district has a multiyear levy for maintenance and  
24 operations during any of the calendar years 2011 through 2017 that was  
25 authorized before or during calendar year 2010;

26 (b) The original maintenance and operations levy plus the  
27 additional levy may not exceed the maximum levy percentage established  
28 in RCW 84.52.0531; and

29 (c) The additional levy for maintenance and operations expires  
30 before or concurrent with the original maintenance and operations levy  
31 that was approved before or during calendar year 2010.

32 **Sec. 2.** RCW 84.52.0531 and 2009 c 4 s 908 are each amended to read  
33 as follows:

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

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

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

7 (a) The district's levy base as defined in subsections (3) and (4)  
8 of this section multiplied by the district's maximum levy percentage as  
9 defined in subsection ~~((+5))~~ (6) of this section;

10 (b) For districts in a high/nonhigh relationship, the high school  
11 district's maximum levy amount shall be reduced and the nonhigh school  
12 district's maximum levy amount shall be increased by an amount equal to  
13 the estimated amount of the nonhigh payment due to the high school  
14 district under RCW 28A.545.030(3) and 28A.545.050 for the school year  
15 commencing the year of the levy;

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

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

24 (ii) The serving district's maximum levy percentage determined  
25 under subsection ~~((+5))~~ (6) of this section; increased by:

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

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

33 (3) For excess levies for collection in calendar year 2005 and  
34 thereafter, a district's levy base shall be the sum of allocations in  
35 (a) through (c) of this subsection received by the district for the  
36 prior school year and the amounts determined under subsection (4) of  
37 this section, including allocations for compensation increases, plus  
38 the sum of such allocations multiplied by the percent increase per full

1 time equivalent student as stated in the state basic education  
2 appropriation section of the biennial budget between the prior school  
3 year and the current school year and divided by fifty-five percent. A  
4 district's levy base shall not include local school district property  
5 tax levies or other local revenues, or state and federal allocations  
6 not identified in (a) through (c) of this subsection.

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

9 (b) State and federal categorical allocations for the following  
10 programs:

11 (i) Pupil transportation;

12 (ii) Special education;

13 (iii) Education of highly capable students;

14 (iv) Compensatory education, including but not limited to learning  
15 assistance, migrant education, Indian education, refugee programs, and  
16 bilingual education;

17 (v) Food services; and

18 (vi) Statewide block grant programs; and

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

22 (4) For levy collections in calendar years 2005 through (~~2011~~)  
23 2017, in addition to the allocations included under subsection (3)(a)  
24 through (c) of this section, a district's levy base shall also include  
25 the following:

26 (a)(i) For calendar year 2010, the difference between the  
27 allocation the district would have received in the current school year  
28 had RCW 84.52.068 not been amended by chapter 19, Laws of 2003 1st sp.  
29 sess. and the allocation the district received in the current school  
30 year pursuant to RCW 84.52.068. The office of the superintendent of  
31 public instruction shall offset the amount added to a district's levy  
32 base pursuant to this subsection (4)(a)(i) by any additional per  
33 student allocations included in a district's levy base pursuant to the  
34 enactment of an initiative to the people subsequent to June 10, 2004;

35 (ii) For calendar years 2011 through 2017, the difference between  
36 the allocation the district would have received in the prior school  
37 year had RCW 84.52.068 not been amended by chapter 19, Laws of 2003 1st  
38 sp. sess. and the allocation the district received in the prior school

1 year pursuant to RCW 84.52.068. The office of the superintendent of  
2 public instruction shall offset the amount added to a district's levy  
3 base pursuant to this subsection (4)(a)(ii) by any additional per  
4 student allocations included in a district's levy base pursuant to the  
5 enactment of an initiative to the people subsequent to June 10, 2004;  
6 and

7 (b) The difference between the allocations the district would have  
8 received the prior school year had RCW 28A.400.205 not been amended by  
9 chapter 20, Laws of 2003 1st sp. sess. or chapter 4, Laws of 2009, and  
10 the allocations the district actually received the prior school year  
11 pursuant to RCW 28A.400.205. The office of the superintendent of  
12 public instruction shall offset the amount added to a district's levy  
13 base pursuant to this subsection (4)(b) by any additional salary  
14 increase allocations included in a district's levy base pursuant to the  
15 enactment of an initiative to the people subsequent to June 10, 2004.

16 (5) For levy collections in calendar years 2011 through 2017, in  
17 addition to the allocations included under subsections (3)(a) through  
18 (c) and (4)(a) of this section, a district's levy base shall also  
19 include the difference between an allocation of fifty-three and two-  
20 tenths certificated instructional staff units per thousand full-time  
21 equivalent students in grades kindergarten through four enrolled in the  
22 prior school year and the allocation of certificated instructional  
23 staff units per thousand full-time equivalent students in grades  
24 kindergarten through four that the district actually received in the  
25 prior school year, except that the levy base for a school district  
26 whose allocation in the 2009-10 school year was less than fifty-three  
27 and two-tenths certificated instructional staff units per thousand  
28 full-time equivalent students in grades kindergarten through four shall  
29 include the difference between the allocation the district actually  
30 received in the 2009-10 school year and the allocation the district  
31 actually received in the prior school year.

32 (6) For calendar years 2011 through 2017, a district's maximum levy  
33 percentage shall be thirty-six percent. For calendar year 2010, a  
34 district's maximum levy percentage shall be (~~twenty-two percent in~~  
35 1998 ~~and~~) twenty-four percent (~~in 1999 and every year thereafter~~);  
36 plus, for qualifying districts, the grandfathered percentage determined  
37 as follows:

1 (a) For 1997, the difference between the district's 1993 maximum  
2 levy percentage and twenty percent; and  
3 (b) For 1998 and thereafter, the percentage calculated as follows:  
4 (i) Multiply the grandfathered percentage for the prior year times  
5 the district's levy base determined under subsection (3) of this  
6 section;  
7 (ii) Reduce the result of (b)(i) of this subsection by any levy  
8 reduction funds as defined in subsection ~~((+6+))~~ (7) of this section  
9 that are to be allocated to the district for the current school year;  
10 (iii) Divide the result of (b)(ii) of this subsection by the  
11 district's levy base; and  
12 (iv) Take the greater of zero or the percentage calculated in  
13 (b)(iii) of this subsection.  
14 ~~((+6+))~~ (7) "Levy reduction funds" shall mean increases in state  
15 funds from the prior school year for programs included under  
16 subsections (3) and (4) of this section: (a) That are not attributable  
17 to enrollment changes, compensation increases, or inflationary  
18 adjustments; and (b) that are or were specifically identified as levy  
19 reduction funds in the appropriations act. If levy reduction funds are  
20 dependent on formula factors which would not be finalized until after  
21 the start of the current school year, the superintendent of public  
22 instruction shall estimate the total amount of levy reduction funds by  
23 using prior school year data in place of current school year data.  
24 Levy reduction funds shall not include moneys received by school  
25 districts from cities or counties.  
26 ~~((+7+))~~ (8) For the purposes of this section, "prior school year"  
27 means the most recent school year completed prior to the year in which  
28 the levies are to be collected.  
29 ~~((+8+))~~ (9) For the purposes of this section, "current school year"  
30 means the year immediately following the prior school year.  
31 ~~((+9+))~~ (10) Funds collected from transportation vehicle fund tax  
32 levies shall not be subject to the levy limitations in this section.  
33 ~~((+10+))~~ (11) The superintendent of public instruction shall  
34 develop rules and regulations and inform school districts of the  
35 pertinent data necessary to carry out the provisions of this section.  
36 ~~((+11+))~~ (12) For calendar year 2009, the office of the  
37 superintendent of public instruction shall recalculate school district

1 levy authority to reflect levy rates certified by school districts for  
2 calendar year 2009.

3 **Sec. 3.** RCW 28A.500.020 and 2004 c 21 s 1 are each amended to read  
4 as follows:

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

7 (a) "Prior tax collection year" means the year immediately  
8 preceding the year in which the local effort assistance shall be  
9 allocated.

10 (b) "Statewide average twelve percent levy rate" means twelve  
11 percent of the total levy bases as defined in RCW 84.52.0531 (3) and  
12 (4) summed for all school districts, and divided by the total assessed  
13 valuation for excess levy purposes in the prior tax collection year for  
14 all districts as adjusted to one hundred percent by the county  
15 indicated ratio established in RCW 84.48.075.

16 (c) The "district's twelve percent levy amount" means the school  
17 district's maximum levy authority after transfers determined under RCW  
18 84.52.0531(2) (a) through (c) divided by the district's maximum levy  
19 percentage determined under RCW 84.52.0531(5) multiplied by twelve  
20 percent.

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

25 (e) "Statewide average eighteen percent levy rate" means eighteen  
26 percent of the total levy bases as defined in RCW 84.52.0531 (3) and  
27 (4) summed for all school districts, and divided by the total assessed  
28 valuation for excess levy purposes in the prior tax collection year for  
29 all districts as adjusted to one hundred percent by the county  
30 indicated ratio established in RCW 84.48.075.

31 (f) The "district's eighteen percent levy amount" means the school  
32 district's maximum levy authority after transfers determined under RCW  
33 84.52.0531(2) (a) through (c) divided by the district's maximum levy  
34 percentage determined under RCW 84.52.0531(5) multiplied by eighteen  
35 percent.

36 (g) The "district's eighteen percent levy rate" means the  
37 district's eighteen percent levy amount divided by the district's

1 assessed valuation for excess levy purposes for the prior tax  
2 collection year as adjusted to one hundred percent by the county  
3 indicated ratio.

4 (h) "Districts eligible for twelve percent local effort assistance"  
5 means:

6 (i) Before calendar year 2011, those districts with a twelve  
7 percent levy rate that exceeds the statewide average twelve percent  
8 levy rate; and

9 (ii) During calendar years 2011 through 2013, those districts with  
10 a twelve percent levy rate that exceeds the statewide average twelve  
11 percent levy rate and that, in the prior school year, were not in the  
12 one-fourth of such districts receiving the least per-pupil funding from  
13 state and federal sources.

14 (i) "Districts eligible for eighteen percent local effort  
15 assistance" means, during calendar years 2011 through 2013, those  
16 districts with a twelve percent levy rate that exceeds the statewide  
17 average twelve percent levy rate and that, in the prior school year,  
18 were in the one-fourth of such districts receiving the least per-pupil  
19 funding from state and federal sources.

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

23 **Sec. 4.** RCW 28A.500.030 and 2006 c 372 s 904 and 2006 c 119 s 1  
24 are each reenacted and amended to read as follows:

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

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

30 (a) For districts eligible for twelve percent local effort  
31 assistance,

32 (i) The difference between the district's twelve percent levy rate  
33 and the statewide average twelve percent levy rate; to

34 ((+b)) (ii) The statewide average twelve percent levy rate.

35 (b) For districts eligible for eighteen percent local effort  
36 assistance,



1        (i) The difference between the district's eighteen percent levy  
2 rate and the statewide average eighteen percent levy rate; to

3        (ii) The statewide average eighteen percent levy rate.

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

7        (a) The difference between the district's twelve percent levy rate  
8 and the statewide average twelve percent levy rate; divided by

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

10       (3) ~~((Calendar year 2003 allocations and maximum eligibility under~~  
11 ~~this chapter shall be multiplied by 0.99.~~

12       ~~(4) From January 1, 2004, to December 31, 2005, allocations and~~  
13 ~~maximum eligibility under this chapter shall be multiplied by 0.937.~~

14       ~~(5) From January 1, 2006, to December 31, 2006, allocations and~~  
15 ~~maximum eligibility under this chapter shall be multiplied by 0.9563.~~

16 ~~Beginning with calendar year 2007, allocations and maximum eligibility~~  
17 ~~under this chapter shall be fully funded at one hundred percent and~~

18 ~~shall not be reduced.))~~ The maximum amount of state matching funds for

19 districts eligible for eighteen percent local effort assistance shall

20 be the district's eighteen percent levy amount, multiplied by the

21 following percentage:

22       (a) The difference between the district's eighteen percent levy  
23 rate and the statewide average eighteen percent levy rate; divided by

24       (b) The district's eighteen percent levy rate.

25       **Sec. 5.** 2006 c 119 s 3 (uncodified) is amended to read as follows:  
26 This act expires January 1, ~~((2012))~~ 2018.

27       **Sec. 6.** 2009 c 4 s 909 (uncodified) is amended to read as follows:  
28 Section 908 of this act expires January 1, ~~((2012))~~ 2018.

29       NEW SECTION.    **Sec. 7.** Sections 2, 3, and 4 of this act expire  
30 January 1, 2018.

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