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SENATE BILL 6183

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State of Washington                      64th Legislature                      2016 Regular Session

By Senators McAuliffe, Rolfes, Conway, McCoy, Fraser, King, and Darneille

Prefiled 01/08/16. Read first time 01/11/16. Referred to Committee on Early Learning & K-12 Education.

1            AN ACT Relating to local school district levy authority; amending  
2 RCW 84.52.0531, 28A.500.020, 28A.500.020, and 28A.500.030; amending  
3 2013 c 242 s 10, 2012 1st sp.s. c 10 s 10, 2010 c 237 ss 9, 8, and  
4 10, and 2013 2nd sp.s. c 4 s 1905 (uncodified); reenacting and  
5 amending RCW 84.52.0531 and 28A.500.030; providing effective dates;  
6 and providing expiration dates.

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

8            **Sec. 1.** RCW 84.52.0531 and 2013 c 242 s 8 are each amended to  
9 read as follows:

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

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

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

1 (a) The district's levy base as defined in subsections (3) and  
2 (4) of this section multiplied by the district's maximum levy  
3 percentage as defined in subsection (7) of this section;

4 (b) For districts in a high/nonhigh relationship, the high school  
5 district's maximum levy amount shall be reduced and the nonhigh  
6 school district's maximum levy amount shall be increased by an amount  
7 equal to the estimated amount of the nonhigh payment due to the high  
8 school district under RCW 28A.545.030(3) and 28A.545.050 for the  
9 school year commencing the year of the levy;

10 (c) Except for nonhigh districts under (d) of this subsection,  
11 for districts in an interdistrict cooperative agreement, the  
12 nonresident school district's maximum levy amount shall be reduced  
13 and the resident school district's maximum levy amount shall be  
14 increased by an amount equal to the per pupil basic education  
15 allocation included in the nonresident district's levy base under  
16 subsection (3) of this section multiplied by:

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

19 (ii) The serving district's maximum levy percentage determined  
20 under subsection (7) of this section; increased by:

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

25 (d) The levy bases of nonhigh districts participating in an  
26 innovation academy cooperative established under RCW 28A.340.080  
27 shall be adjusted by the office of the superintendent of public  
28 instruction to reflect each district's proportional share of student  
29 enrollment in the cooperative;

30 (e) 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  
39 full time equivalent student as stated in the state basic education  
40 appropriation section of the biennial budget between the prior school

1 year and the current school year and divided by fifty-five percent. A  
2 district's levy base shall not include local school district property  
3 tax levies or other local revenues, or state and federal allocations  
4 not identified in (a) through (c) of this subsection.

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

7 (b) State and federal categorical allocations for the following  
8 programs:

9 (i) Pupil transportation;

10 (ii) Special education;

11 (iii) Education of highly capable students;

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

15 (v) Food services; and

16 (vi) Statewide block grant programs; and

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

20 (4) For levy collections in calendar years 2005 through ((2017))  
21 2020, in addition to the allocations included under subsection (3)(a)  
22 through (c) of this section, a district's levy base shall also  
23 include the following:

24 (a)(i) For levy collections in calendar year 2010, the difference  
25 between the allocation the district would have received in the  
26 current school year had RCW 84.52.068 not been amended by chapter 19,  
27 Laws of 2003 1st sp. sess. and the allocation the district received  
28 in the current school year pursuant to RCW 28A.505.220;

29 (ii) For levy collections in calendar years 2011 through ((2017))  
30 2020, the allocation rate the district would have received in the  
31 prior school year using the Initiative 728 rate multiplied by the  
32 full-time equivalent student enrollment used to calculate the  
33 Initiative 728 allocation for the prior school year; and

34 (b) The difference between the allocations the district would  
35 have received the prior school year using the Initiative 732 base and  
36 the allocations the district actually received the prior school year  
37 pursuant to RCW 28A.400.205.

38 (5) For levy collections in calendar years 2011 through ((2017))  
39 2020, in addition to the allocations included under subsections  
40 (3)(a) through (c) and (4)(a) and (b) of this section, a district's

1 levy base shall also include the difference between an allocation of  
2 fifty-three and two-tenths certificated instructional staff units per  
3 thousand full-time equivalent students in grades kindergarten through  
4 four enrolled in the prior school year and the allocation of  
5 certificated instructional staff units per thousand full-time  
6 equivalent students in grades kindergarten through four that the  
7 district actually received in the prior school year, except that the  
8 levy base for a school district whose allocation in the 2009-10  
9 school year was less than fifty-three and two-tenths certificated  
10 instructional staff units per thousand full-time equivalent students  
11 in grades kindergarten through four shall include the difference  
12 between the allocation the district actually received in the 2009-10  
13 school year and the allocation the district actually received in the  
14 prior school year.

15 (6) For levy collections beginning in calendar year 2014 and  
16 thereafter, in addition to the allocations included under subsections  
17 (3)(a) through (c), (4)(a) and (b), and (5) of this section, a  
18 district's levy base shall also include the funds allocated by the  
19 superintendent of public instruction under RCW 28A.715.040 to a  
20 school that is the subject of a state-tribal education compact and  
21 that formerly contracted with the school district to provide  
22 educational services through an interlocal agreement and received  
23 funding from the district.

24 (7)(a) A district's maximum levy percentage shall be twenty-four  
25 percent in 2010 (~~and~~); twenty-eight percent in 2011 through  
26 ((2017)) 2020; twenty-seven percent in 2021; twenty-six percent in  
27 2022; twenty-five percent in 2023; and twenty-four percent every year  
28 thereafter;

29 (b) For qualifying districts, in addition to the percentage in  
30 (a) of this subsection the grandfathered percentage determined as  
31 follows:

32 (i) For 1997, the difference between the district's 1993 maximum  
33 levy percentage and twenty percent; and

34 (ii) For 2011 through ~~((2017))~~ 2020, the percentage calculated as  
35 follows:

36 (A) Multiply the grandfathered percentage for the prior year  
37 times the district's levy base determined under subsection (3) of  
38 this section;

1 (B) Reduce the result of (b)(ii)(A) of this subsection by any  
2 levy reduction funds as defined in subsection (8) of this section  
3 that are to be allocated to the district for the current school year;

4 (C) Divide the result of (b)(ii)(B) of this subsection by the  
5 district's levy base; and

6 (D) Take the greater of zero or the percentage calculated in  
7 (b)(ii)(C) of this subsection.

8 (8) "Levy reduction funds" shall mean increases in state funds  
9 from the prior school year for programs included under subsections  
10 (3) and (4) of this section: (a) That are not attributable to  
11 enrollment changes, compensation increases, or inflationary  
12 adjustments; and (b) that are or were specifically identified as levy  
13 reduction funds in the appropriations act. If levy reduction funds  
14 are dependent on formula factors which would not be finalized until  
15 after the start of the current school year, the superintendent of  
16 public instruction shall estimate the total amount of levy reduction  
17 funds by using prior school year data in place of current school year  
18 data. Levy reduction funds shall not include moneys received by  
19 school districts from cities or counties.

20 (9) The definitions in this subsection apply throughout this  
21 section unless the context clearly requires otherwise.

22 (a) "Prior school year" means the most recent school year  
23 completed prior to the year in which the levies are to be collected.

24 (b) "Current school year" means the year immediately following  
25 the prior school year.

26 (c) "Initiative 728 rate" means the allocation rate at which the  
27 student achievement program would have been funded under chapter 3,  
28 Laws of 2001, if all annual adjustments to the initial 2001  
29 allocation rate had been made in previous years and in each  
30 subsequent year as provided for under chapter 3, Laws of 2001.

31 (d) "Initiative 732 base" means the prior year's state allocation  
32 for annual salary cost-of-living increases for district employees in  
33 the state-funded salary base as it would have been calculated under  
34 chapter 4, Laws of 2001, if each annual cost-of-living increase  
35 allocation had been provided in previous years and in each subsequent  
36 year.

37 (10) Funds collected from transportation vehicle fund tax levies  
38 shall not be subject to the levy limitations in this section.

1 (11) The superintendent of public instruction shall develop rules  
2 and inform school districts of the pertinent data necessary to carry  
3 out the provisions of this section.

4 (12) For calendar year 2009, the office of the superintendent of  
5 public instruction shall recalculate school district levy authority  
6 to reflect levy rates certified by school districts for calendar year  
7 2009.

8 **Sec. 2.** RCW 84.52.0531 and 2010 c 237 s 2 and 2010 c 99 s 11 are  
9 each reenacted and amended to read as follows:

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

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

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

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

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

29 (c) Except for nonhigh districts under (d) of this subsection,  
30 for districts in an interdistrict cooperative agreement, the  
31 nonresident school district's maximum levy amount shall be reduced  
32 and the resident school district's maximum levy amount shall be  
33 increased by an amount equal to the per pupil basic education  
34 allocation included in the nonresident district's levy base under  
35 subsection (3) of this section multiplied by:

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

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

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

5 (d) The levy bases of nonhigh districts participating in an  
6 innovation academy cooperative established under RCW 28A.340.080  
7 shall be adjusted by the office of the superintendent of public  
8 instruction to reflect each district's proportional share of student  
9 enrollment in the cooperative;

10 (e) The district's maximum levy amount shall be reduced by the  
11 maximum amount of state matching funds for which the district is  
12 eligible under RCW 28A.500.010.

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

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

27 (b) State and federal categorical allocations for the following  
28 programs:

29 (i) Pupil transportation;

30 (ii) Special education;

31 (iii) Education of highly capable students;

32 (iv) Compensatory education, including but not limited to  
33 learning assistance, migrant education, Indian education, refugee  
34 programs, and bilingual education;

35 (v) Food services; and

36 (vi) Statewide block grant programs; and

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

1 (4)(a) A district's maximum levy percentage shall be twenty-four  
2 percent (~~((in 2010 and twenty-eight percent in 2011 through 2017 and~~  
3 ~~twenty-four percent every year thereafter))~~);

4 (b) For qualifying districts, in addition to the percentage in  
5 (a) of this subsection the grandfathered percentage determined as  
6 follows:

7 (i) For 1997, the difference between the district's 1993 maximum  
8 levy percentage and twenty percent; (~~and~~)

9 (ii) (~~For 2011 through 2017,~~) The percentage is calculated as  
10 follows:

11 (A) Multiply the grandfathered percentage for the prior year  
12 times the district's levy base determined under subsection (3) of  
13 this section;

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

17 (C) Divide the result of (b)(ii)(B) of this subsection by the  
18 district's levy base; and

19 (D) Take the greater of zero or the percentage calculated in  
20 (b)(ii)(C) of this subsection;

21 (iii) For (~~2018~~) 2024 and thereafter, the percentage shall be  
22 calculated as follows:

23 (A) Multiply the grandfathered percentage for the prior year  
24 times the district's levy base determined under subsection (3) of  
25 this section;

26 (B) Reduce the result of (b)(iii)(A) of this subsection by any  
27 levy reduction funds as defined in subsection (5) of this section  
28 that are to be allocated to the district for the current school year;

29 (C) Divide the result of (b)(iii)(B) of this subsection by the  
30 district's levy base; and

31 (D) Take the greater of zero or the percentage calculated in  
32 (b)(iii)(C) of this subsection.

33 (5) "Levy reduction funds" shall mean increases in state funds  
34 from the prior school year for programs included under subsection (3)  
35 of this section: (a) That are not attributable to enrollment changes,  
36 compensation increases, or inflationary adjustments; and (b) that are  
37 or were specifically identified as levy reduction funds in the  
38 appropriations act. If levy reduction funds are dependent on formula  
39 factors which would not be finalized until after the start of the  
40 current school year, the superintendent of public instruction shall



1 estimate the total amount of levy reduction funds by using prior  
2 school year data in place of current school year data. Levy reduction  
3 funds shall not include moneys received by school districts from  
4 cities or counties.

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

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

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

12 (9) The superintendent of public instruction shall develop rules  
13 and regulations and inform school districts of the pertinent data  
14 necessary to carry out the provisions of this section.

15 **Sec. 3.** RCW 28A.500.020 and 2013 2nd sp.s. c 4 s 957 are each  
16 amended to read as follows:

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

19 (a) "Prior tax collection year" means the year immediately  
20 preceding the year in which the local effort assistance shall be  
21 allocated.

22 (b) "Statewide average (~~fourteen~~) local effort assistance  
23 percent levy rate" means (~~fourteen~~) the percent specified in (f) of  
24 this subsection of the total levy bases as defined in RCW 84.52.0531  
25 (3) through (5) for calendar years 2014 and 2015, and as defined in  
26 RCW 84.52.0531 (3) and (4) in calendar years 2016 and thereafter,  
27 summed for all school districts, and divided by the total assessed  
28 valuation for excess levy purposes in the prior tax collection year  
29 for all districts as adjusted to one hundred percent by the county  
30 indicated ratio established in RCW 84.48.075.

31 (c) The "district's (~~fourteen~~) local effort assistance percent  
32 levy amount" means the school district's maximum levy authority after  
33 transfers determined under RCW 84.52.0531(2) (a) through (c) divided  
34 by the district's maximum levy percentage determined under RCW  
35 84.52.0531(~~(+6)~~) (7) multiplied by (~~fourteen~~) the percent  
36 specified in (f) of this subsection.

37 (d) The "district's (~~fourteen~~) local effort assistance percent  
38 levy rate" means the district's (~~fourteen~~) percent levy amount  
39 specified in (f) of this subsection 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 (e) "Districts eligible for local effort assistance" means those  
5 districts with a (~~fourteen~~) local effort assistance percent levy  
6 rate that exceeds the statewide average (~~fourteen~~) local effort  
7 assistance percent levy rate.

8 (f) Applicable percentages for the purposes of (b), (c), (d), and  
9 (e) of this subsection are:

10 (i) For calendar years 2013 through 2020, fourteen percent;

11 (ii) For calendar year 2021, thirteen and one-half percent;

12 (iii) For calendar year 2022, thirteen percent;

13 (iv) For calendar year 2023, twelve and one-half percent; and

14 (v) For calendar year 2024 and thereafter, twelve percent.

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

18 **Sec. 4.** RCW 28A.500.020 and 1999 c 317 s 2 are each amended to  
19 read as follows:

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

22 (a) "Prior tax collection year" means the year immediately  
23 preceding the year in which the local effort assistance shall be  
24 allocated.

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

31 (c) The "district's twelve percent levy amount" means the school  
32 district's maximum levy authority after transfers determined under  
33 RCW 84.52.0531(2) (a) through (c) divided by the district's maximum  
34 levy percentage determined under RCW 84.52.0531(4) multiplied by  
35 twelve percent.

36 (d) The "district's twelve percent levy rate" means the  
37 district's twelve percent levy amount divided by the district's  
38 assessed valuation for excess levy purposes for the prior tax

1 collection year as adjusted to one hundred percent by the county  
2 indicated ratio.

3 (e) "Districts eligible for local effort assistance" means those  
4 districts with a twelve percent levy rate that exceeds the statewide  
5 average twelve percent levy rate.

6 (2) Unless otherwise stated all rates, (~~percents~~) percentages,  
7 and amounts are for the calendar year for which local effort  
8 assistance is being calculated under this chapter.

9 **Sec. 5.** RCW 28A.500.030 and 2010 c 237 s 6 are each amended to  
10 read as follows:

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

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

16 (a) The difference between the district's (~~fourteen~~) local  
17 effort assistance percent levy rate and the statewide average  
18 (~~fourteen~~) local effort assistance percent levy rate; to

19 (b) The statewide average (~~fourteen~~) local effort assistance  
20 percent levy rate.

21 (2) The maximum amount of state matching funds for districts  
22 eligible for local effort assistance shall be the district's  
23 (~~fourteen~~) local effort assistance percent levy amount, multiplied  
24 by the following percentage:

25 (a) The difference between the district's (~~fourteen~~) local  
26 effort assistance percent levy rate and the statewide average  
27 (~~fourteen~~) local effort assistance percent levy rate; divided by

28 (b) The district's (~~fourteen~~) local effort assistance percent  
29 levy rate.

30 (3) Beginning with calendar year 2007, allocations and maximum  
31 eligibility under this chapter shall be fully funded at one hundred  
32 percent and shall not be reduced.

33 **Sec. 6.** RCW 28A.500.030 and 2006 c 372 s 904 and 2006 c 119 s 1  
34 are each reenacted and amended to read as follows:

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

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

4 (a) The difference between the district's twelve percent levy  
5 rate and the statewide average twelve percent levy rate; to

6 (b) The statewide average twelve percent levy rate.

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

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

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

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

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

17 ~~(5) From January 1, 2006, to December 31, 2006, allocations and  
18 maximum eligibility under this chapter shall be multiplied by 0.9563.  
19 Beginning with calendar year 2007, allocations and maximum  
20 eligibility under this chapter shall be fully funded at one hundred  
21 percent and shall not be reduced.))~~

22 **Sec. 7.** 2013 c 242 s 10 (uncodified) is amended to read as  
23 follows:

24 Section 8 of this act expires January 1, ~~((2018))~~ 2024.

25 **Sec. 8.** 2012 1st sp.s. c 10 s 10 (uncodified) is amended to read  
26 as follows:

27 Section 8 of this act expires January 1, ~~((2018))~~ 2024.

28 **Sec. 9.** 2010 c 237 s 9 (uncodified) is amended to read as  
29 follows:

30 Sections 1, 5, and 6 of this act expire January 1, ~~((2018))~~ 2024.

31 **Sec. 10.** 2010 c 237 s 8 (uncodified) is amended to read as  
32 follows:

33 This act expires January 1, ~~((2018))~~ 2024.

34 **Sec. 11.** 2010 c 237 s 10 (uncodified) is amended to read as  
35 follows:

1 Section 2 of this act takes effect January 1, (~~(2018)~~) 2024.

2 **Sec. 12.** 2013 2nd sp.s. c 4 s 1905 (uncodified) is amended to  
3 read as follows:

4 Section 957 of this act expires (~~August 1, 2018~~) January 1,  
5 2024.

6 NEW SECTION. **Sec. 13.** Sections 1, 3, and 5 of this act take  
7 effect January 1, 2017.

8 NEW SECTION. **Sec. 14.** Sections 1, 3, and 5 of this act expire  
9 January 1, 2024.

10 NEW SECTION. **Sec. 15.** Sections 2, 4, and 6 of this act take  
11 effect January 1, 2024.

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