**5875-S AMS CARL S2315.2 - NOT FOR FLOOR USE**

**SSB 5875** - S AMD **159**

By Senator Carlyle

**NOT ADOPTED 03/23/2017**

On page 10, after line 16, insert the following:

"**Sec.**  RCW 84.52.0531 and 2017 c . . . (SSB 5607) s 301 are each amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

(3) For excess levies for collection in calendar years 1998 ((~~and thereafter~~)) through 2019, a district's levy base shall be the sum of allocations in (a) through (d) of this subsection received by the district for the prior school year, including allocations for compensation increases, plus the sum of such allocations multiplied by the percent increase per full time equivalent student as stated in the state basic education appropriation section of the biennial budget between the prior school year and the current school year and divided by fifty-five percent. A district's levy base shall not include local school district property tax levies or other local revenues, or state and federal allocations not identified in (a) through (d) of this subsection.

(a) The district's basic education allocation as determined pursuant to RCW 28A.150.---(4)(a) (section 102 (4)(a), chapter . . . (SSB 5607), Laws of 2017);

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

(i) Special education;

(ii) Education of highly capable students;

(iii) Compensatory education, including but not limited to learning assistance, migrant education, Indian education, refugee programs, and bilingual education;

(iv) Food services; and

(v) Statewide block grant programs;

(c) Any other state allocations under RCW 28A.150.---, 28A.400.---, and 28A.405.--- (sections 102, 504, and 506, chapter . . . (SSB 5607), Laws of 2017); and

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

(4) ((~~A district's maximum levy percentage shall be ten percent~~)) Districts are not subject to the limitations of this section beginning in calendar year ((~~2020~~)) 2019 and every year thereafter; however, districts must have their levies approved by the office of the superintendent of public instruction as provided in RCW 84.52.053 to ensure that maintenance and operation levies are not used for basic education programs.

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

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

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

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

**Sec.**  RCW 84.52.053 and 2017 c ... (SSB 5607) s 303 are each amended to read as follows:

(1) The limitations imposed by RCW 84.52.050 through 84.52.056, and 84.52.043 shall not prevent the levy of taxes by school districts, when authorized so to do by the voters of such school district in the manner and for the purposes and number of years allowable under Article VII, section 2(a) of the Constitution of this state. Elections for such taxes shall be held in the year in which the levy is made or, in the case of propositions authorizing two-year through four-year levies for maintenance and operation support of a school district, authorizing two-year levies for transportation vehicle funds established in RCW 28A.160.130, or authorizing two-year through six-year levies to support the construction, modernization, or remodeling of school facilities, which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the year in which the first annual levy is made.

(2)(a) Once additional tax levies have been authorized for maintenance and operation support of a school district for a two-year through four-year period as provided under subsection (1) of this section, no further additional tax levies for maintenance and operation support of the district for that period may be authorized, except for additional levies to provide for subsequently enacted increases affecting the district's levy base or maximum levy percentage. ((~~School districts may not impose a levy for maintenance and operation support for taxes due and payable in calendar year 2019.~~))

(b) Notwithstanding (a) of this subsection, any school district that is required to annex or receive territory pursuant to a dissolution of a financially insolvent school district pursuant to RCW 28A.315.225 may call either a replacement or supplemental levy election within the school district, including the territory annexed or transferred, as follows:

(i) An election for a proposition authorizing two-year through four-year levies for maintenance and operation support of a school district may be called and held before the effective date of dissolution to replace existing maintenance and operation levies and to provide for increases due to the dissolution.

(ii) An election for a proposition authorizing additional tax levies may be called and held before the effective date of dissolution to provide for increases due to the dissolution.

(iii) In the event a replacement levy election under (b)(i) of this subsection is held but does not pass, the affected school district may subsequently hold a supplemental levy election pursuant to (b)(ii) of this subsection if the supplemental levy election is held before the effective date of dissolution. In the event a supplemental levy election is held under (b)(ii) of this subsection but does not pass, the affected school district may subsequently hold a replacement levy election pursuant to (b)(i) of this subsection if the replacement levy election is held before the effective date of dissolution. Failure of a replacement levy or supplemental levy election does not affect any previously approved and existing maintenance and operation levy within the affected school district or districts.

(c) For the purpose of applying the limitation of this subsection (2), a two-year through six-year levy to support the construction, modernization, or remodeling of school facilities shall not be deemed to be a tax levy for maintenance and operation support of a school district.

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

(4) To ensure that maintenance and operation levies are not used for basic education programs, beginning with ballot propositions submitted to the voters in calendar year 2019, districts must provide a report to the office of the superintendent of public instruction detailing the programs and activities to be funded through a proposed levy for maintenance and operation support. The report must be submitted to, and approved by, the office of the superintendent of public instruction prior to the election for the proposition.

NEW SECTION. **Sec.**  Section 5 of this act takes effect January 1, 2019."

Renumber the remaining section consecutively and correct any internal references accordingly.

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**NOT ADOPTED 03/23/2017**

On page 1, line 3 of the title, after "84.52.---," strike "and 28A.320.---; and" and insert "28A.320.---, 84.52.0531, and 84.52.053;" and on line 4 of the title, after "(uncodified)" insert "; and providing an effective date"

EFFECT: Eliminates the one-year termination of all local M&O levies. Eliminates the levy lid law for school districts beginning in calendar year 2019. (As provided in the underlying bill, the levies would be certified by OSPI to ensure M&O proceeds are not used for basic education programs.)