

HOUSE BILL REPORT

ESB 5529

As Reported By House Committee On:

Appropriations

Title: An act relating to school district levies.

Brief Description: Changing school district levy provisions.

Sponsors: Senators McAuliffe, Rinehart, Moyer, McDonald, Wojahn and Winsley; by request of Office of Financial Management.

Brief History:

Committee Activity:

Appropriations: 3/28/95, 4/3/95 [DPA].

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 23 members: Representatives Silver, Chairman; Clements, Vice Chairman; Huff, Vice Chairman; Sommers, Ranking Minority Member; Valle, Assistant Ranking Minority Member; Basich; Brumsickle; Chappell; Cooke; Crouse; G. Fisher; Grant; Jacobsen; Lambert; Lisk; Poulsen; Reams; Rust; Sehlin; Sheahan; Talcott; Thibaudeau and Wolfe.

Minority Report: Without recommendation. Signed by 5 members: Representatives Carlson; Foreman; Hargrove; Hickel and McMorris.

Staff: Jack Daray (786-7178).

Background: Since 1978, there has been a statutory limit on school district maintenance and operation levies. This limit is commonly known as the levy lid law. Initially, the lid was set at 10 percent of state basic education funds. School districts having levies in excess of 10 percent were provided grandfather exemptions. Since its inception, the levy lid law has been amended 11 times, with the latest change having been enacted in 1993. The 1993 amendment increased the levy lid from 20 percent to 24 percent for calendar years 1994 and 1995. The limit for grandfathered districts was also increased 4 percent, and the highest authorized levy rate is currently 33.9 percent. In 1996, absent legislative action, the limit will revert to 20 percent, and be reduced 4 percent for grandfather districts.

Summary of Amended Bill: The increase in the 20 percent levy lid by 4 percent currently permitted for levies to be collected in calendar years 1994 and 1995 is extended to 1996. Districts must receive voter approval by June 30, 1995, to be eligible for the temporary levy lid lift. Subsequent collections shall be subject to the 20 percent limit, except for grandfathered districts.

Amended Bill Compared to Engrossed Bill: The proposed collection of levies under the 4 percent increase to the levy lid in calendar years 1996 and 1997 is reduced to one year only: calendar year 1996.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Voters have already approved maintenance and operation levies for 1996 by super majorities. Revenue is needed to offset limited state support. A wide variety of programs are supported such as gifted, special ed, at-risk of not learning, and athletics.

Testimony Against: None.

Testified: Ellen Roe, Seattle Public Schools; Jim Hager, Kent Public Schools; Ken Kanikeberg, Shoreline School District; John Kvamme, Tacoma Public Schools; Karen Davis, Washington Education Association; Debra Aungst, Renton School District; Rosemary Ziara, Snoqualmie Valley School District; and Dr. Walt Rulffes and Terrie Beaudragau, Spokane School District.