

SENATE BILL REPORT

SB 6473

As Reported By Senate Committee On:
Education, February 6, 1998

Title: An act relating to local levy equalization.

Brief Description: Changing local levy equalization.

Sponsors: Senators McAuliffe, Kohl, Brown, Snyder, Loveland, Franklin, Fairley, Prentice, Heavey, Kline, B. Sheldon, Fraser, Spanel, Goings and Thibaudeau; by request of Governor Locke.

Brief History:

Committee Activity: Education: 2/5/98, 2/6/98 [DP-WM].

SENATE COMMITTEE ON EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Hochstatter, Chair; Finkbeiner, Vice Chair; Goings, Johnson, McAuliffe and Rasmussen.

Staff: William Bridges (786-7424)

Background: The levy equalization program is designed to assist school districts that require an above average property tax rate for a 10 percent levy. Eligible districts may receive state matching funds for the first 10 percent of their levies. In 1997, the Legislature permanently increased the levy authority of most school districts from 20 percent to 24 percent and increased levy equalization from 10 percent to 12 percent for the poorest 25 percent of eligible districts. The increases will take effect in 1999. In 1999, 141 school districts will be eligible for 10 percent levy equalization, and 74 school districts will be eligible for 12 percent equalization.

The Senate and House fiscal committees published a joint study of levy equalization in December 1997. The study recommends further examination of this issue.

Summary of Bill: The levy equalization is increased to 12 percent for all districts with above average property tax rates.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect on January 1, 1999.

Testimony For: The bill will provide additional support for communities who decide to tax themselves. The bill is integral to the 24 percent levy lid as a means of equalizing levies.

The bill will help bedroom communities that have no industrial base to tax. The bill is another step in equalizing poor and wealthy districts.

Testimony Against: None.

Testified: PRO: Dolores Gibbons, Renton School Dist.; Judy Hartmann, Wash. Educ. Assoc.; Jim Keene, Clarkston School Dist.; Barbara Mertens, Wash. Assoc. of School Administrators; Jennifer Priddy, Office of the Superintendent of Public Schools; Dwayne Slate, Wash. Assoc. of School Directors.