
HOUSE BILL 1059

State of Washington

65th Legislature

2017 Regular Session

By Representatives Lytton, Sullivan, Kagi, Fitzgibbon, Dolan, Kilduff, Frame, Pollet, Senn, Ormsby, Jinkins, Bergquist, Farrell, Blake, Hudgins, Tarleton, and Cody

Prefiled 01/04/17. Read first time 01/09/17. Referred to Committee on Appropriations.

1 AN ACT Relating to delaying implementation of revisions to the
2 school levy lid; amending RCW 84.52.0531; amending 2013 c 242 s 10,
3 2012 1st sp.s. c 10 s 10, 2010 c 237 ss 9, 8, and 10, and 2016 c 202
4 s 56 (uncodified); reenacting and amending RCW 84.52.0531; creating a
5 new section; providing effective dates; and providing expiration
6 dates.

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

8 NEW SECTION. **Sec. 1.** The legislature recognizes that school
9 districts may provide locally funded enrichment to the state's
10 program of basic education. The legislature further recognizes that
11 the system of state and local funding for school districts is in
12 transition during 2017, with the state moving toward full funding of
13 its statutory program of basic education, and with current statutory
14 policies on school district levies scheduled to expire at the end of
15 calendar year 2017. To promote school districts' ability to plan for
16 the future during this transitional period, the legislature intends
17 to extend current statutory policies on local enrichment through
18 calendar year 2019.

19 **Sec. 2.** RCW 84.52.0531 and 2013 c 242 s 8 are each amended to
20 read as follows:

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

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

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

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

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

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

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

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

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

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

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

4 (3) For excess levies for collection in calendar year 2005 and
5 thereafter, a district's levy base shall be the sum of allocations in
6 (a) through (c) of this subsection received by the district for the
7 prior school year and the amounts determined under subsection (4) of
8 this section, including allocations for compensation increases, plus
9 the sum of such allocations multiplied by the percent increase per
10 full time equivalent student as stated in the state basic education
11 appropriation section of the biennial budget between the prior school
12 year and the current school year and divided by fifty-five percent. A
13 district's levy base shall not include local school district property
14 tax levies or other local revenues, or state and federal allocations
15 not identified in (a) through (c) of this subsection.

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

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

20 (i) Pupil transportation;

21 (ii) Special education;

22 (iii) Education of highly capable students;

23 (iv) Compensatory education, including but not limited to
24 learning assistance, migrant education, Indian education, refugee
25 programs, and bilingual education;

26 (v) Food services; and

27 (vi) Statewide block grant programs; and

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

31 (4) For levy collections in calendar years 2005 through ((2017))
32 2018, in addition to the allocations included under subsection (3)(a)
33 through (c) of this section, a district's levy base shall also
34 include the following:

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

1 (ii) For levy collections in calendar years 2011 through (~~2017~~)
2 2018, the allocation rate the district would have received in the
3 prior school year using the Initiative 728 rate multiplied by the
4 full-time equivalent student enrollment used to calculate the
5 Initiative 728 allocation for the prior school year; and

6 (b) The difference between the allocations the district would
7 have received the prior school year using the Initiative 732 base and
8 the allocations the district actually received the prior school year
9 pursuant to RCW 28A.400.205.

10 (5) For levy collections in calendar years 2011 through (~~2017~~)
11 2018, in addition to the allocations included under subsections
12 (3)(a) through (c) and (4)(a) and (b) of this section, a district's
13 levy base shall also include the difference between an allocation of
14 fifty-three and two-tenths certificated instructional staff units per
15 thousand full-time equivalent students in grades kindergarten through
16 four enrolled in the prior school year and the allocation of
17 certificated instructional staff units per thousand full-time
18 equivalent students in grades kindergarten through four that the
19 district actually received in the prior school year, except that the
20 levy base for a school district whose allocation in the 2009-10
21 school year was less than fifty-three and two-tenths certificated
22 instructional staff units per thousand full-time equivalent students
23 in grades kindergarten through four shall include the difference
24 between the allocation the district actually received in the 2009-10
25 school year and the allocation the district actually received in the
26 prior school year.

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

36 (7)(a) A district's maximum levy percentage shall be twenty-four
37 percent in 2010 and twenty-eight percent in 2011 through (~~2017~~)
38 2018 and twenty-four percent every year thereafter;

1 (b) For qualifying districts, in addition to the percentage in
2 (a) of this subsection the grandfathered percentage determined as
3 follows:

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

6 (ii) For 2011 through ((2017)) 2018, the percentage calculated as
7 follows:

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

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

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

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

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

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

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

34 (b) "Current school year" means the year immediately following
35 the prior school year.

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

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

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

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

12 (12) For calendar year 2009, the office of the superintendent of
13 public instruction shall recalculate school district levy authority
14 to reflect levy rates certified by school districts for calendar year
15 2009.

16 **Sec. 3.** RCW 84.52.0531 and 2010 c 237 s 2 and 2010 c 99 s 11 are
17 each reenacted and amended to read as follows:

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

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

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

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

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

37 (c) Except for nonhigh districts under (d) of this subsection,
38 for districts in an interdistrict cooperative agreement, the
39 nonresident school district's maximum levy amount shall be reduced

1 and the resident school district's maximum levy amount shall be
2 increased by an amount equal to the per pupil basic education
3 allocation included in the nonresident district's levy base under
4 subsection (3) of this section multiplied by:

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

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

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

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

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

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

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

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

37 (i) Pupil transportation;

38 (ii) Special education;

39 (iii) Education of highly capable students;

1 (iv) Compensatory education, including but not limited to
2 learning assistance, migrant education, Indian education, refugee
3 programs, and bilingual education;

4 (v) Food services; and

5 (vi) Statewide block grant programs; and

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

9 (4)(a) A district's maximum levy percentage shall be twenty-four
10 percent in 2010 and twenty-eight percent in 2011 through ((2017))
11 2018 and twenty-four percent every year thereafter;

12 (b) For qualifying districts, in addition to the percentage in
13 (a) of this subsection the grandfathered percentage determined as
14 follows:

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

17 (ii) For 2011 through ((2017)) 2018, the percentage calculated as
18 follows:

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

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

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

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

29 (iii) For ((2018)) 2019 and thereafter, the percentage shall be
30 calculated as follows:

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

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

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

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

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

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

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

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

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

23 **Sec. 4.** 2013 c 242 s 10 (uncodified) is amended to read as
24 follows:

25 Section 8 of this act expires January 1, (~~2018~~) 2019.

26 **Sec. 5.** 2012 1st sp.s. c 10 s 10 (uncodified) is amended to read
27 as follows:

28 Section 8 of this act expires January 1, (~~2018~~) 2019.

29 **Sec. 6.** 2010 c 237 s 9 (uncodified) is amended to read as
30 follows:

31 Sections 1, 5, and 6 of this act expire January 1, (~~2018~~) 2019.

32 **Sec. 7.** 2010 c 237 s 8 (uncodified) is amended to read as
33 follows:

34 This act expires January 1, (~~2018~~) 2019.

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

3 Section 2 of this act takes effect January 1, (~~2018~~) 2019.

4 **Sec. 9.** 2016 c 202 s 56 (uncodified) is amended to read as
5 follows:

6 Section 957 of this act expires January 1, (~~2018~~) 2019.

7 NEW SECTION. **Sec. 10.** Section 2 of this act takes effect
8 January 1, 2018.

9 NEW SECTION. **Sec. 11.** Section 2 of this act expires January 1,
10 2019.

11 NEW SECTION. **Sec. 12.** Section 3 of this act takes effect
12 January 1, 2019.

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