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SENATE BILL 6087

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State of Washington

56th Legislature

1999 Regular Session

By Senators Swecker, West, Benton, Stevens, Oke, Johnson, Roach, Zarelli and Deccio

Read first time 03/19/1999. Referred to Committee on Ways & Means.

1 AN ACT Relating to transferring the state property tax to local  
2 school districts; amending RCW 84.52.065, 84.52.0531, and 84.52.043;  
3 adding a new section to chapter 84.52 RCW; and creating a new section.

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

5 **Sec. 1.** RCW 84.52.065 and 1991 sp.s. c 31 s 16 are each amended to  
6 read as follows:

7 (1) Subject to the limitations in RCW 84.55.010, in each year the  
8 state shall levy for collection in the following year for the support  
9 of common schools of the state a tax ((of three dollars and sixty cents  
10 per thousand dollars of assessed value)) at the rate specified in  
11 subsection (2) of this section upon the assessed valuation of all  
12 taxable property within the state adjusted to the state equalized value  
13 in accordance with the indicated ratio fixed by the state department of  
14 revenue.

15 (2) The rate of state tax in subsection (1) of this section shall  
16 be as follows:

17 (a) Three dollars and sixty cents per thousand dollars of assessed  
18 value for taxes levied for collection in 1999, and before;

1       (b) Three dollars per thousand dollars of assessed value for taxes  
2 levied for collection in 2000;

3       (c) Two dollars and seventy cents per thousand dollars of assessed  
4 value for taxes levied for collection in 2001;

5       (d) Two dollars and forty cents per thousand dollars of assessed  
6 value for taxes levied for collection in 2002;

7       (e) Two dollars and ten cents per thousand dollars of assessed  
8 value for taxes levied for collection in 2003;

9       (f) One dollar and eighty cents per thousand dollars of assessed  
10 value for taxes levied for collection in 2004;

11       (g) One dollar and fifty cents per thousand dollars of assessed  
12 value for taxes levied for collection in 2005;

13       (h) One dollar and twenty cents per thousand dollars of assessed  
14 value for taxes levied for collection in 2006;

15       (i) Ninety cents per thousand dollars of assessed value for taxes  
16 levied for collection in 2007;

17       (j) Sixty cents per thousand dollars of assessed value for taxes  
18 levied for collection in 2008;

19       (k) Thirty cents per thousand dollars of assessed value for taxes  
20 levied for collection in 2009; and

21       (l) No tax may be levied under this section for taxes levied for  
22 collection in 2010 and thereafter.

23       (3) As used in this section, "the support of common schools"  
24 includes the payment of the principal and interest on bonds issued for  
25 capital construction projects for the common schools.

26       NEW SECTION. Sec. 2. A new section is added to chapter 84.52 RCW  
27 to read as follows:

28       (1) A school district may impose an annual regular property tax at  
29 the rate specified in subsection (2) of this section upon the assessed  
30 valuation of all taxable property within the district.

31       (2) The rate of tax in subsection (1) of this section shall not  
32 exceed the following:

33       (a) Twenty cents per thousand dollars of assessed value for taxes  
34 levied for collection in 2001;

35       (b) Fifty cents per thousand dollars of assessed value for taxes  
36 levied for collection in 2002;

37       (c) Eighty cents per thousand dollars of assessed value for taxes  
38 levied for collection in 2003;

1 (d) One dollar and ten cents per thousand dollars of assessed value  
2 for taxes levied for collection in 2004;

3 (e) One dollar and forty cents per thousand dollars of assessed  
4 value for taxes levied for collection in 2005;

5 (f) One dollar and seventy cents per thousand dollars of assessed  
6 value for taxes levied for collection in 2006;

7 (g) Two dollars per thousand dollars of assessed value for taxes  
8 levied for collection in 2007;

9 (h) Two dollars and thirty cents per thousand dollars of assessed  
10 value for taxes levied for collection in 2008;

11 (i) Two dollars and sixty cents per thousand dollars of assessed  
12 value for taxes levied for collection in 2009;

13 (j) Two dollars and ninety cents per thousand dollars of assessed  
14 value for taxes levied for collection in 2010; and

15 (k) Three dollars and sixty cents per thousand dollars of assessed  
16 value for taxes levied for collection in 2011 and thereafter.

17 (3) Any tax imposed under this section shall only be used for the  
18 maintenance and operation support of the school district.

19 **Sec. 3.** RCW 84.52.0531 and 1997 c 259 s 2 are each amended to read  
20 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

33 (i) Pupil transportation;

34 (ii) Special education;

35 (iii) Education of highly capable students;

36 (iv) Compensatory education, including but not limited to learning  
37 assistance, migrant education, Indian education, refugee programs, and  
38 bilingual education;

39 (v) Food services; and

1 (vi) State-wide block grant programs; and

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

5 (4) A district's maximum levy percentage shall be twenty-two  
6 percent in 1998 and twenty-four percent in 1999 and every year  
7 thereafter; plus, for qualifying districts, the grandfathered  
8 percentage determined as follows:

9 (a) For 1997, the difference between the district's 1993 maximum  
10 levy percentage and twenty percent; and

11 (b) For 1998 and thereafter, the percentage calculated as follows:

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

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

18 (iii) Divide the result of (b)(ii) of this subsection by the  
19 district's levy base; and

20 (iv) Take the greater of zero or the percentage calculated in  
21 (b)(iii) of this subsection.

22 The percentage otherwise determined under this subsection (4) shall  
23 be reduced by one percentage point for taxes due in 2001, two  
24 percentage points for taxes due in 2002, three percentage points for  
25 taxes due in 2003, four percentage points for taxes due in 2004, five  
26 percentage points for taxes due in 2005, six percentage points for  
27 taxes due in 2006, seven percentage points for taxes due in 2007, eight  
28 percentage points for taxes due in 2008, nine percentage points for  
29 taxes due in 2009, and ten percentage points for taxes due in 2010 and  
30 thereafter.

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

1 year data in place of current school year data. Levy reduction funds  
2 shall not include moneys received by school districts from cities or  
3 counties.

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

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

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

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

14 **Sec. 4.** RCW 84.52.043 and 1995 c 99 s 3 are each amended to read  
15 as follows:

16 Within and subject to the limitations imposed by RCW 84.52.050 as  
17 amended, the regular ad valorem tax levies upon real and personal  
18 property by the taxing districts hereafter named shall be as follows:

19 (1) Levies of the senior taxing districts shall be as follows: (a)  
20 The levy by the state shall not exceed (~~three dollars and sixty~~  
21 ~~cents~~) the dollar rate per thousand dollars of assessed value  
22 specified in RCW 84.52.065 adjusted to the state equalized value in  
23 accordance with the indicated ratio fixed by the state department of  
24 revenue to be used exclusively for the support of the common schools;  
25 (b) the levy by any county shall not exceed one dollar and eighty cents  
26 per thousand dollars of assessed value; (c) the levy by any road  
27 district shall not exceed two dollars and twenty-five cents per  
28 thousand dollars of assessed value; (~~and~~) (d) the levy by any city or  
29 town shall not exceed three dollars and thirty-seven and one-half cents  
30 per thousand dollars of assessed value; and (e) the levy by any school  
31 district shall not exceed the dollar rate per thousand dollars of  
32 assessed value specified in section 2 of this act. However any county  
33 is hereby authorized to increase its levy from one dollar and eighty  
34 cents to a rate not to exceed two dollars and forty-seven and one-half  
35 cents per thousand dollars of assessed value for general county  
36 purposes if the total levies for both the county and any road district  
37 within the county do not exceed four dollars and five cents per

1 thousand dollars of assessed value, and no other taxing district has  
2 its levy reduced as a result of the increased county levy.

3 (2) The aggregate levies of junior taxing districts and senior  
4 taxing districts, other than the state, shall not exceed five dollars  
5 and ninety cents per thousand dollars of assessed valuation. The term  
6 "junior taxing districts" includes all taxing districts other than the  
7 state, counties, road districts, cities, towns, port districts, and  
8 public utility districts. The limitations provided in this subsection  
9 shall not apply to: (a) Levies at the rates provided by existing law  
10 by or for any port or public utility district; (b) excess property tax  
11 levies authorized in Article VII, section 2 of the state Constitution;  
12 (c) levies for acquiring conservation futures as authorized under RCW  
13 84.34.230; (d) levies for emergency medical care or emergency medical  
14 services imposed under RCW 84.52.069; (e) levies to finance affordable  
15 housing for very low-income housing imposed under RCW 84.52.105; and  
16 (f) the portions of levies by metropolitan park districts that are  
17 protected under RCW 84.52.120.

18 NEW SECTION. **Sec. 5.** This act applies to taxes levied for  
19 collection in 2000 and thereafter.

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