

---

**SUBSTITUTE SENATE BILL 6438**

---

**State of Washington**

**59th Legislature**

**2006 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Weinstein, McAuliffe, Eide, Poulsen, Schmidt, Esser, Finkbeiner, Keiser and Kohl-Welles)

READ FIRST TIME 02/7/06.

1 AN ACT Relating to school district levies; amending RCW 84.52.0531;  
2 and repealing 2004 c 21 s 3 (uncodified).

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

4 **Sec. 1.** RCW 84.52.0531 and 2004 c 21 s 2 are each amended to read  
5 as follows:

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

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

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

15 (a) The district's levy base as defined in subsections (3) and (4)  
16 of this section multiplied by the district's maximum levy percentage as  
17 defined in subsection (5) of this section;

18 (b) For districts in a high/nonhigh relationship, the high school  
19 district's maximum levy amount shall be reduced and the nonhigh school

1 district's maximum levy amount shall be increased by an amount equal to  
2 the estimated amount of the nonhigh payment due to the high school  
3 district under RCW 28A.545.030(3) and 28A.545.050 for the school year  
4 commencing the year of the levy;

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

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

13 (ii) The serving district's maximum levy percentage determined  
14 under subsection (5) of this section; increased by:

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

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

22 (3) For excess levies for collection in calendar year 2005 and  
23 thereafter, a district's levy base shall be the sum of allocations in  
24 (a) through (c) of this subsection received by the district for the  
25 prior school year and the amounts determined under subsection (4) of  
26 this section, including allocations for compensation increases, plus  
27 the sum of such allocations multiplied by the percent increase per full  
28 time equivalent student as stated in the state basic education  
29 appropriation section of the biennial budget between the prior school  
30 year and the current school year and divided by fifty-five percent. A  
31 district's levy base shall not include local school district property  
32 tax levies or other local revenues, or state and federal allocations  
33 not identified in (a) through (c) of this subsection.

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

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

38 (i) Pupil transportation;

- 1 (ii) Special education;
- 2 (iii) Education of highly capable students;
- 3 (iv) Compensatory education, including but not limited to learning
- 4 assistance, migrant education, Indian education, refugee programs, and
- 5 bilingual education;
- 6 (v) Food services; and
- 7 (vi) Statewide block grant programs; and
- 8 (c) Any other federal allocations for elementary and secondary
- 9 school programs, including direct grants, other than federal impact aid
- 10 funds and allocations in lieu of taxes.

11 (4) For levy collections in calendar years 2005 through ((2007))  
12 2010, in addition to the allocations included under subsection (3)(a)  
13 through (c) of this section, a district's levy base shall also include  
14 the following:

15 (a) The difference between the allocation the district would have  
16 received in the current school year had RCW 84.52.068 not been amended  
17 by chapter 19, Laws of 2003 1st sp. sess. and the allocation the  
18 district received in the current school year pursuant to RCW 84.52.068.  
19 The office of the superintendent of public instruction shall offset the  
20 amount added to a district's levy base pursuant to this subsection  
21 (4)(a) by any additional per student allocations included in a  
22 district's levy base pursuant to the enactment of an initiative to the  
23 people subsequent to June 10, 2004; and

24 (b) The difference between the allocations the district would have  
25 received the prior school year had RCW 28A.400.205 not been amended by  
26 chapter 20, Laws of 2003 1st sp. sess. and the allocations the district  
27 actually received the prior school year pursuant to RCW 28A.400.205.  
28 The office of the superintendent of public instruction shall offset the  
29 amount added to a district's levy base pursuant to this subsection  
30 (4)(b) by any additional salary increase allocations included in a  
31 district's levy base pursuant to the enactment of an initiative to the  
32 people subsequent to June 10, 2004.

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

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

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

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

5 (ii) Reduce the result of (b)(i) of this subsection by any levy  
6 reduction funds as defined in subsection (6) of this section that are  
7 to be allocated to the district for the current school year;

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

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

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

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

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

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

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

34 NEW SECTION. **Sec. 2.** 2004 c 21 s 3 (uncodified) is repealed.

--- END ---