

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2812

Chapter 119, Laws of 2006

59th Legislature
2006 Regular Session

SCHOOL DISTRICT LEVIES

EFFECTIVE DATE: 6/7/06

Passed by the House March 6, 2006
Yeas 98 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 3, 2006
Yeas 48 Nays 0

BRAD OWEN

President of the Senate

Approved March 20, 2006.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2812** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

March 20, 2006 - 10:34 a.m.

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2812

AS AMENDED BY THE SENATE

Passed Legislature - 2006 Regular Session

State of Washington 59th Legislature 2006 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Hunter, Rodne, Quall, Nixon, P. Sullivan, Jarrett, Clibborn, Tom, Morrell, Fromhold, Roberts, Schual-Berke, Simpson, Anderson and Kagi)

READ FIRST TIME 02/08/06.

1 AN ACT Relating to school district levies; amending RCW 28A.500.030
2 and 84.52.0531; and amending 2004 c 21 s 3 (uncodified).

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

4 **Sec. 1.** RCW 28A.500.030 and 2005 c 518 s 914 are each amended to
5 read as follows:

6 Allocation of state matching funds to eligible districts for local
7 effort assistance shall be determined as follows:

8 (1) Funds raised by the district through maintenance and operation
9 levies shall be matched with state funds using the following ratio of
10 state funds to levy funds:

11 (a) The difference between the district's twelve percent levy rate
12 and the statewide average twelve percent levy rate; to

13 (b) The statewide average twelve percent levy rate.

14 (2) The maximum amount of state matching funds for districts
15 eligible for local effort assistance shall be the district's twelve
16 percent levy amount, multiplied by the following percentage:

17 (a) The difference between the district's twelve percent levy rate
18 and the statewide average twelve percent levy rate; divided by

19 (b) The district's twelve percent levy rate.

1 (3) Calendar year 2003 allocations and maximum eligibility under
2 this chapter shall be multiplied by 0.99.

3 (4) From January 1, 2004, to December 31, 2005, allocations and
4 maximum eligibility under this chapter shall be multiplied by 0.937.

5 (5) From January 1, 2006, to (~~June 30, 2007~~) December 31, 2006,
6 allocations and maximum eligibility under this chapter shall be
7 multiplied by 0.9563. Beginning with calendar year 2007, allocations
8 and maximum eligibility under this chapter shall be fully funded at one
9 hundred percent and shall not be reduced.

10 **Sec. 2.** RCW 84.52.0531 and 2004 c 21 s 2 are each amended to read
11 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

24 (b) State and federal categorical allocations for the following
25 programs:

26 (i) Pupil transportation;
27 (ii) Special education;
28 (iii) Education of highly capable students;
29 (iv) Compensatory education, including but not limited to learning
30 assistance, migrant education, Indian education, refugee programs, and
31 bilingual education;

32 (v) Food services; and
33 (vi) Statewide block grant programs; and

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

37 (4) For levy collections in calendar years 2005 through ((2007))

1 2011, in addition to the allocations included under subsection (3)(a)
2 through (c) of this section, a district's levy base shall also include
3 the following:

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

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

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

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

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

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

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

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

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

1 (6) "Levy reduction funds" shall mean increases in state funds from
2 the prior school year for programs included under subsections (3) and
3 (4) of this section: (a) That are not attributable to enrollment
4 changes, compensation increases, or inflationary adjustments; and (b)
5 that are 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 school
10 year data in place of current school year data. Levy reduction funds
11 shall not include moneys received by school districts from cities or
12 counties.

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

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

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

20 (10) 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. 3.** 2004 c 21 s 3 (uncodified) is amended to read as follows:

24 This act expires January 1, (~~2008~~) 2012.

Passed by the House March 6, 2006.

Passed by the Senate March 3, 2006.

Approved by the Governor March 20, 2006.

Filed in Office of Secretary of State March 20, 2006.