
SENATE BILL 5008

State of Washington

60th Legislature

2007 Regular Session

By Senators Weinstein, Tom, Murray, Kohl-Welles, Kline, Jacobsen and Poulsen

Read first time 01/08/2007. Referred to Committee on Early Learning & K-12 Education.

1 AN ACT Relating to increasing school district levy and equalization
2 rates; amending RCW 84.52.0531, 84.52.0531, 84.52.053, 28A.500.020, and
3 28A.500.020; reenacting and amending RCW 28A.500.030; providing
4 effective dates; and providing an expiration date.

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

6 **Sec. 1.** RCW 84.52.0531 and 2006 c 119 s 2 are each amended to read
7 as follows:

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

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

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

18 (a) The district's levy base as defined in subsections (3) and (4)

1 of this section multiplied by the district's maximum levy percentage as
2 defined in subsection (5) of this section;

3 (b) For districts in a high/nonhigh relationship, the high school
4 district's maximum levy amount (~~shall~~) must be reduced and the
5 nonhigh school district's maximum levy amount (~~shall~~) must be
6 increased by an amount equal to the estimated amount of the nonhigh
7 payment due to the high school district under RCW 28A.545.030(3) and
8 28A.545.050 for the school year commencing the year of the levy;

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

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

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

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

23 (d) The district's maximum levy amount (~~shall~~) must be reduced by
24 the maximum amount of state matching funds for which the district is
25 eligible under RCW 28A.500.010.

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

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

3 (b) State and federal categorical allocations for the following
4 programs:

5 (i) Pupil transportation;

6 (ii) Special education;

7 (iii) Education of highly capable students;

8 (iv) Compensatory education, including but not limited to learning
9 assistance, migrant education, Indian education, refugee programs, and
10 bilingual education;

11 (v) Food services; and

12 (vi) Statewide block grant programs; and

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

16 (4) For levy collections in calendar years 2005 through 2011, in
17 addition to the allocations included under subsection (3)(a) through
18 (c) of this section, a district's levy base (~~shall~~) must also include
19 the following:

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

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

1 (5) A district's maximum levy percentage (~~(shall)~~) must be
2 (~~(twenty-two)~~) thirty-five percent (~~(in 1998 and twenty-four percent in~~
3 ~~1999 and every year thereafter; plus, for qualifying districts, the~~
4 ~~grandfathered percentage determined as follows:~~

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

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

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

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

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

16 ~~(iv) Take the greater of zero or the percentage calculated in~~
17 ~~(b)(iii) of this subsection).~~

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

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

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

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

37 (10) The superintendent of public instruction shall develop rules

1 and regulations and inform school districts of the pertinent data
2 necessary to carry out the provisions of this section.

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

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

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

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

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

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

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

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

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

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

1 (d) 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 1998 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, including allocations for compensation increases,
8 plus the sum of such allocations multiplied by the percent increase per
9 full time equivalent student as stated in the state basic education
10 appropriation section of the biennial budget between the prior school
11 year and the current school year and divided by fifty-five percent. A
12 district's levy base shall not include local school district property
13 tax levies or other local revenues, or state and federal allocations
14 not identified in (a) through (c) of this subsection.

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

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

19 (i) Pupil transportation;

20 (ii) Special education;

21 (iii) Education of highly capable students;

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

25 (v) Food services; and

26 (vi) Statewide block grant programs; and

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

30 (4) A district's maximum levy percentage (~~((shall))~~) must be
31 (~~((twenty-two))~~) thirty-five percent (~~((in 1998 and twenty-four percent in~~
32 ~~1999 and every year thereafter; plus, for qualifying districts, the~~
33 ~~grandfathered percentage determined as follows:~~

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

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

37 ~~((i) Multiply the grandfathered percentage for the prior year times~~

1 ~~the district's levy base determined under subsection (3) of this~~
2 ~~section;~~

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

6 ~~(iii) Divide the result of (b)(ii) of this subsection by the~~
7 ~~district's levy base; and~~

8 ~~(iv) Take the greater of zero or the percentage calculated in~~
9 ~~(b)(iii) of this subsection)).~~

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

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

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

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

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

32 **Sec. 3.** RCW 84.52.053 and 1997 c 260 s 1 are each amended to read
33 as follows:

34 The limitations imposed by RCW 84.52.050 through 84.52.056, and
35 84.52.043 shall not prevent the levy of taxes by school districts, when
36 authorized so to do by the voters of such school district in the manner
37 and for the purposes and number of years allowable under Article VII,

1 section 2(a) of the Constitution of this state. Elections for such
2 taxes shall be held in the year in which the levy is made or, in the
3 case of propositions authorizing two-year through four-year levies for
4 maintenance and operation support of a school district, authorizing
5 two-year levies for transportation vehicle funds established in RCW
6 28A.160.130, or authorizing two-year through six-year levies to support
7 the construction, modernization, or remodeling of school facilities, in
8 the year in which the first annual levy is made: PROVIDED, That once
9 additional tax levies have been authorized for maintenance and
10 operation support of a school district for a two-year through four-year
11 period, no further additional tax levies for maintenance and operation
12 support of the district for that period may be authorized except that
13 where a tax levy has already been authorized for the maintenance and
14 operation support of a school district for a two-year through four-year
15 period at the time sections 1 and 2 of this act take effect and the
16 school district's 2008 maximum levy percentage has increased as
17 compared to its 2007 maximum levy percentage under RCW 84.52.0531, the
18 school district may seek authorization for an additional tax levy up to
19 the maximum levy percentage authorized under RCW 84.52.0531 for the
20 remainder of the two-year through four-year period.

21 A special election may be called and the time therefor fixed by the
22 board of school directors, by giving notice thereof by publication in
23 the manner provided by law for giving notices of general elections, at
24 which special election the proposition authorizing such excess levy
25 shall be submitted in such form as to enable the voters favoring the
26 proposition to vote "yes" and those opposed thereto to vote "no".

27 **Sec. 4.** RCW 28A.500.020 and 2004 c 21 s 1 are each amended to read
28 as follows:

29 (1) Unless the context clearly requires otherwise, the definitions
30 in this section apply throughout this chapter.

31 (a) "Prior tax collection year" means the year immediately
32 preceding the year in which the local effort assistance shall be
33 allocated.

34 (b) "Statewide average twelve percent levy rate" means (~~twelve~~)
35 fourteen percent of the total levy bases as defined in RCW 84.52.0531

36 (3) and (4) summed for all school districts, and divided by the total

1 assessed valuation for excess levy purposes in the prior tax collection
2 year for all districts as adjusted to one hundred percent by the county
3 indicated ratio established in RCW 84.48.075.

4 (c) The "district's (~~twelve~~) fourteen percent levy amount" means
5 the school district's maximum levy authority after transfers determined
6 under RCW 84.52.0531(2) (a) through (c) divided by the district's
7 maximum levy percentage determined under RCW 84.52.0531(5) multiplied
8 by (~~twelve~~) fourteen percent.

9 (d) The "district's (~~twelve~~) fourteen percent levy rate" means
10 the district's (~~twelve~~) fourteen percent levy amount divided by the
11 district's assessed valuation for excess levy purposes for the prior
12 tax collection year as adjusted to one hundred percent by the county
13 indicated ratio.

14 (e) "Districts eligible for local effort assistance" means those
15 districts with a (~~twelve~~) fourteen percent levy rate that exceeds the
16 statewide average (~~twelve~~) fourteen percent levy rate.

17 (2) Unless otherwise stated all rates, percents, and amounts are
18 for the calendar year for which local effort assistance is being
19 calculated under this chapter.

20 **Sec. 5.** RCW 28A.500.020 and 1999 c 317 s 2 are each amended to
21 read as follows:

22 (1) Unless the context clearly requires otherwise, the definitions
23 in this section apply throughout this chapter.

24 (a) "Prior tax collection year" means the year immediately
25 preceding the year in which the local effort assistance (~~shall~~) must
26 be allocated.

27 (b) "Statewide average (~~twelve~~) fourteen percent levy rate" means
28 (~~twelve~~) fourteen percent of the total levy bases as defined in RCW
29 84.52.0531(3) summed for all school districts, and divided by the total
30 assessed valuation for excess levy purposes in the prior tax collection
31 year for all districts as adjusted to one hundred percent by the county
32 indicated ratio established in RCW 84.48.075.

33 (c) The "district's (~~twelve~~) fourteen percent levy amount" means
34 the school district's maximum levy authority after transfers determined
35 under RCW 84.52.0531(2) (a) through (c) divided by the district's
36 maximum levy percentage determined under RCW 84.52.0531(4) multiplied
37 by (~~twelve~~) fourteen percent.

1 (d) The "district's (~~twelve~~) fourteen percent levy rate" means
2 the district's (~~twelve~~) fourteen percent levy amount divided by the
3 district's assessed valuation for excess levy purposes for the prior
4 tax collection year as adjusted to one hundred percent by the county
5 indicated ratio.

6 (e) "Districts eligible for local effort assistance" means those
7 districts with a (~~twelve~~) fourteen percent levy rate that exceeds the
8 statewide average (~~twelve~~) fourteen percent levy rate.

9 (2) Unless otherwise stated all rates, percents, and amounts are
10 for the calendar year for which local effort assistance is being
11 calculated under this chapter.

12 **Sec. 6.** RCW 28A.500.030 and 2006 c 372 s 904 and 2006 c 119 s 1
13 are each reenacted and amended to read as follows:

14 Allocation of state matching funds to eligible districts for local
15 effort assistance (~~shall~~) must be determined as follows:

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

19 (a) The difference between the district's (~~twelve~~) fourteen
20 percent levy rate and the statewide average (~~twelve~~) fourteen percent
21 levy rate; to

22 (b) The statewide average (~~twelve~~) fourteen percent levy rate.

23 (2) The maximum amount of state matching funds for districts
24 eligible for local effort assistance (~~shall~~) must be the district's
25 (~~twelve~~) fourteen percent levy amount, multiplied by the following
26 percentage:

27 (a) The difference between the district's (~~twelve~~) fourteen
28 percent levy rate and the statewide average (~~twelve~~) fourteen percent
29 levy rate; divided by

30 (b) The district's (~~twelve~~) fourteen percent levy rate.

31 (3) Calendar year 2003 allocations and maximum eligibility under
32 this chapter (~~shall~~) must be multiplied by 0.99.

33 (4) From January 1, 2004, to December 31, 2005, allocations and
34 maximum eligibility under this chapter (~~shall~~) must be multiplied by
35 0.937.

36 (5) From January 1, 2006, to December 31, 2006, allocations and
37 maximum eligibility under this chapter (~~shall~~) must be multiplied by

1 0.9563. Beginning with calendar year 2007, allocations and maximum
2 eligibility under this chapter shall be fully funded at one hundred
3 percent and shall not be reduced.

4 NEW SECTION. **Sec. 7.** Sections 1, 3, and 4 of this act take effect
5 January 1, 2008.

6 NEW SECTION. **Sec. 8.** Sections 2 and 5 of this act take effect
7 January 1, 2012.

8 NEW SECTION. **Sec. 9.** Sections 1 and 4 of this act expire January
9 1, 2012.

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