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HOUSE BILL 2893

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State of Washington

61st Legislature

2010 Regular Session

**By** Representatives Sullivan, Carlyle, Hunter, Maxwell, Nelson, Hunt, Appleton, Simpson, Dickerson, White, Pedersen, Green, Sells, Eddy, Springer, Williams, Orwall, Goodman, Conway, Kenney, Rolfes, Ericks, Ormsby, Kagi, Roberts, and Jacks

Read first time 01/18/10. Referred to Committee on Education Appropriations.

1 AN ACT Relating to school levies; amending RCW 84.52.0531,  
2 84.52.0531, 84.52.053, and 28A.500.020; amending 2009 c 4 s 909  
3 (uncodified); amending 2006 c 119 s 3 (uncodified); reenacting and  
4 amending RCW 28A.500.030; creating a new section; providing an  
5 effective date; providing an expiration date; and declaring an  
6 emergency.

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

8 **Sec. 1.** RCW 84.52.0531 and 2009 c 4 s 908 are each amended to read  
9 as follows:

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

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

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

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

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

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

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

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

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

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

27 (3) For excess levies for collection in calendar year 2005 and  
28 thereafter, a district's levy base shall be the sum of allocations in  
29 (a) through (c) of this subsection received by the district for the  
30 prior school year and the amounts determined under subsection (4) of  
31 this section, including allocations for compensation increases, plus  
32 the sum of such allocations multiplied by the percent increase per full  
33 time equivalent student as stated in the state basic education  
34 appropriation section of the biennial budget between the prior school  
35 year and the current school year and divided by fifty-five percent. A  
36 district's levy base shall not include local school district property  
37 tax levies or other local revenues, or state and federal allocations  
38 not identified in (a) through (c) of this 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))~~  
17 2017, in addition to the allocations included under subsection (3)(a)  
18 through (c) of this section, a district's levy base shall 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  
22 amended by chapter 19, Laws of 2003 1st sp. sess.))~~ using the  
23 Initiative 728 base and the allocation the district received in the  
24 current school year ~~((pursuant to RCW 84.52.068. The office of the  
25 superintendent of public instruction shall offset the amount added to  
26 a district's levy base pursuant to this subsection (4)(a) by any  
27 additional per student allocations included in a district's levy base  
28 pursuant to the enactment of an initiative to the people subsequent to  
29 June 10, 2004))~~; and

30 (b) The difference between the allocations the district would have  
31 received the prior school year ~~((had RCW 28A.400.205 not been amended  
32 by chapter 20, Laws of 2003 1st sp. sess.))~~ using the Initiative 732  
33 base and the allocations the district actually received the prior  
34 school year pursuant to RCW 28A.400.205. ~~((The office of the  
35 superintendent of public instruction shall offset the amount added to  
36 a district's levy base pursuant to this subsection (4)(b) by any  
37 additional salary increase allocations included in a district's levy~~

1 ~~base pursuant to the enactment of an initiative to the people~~  
2 ~~subsequent to June 10, 2004.)~~

3 (5)(a) A district's maximum levy percentage shall be ~~((twenty-two))~~  
4 twenty-four percent in ~~((1998))~~ 2010 and ~~((twenty-four))~~ twenty-eight  
5 percent in ~~((1999))~~ 2011 through 2017 and twenty-four percent every  
6 year thereafter; ~~((plus,))~~

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

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

11 ~~((b))~~ (ii) For ~~((1998 and thereafter))~~ 2011 through 2017, the  
12 percentage calculated as follows:

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

16 ~~((ii))~~ (B) Reduce the result of ~~((b)(i))~~ (b)(ii)(A) of this  
17 subsection by any levy reduction funds as defined in subsection (6) of  
18 this section that are to be allocated to the district for the current  
19 school year;

20 ~~((iii))~~ (C) Divide the result of ~~((b)(ii))~~ (b)(ii)(B) of this  
21 subsection by the district's levy base; and

22 ~~((iv))~~ (D) Take the greater of zero or the percentage calculated  
23 in ~~((b)(iii))~~ (b)(ii)(C) of this subsection.

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

36 ~~((For the purposes of this section,))~~ The definitions in this  
37 subsection apply throughout this section unless the context clearly  
38 requires otherwise.

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

3       (~~((8) For the purposes of this section,))~~ (b) "Current school year"  
4 means the year immediately following the prior school year.

5       (c) "Initiative 728 base" means the allocation to the student  
6 achievement fund for the prior year that would have been made under  
7 chapter 3, Laws of 2001, as approved by the voters, if all annual  
8 adjustments to the initial 2001 allocation had been made in previous  
9 years and in each subsequent year as provided under chapter 3, Laws of  
10 2001.

11       (d) "Initiative 732 base" means the prior year's annual salary  
12 cost-of-living increases as they would have been calculated under  
13 chapter 4, Laws of 2001, as approved by the voters, if each annual  
14 cost-of-living increase had been made in previous years and in each  
15 subsequent year as provided for under chapter 4, Laws of 2001.

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

18       (10) The superintendent of public instruction shall develop rules  
19 (~~and regulations~~) and inform school districts of the pertinent data  
20 necessary to carry out the provisions of this section.

21       (11) For calendar year 2009, the office of the superintendent of  
22 public instruction shall recalculate school district levy authority to  
23 reflect levy rates certified by school districts for calendar year  
24 2009.

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

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

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

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

36       (a) The district's levy base as defined in subsection (3) of this

1 section multiplied by the district's maximum levy percentage as defined  
2 in subsection (4) of this section;

3 (b) For districts in a high/nonhigh relationship, the high school  
4 district's maximum levy amount shall be reduced and the nonhigh school  
5 district's maximum levy amount shall be increased by an amount equal to  
6 the estimated amount of the nonhigh payment due to the high school  
7 district under RCW 28A.545.030(3) and 28A.545.050 for the school year  
8 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 be reduced and  
11 the resident school district's maximum levy amount shall be increased  
12 by an amount equal to the per pupil basic education allocation included  
13 in the nonresident district's levy base under subsection (3) of this  
14 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 (4) 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 be reduced by the  
24 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 1998 and  
27 thereafter, a district's levy base shall be the sum of allocations in  
28 (a) through (c) of this subsection received by the district for the  
29 prior school year, including allocations for compensation increases,  
30 plus the sum of such allocations multiplied by the percent increase per  
31 full time equivalent student as stated in the state basic education  
32 appropriation section of the biennial budget between the prior school  
33 year and the current school year and divided by fifty-five percent. A  
34 district's levy base shall not include local school district property  
35 tax levies or other local revenues, or state and federal allocations  
36 not identified in (a) through (c) of this subsection.

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

1 (b) State and federal categorical allocations for the following  
2 programs:

- 3 (i) Pupil transportation;
- 4 (ii) Special education;
- 5 (iii) Education of highly capable students;
- 6 (iv) Compensatory education, including but not limited to learning  
7 assistance, migrant education, Indian education, refugee programs, and  
8 bilingual education;
- 9 (v) Food services; and
- 10 (vi) Statewide block grant programs; and

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

14 (4)(a) A district's maximum levy percentage shall be (~~(twenty-two)~~)  
15 twenty-four percent in (~~(1998)~~) 2010 and (~~(twenty-four)~~) twenty-eight  
16 percent in (~~(1999)~~) 2011 through 2017 and twenty-four percent every  
17 year thereafter; (~~plus,~~)

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

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

22 (~~(b)~~) (ii) For (~~(1998 and thereafter)~~) 2011 through 2017, the  
23 percentage calculated as follows:

24 (~~(i)~~) (A) Multiply the grandfathered percentage for the prior  
25 year times the district's levy base determined under subsection (3) of  
26 this section;

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

31 (~~(iii)~~) (C) Divide the result of (~~(b)(ii)~~) (b)(ii)(B) of this  
32 subsection by the district's levy base; and

33 (~~(iv)~~) (D) Take the greater of zero or the percentage calculated  
34 in (~~(b)(iii)~~) (b)(ii)(C) of this subsection.

35 (iii) For 2018 and thereafter, the percentage shall be calculated  
36 as follows:

37 (A) Multiply the grandfathered percentage for the prior year times

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

3 (B) Reduce the result of (b)(iii)(A) 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 (C) Divide the result of (b)(iii)(B) of this subsection by the  
7 district's levy base; and

8 (D) Take the greater of zero or the percentage calculated in  
9 (b)(iii)(C) 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 2009 c 460 s 2 are each amended to read  
33 as follows:

34 (1) 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,  
8 which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the  
9 year in which the first annual levy is made.

10 (2) Once additional tax levies have been authorized for maintenance  
11 and operation support of a school district for a two-year through four-  
12 year period as provided under subsection (1) of this section, no  
13 further additional tax levies for maintenance and operation support of  
14 the district for that period may be authorized, except for additional  
15 levies to provide for subsequently enacted increases affecting the  
16 district's levy base or maximum levy percentage. For the purpose of  
17 applying the limitation of this subsection, a two-year through six-year  
18 levy to support the construction, modernization, or remodeling of  
19 school facilities shall not be deemed to be a tax levy for maintenance  
20 and operation support of a school district.

21 (3) A special election may be called and the time therefor fixed by  
22 the board of school directors, by giving notice thereof by publication  
23 in the manner provided by law for giving notices of general elections,  
24 at 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~~) fourteen percent levy rate" means  
35 (~~twelve~~) fourteen percent of the total levy bases as defined in RCW  
36 84.52.0531 (3) and (4) summed for all school districts, and divided by

1 the total assessed valuation for excess levy purposes in the prior tax  
2 collection year for all districts as adjusted to one hundred percent by  
3 the county 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.500.030 and 2006 c 372 s 904 and 2006 c 119 s 1  
21 are each reenacted and amended to read as follows:

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

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

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

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

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

34 (a) The difference between the district's (~~twelve~~) fourteen  
35 percent levy rate and the statewide average (~~twelve~~) fourteen percent  
36 levy rate; divided by

37 (b) The district's (~~twelve~~) fourteen 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 December 31, 2006, allocations and~~  
6 ~~maximum eligibility under this chapter shall be multiplied by 0.9563.))~~

7 Beginning with calendar year 2007, allocations and maximum eligibility  
8 under this chapter shall be fully funded at one hundred percent and  
9 shall not be reduced.

10           NEW SECTION.   **Sec. 6.**   The legislature recognizes that school  
11 districts request voter approval for two-year through four-year levies  
12 based on their projected levy capacities at the time that the levies  
13 are submitted to the voters. It is the intent of the legislature to  
14 permit school districts with voter-approved maintenance and operation  
15 levies to seek an additional approval from the voters, if subsequently  
16 enacted legislation would permit a higher levy.

17           **Sec. 7.**   2009 c 4 s 909 (uncodified) is amended to read as follows:  
18           Section 908 of this act expires January 1, ~~((2012))~~ 2018.

19           **Sec. 8.**   2006 c 119 s 3 (uncodified) is amended to read as follows:  
20           This act expires January 1, ~~((2012))~~ 2018.

21           NEW SECTION.   **Sec. 9.**   Sections 1, 4, and 5 of this act expire  
22 January 1, 2018.

23           NEW SECTION.   **Sec. 10.**   Section 2 of this act takes effect January  
24 1, 2018.

25           NEW SECTION.   **Sec. 11.**   Sections 1 and 3 through 9 of this act are  
26 necessary for the immediate preservation of the public peace, health,  
27 or safety, or support of the state government and its existing public  
28 institutions, and take effect immediately.

--- END ---