

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2893

61st Legislature
2010 Regular Session

Passed by the House February 13, 2010
Yeas 55 Nays 41

Speaker of the House of Representatives

Passed by the Senate March 11, 2010
Yeas 29 Nays 19

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2893** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2893

Passed Legislature - 2010 Regular Session

State of Washington 61st Legislature 2010 Regular Session

By House Education Appropriations (originally sponsored 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 02/05/10.

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 new sections; providing an effective
5 date; providing an expiration date; and declaring an emergency.

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

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

9 LEVY BASE 2011-17. The maximum dollar amount which may be levied
10 by or for any school district for maintenance and operation support
11 under the provisions of RCW 84.52.053 shall be determined as follows:

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

15 (2) For excess levies for collection in calendar year 1998 and
16 thereafter, the maximum dollar amount shall be the sum of (a) plus or
17 minus (b) and (c) of this subsection minus (d) of this 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)~~) (6) 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 (~~(5)~~) (6) 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 2005 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 and the amounts determined under subsection (4) of
30 this section, including allocations for compensation increases, plus
31 the sum of such allocations multiplied by the percent increase per full
32 time equivalent student as stated in the state basic education
33 appropriation section of the biennial budget between the prior school
34 year and the current school year and divided by fifty-five percent. A
35 district's levy base shall not include local school district property
36 tax levies or other local revenues, or state and federal allocations
37 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)(i) For levy collections in calendar year 2010, the difference
21 between the allocation the district would have received in the current
22 school year had RCW 84.52.068 not been amended by chapter 19, Laws of
23 2003 1st sp. sess. 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))~~ 28A.505.220;

30 (ii) For levy collections in calendar years 2011 through 2017, the
31 difference between the allocation rate the district would have received
32 in the prior school year using the Initiative 728 rate and the
33 allocation rate the district received in the prior school year pursuant
34 to RCW 28A.505.220 multiplied by the full-time equivalent student
35 enrollment used to calculate the Initiative 728 allocation for the
36 prior school year; and

37 (b) The difference between the allocations the district would have
38 received the prior school year ~~((had RCW 28A.400.205 not been amended~~

1 ~~by chapter 20, Laws of 2003 1st sp. sess.)) using the Initiative 732~~
2 ~~base and the allocations the district actually received the prior~~
3 ~~school year pursuant to RCW 28A.400.205. ((The office of the~~
4 ~~superintendent of public instruction shall offset the amount added to~~
5 ~~a district's levy base pursuant to this subsection (4)(b) by any~~
6 ~~additional salary increase allocations included in a district's levy~~
7 ~~base pursuant to the enactment of an initiative to the people~~
8 ~~subsequent to June 10, 2004.))~~

9 (5) For levy collections in calendar years 2011 through 2017, in
10 addition to the allocations included under subsections (3)(a) through
11 (c) and (4)(a) and (b) of this section, a district's levy base shall
12 also include the difference between an allocation of fifty-three and
13 two-tenths certificated instructional staff units per thousand full-
14 time equivalent students in grades kindergarten through four enrolled
15 in the prior school year and the allocation of certificated
16 instructional staff units per thousand full-time equivalent students in
17 grades kindergarten through four that the district actually received in
18 the prior school year, except that the levy base for a school district
19 whose allocation in the 2009-10 school year was less than fifty-three
20 and two-tenths certificated instructional staff units per thousand
21 full-time equivalent students in grades kindergarten through four shall
22 include the difference between the allocation the district actually
23 received in the 2009-10 school year and the allocation the district
24 actually received in the prior school year.

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

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

31 ((+a)) (i) For 1997, the difference between the district's 1993
32 maximum levy percentage and twenty percent; and

33 ((+b)) (ii) For ((1998 and thereafter)) 2011 through 2017, the
34 percentage calculated as follows:

35 ((+i)) (A) Multiply the grandfathered percentage for the prior
36 year times the district's levy base determined under subsection (3) of
37 this section;

1 ~~((+ii+))~~ (B) Reduce the result of ~~((+b+)(+i+))~~ (b)(ii)(A) of this
2 subsection by any levy reduction funds as defined in subsection ~~((+6+))~~
3 (7) of this section that are to be allocated to the district for the
4 current school year;

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

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

9 ~~((+6+))~~ (7) "Levy reduction funds" shall mean increases in state
10 funds from the prior school year for programs included under
11 subsections (3) and (4) of this section: (a) That are not attributable
12 to enrollment changes, compensation increases, or inflationary
13 adjustments; and (b) that are or were specifically identified as levy
14 reduction funds in the appropriations act. If levy reduction funds are
15 dependent on formula factors which would not be finalized until after
16 the start of the current school year, the superintendent of public
17 instruction shall estimate the total amount of levy reduction funds by
18 using prior school year data in place of current school year data.
19 Levy reduction funds shall not include moneys received by school
20 districts from cities or counties.

21 ~~((+7) For the purposes of this section,)~~ (8) The definitions in
22 this subsection apply throughout this section unless the context
23 clearly requires otherwise.

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

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

28 (c) "Initiative 728 rate" means the allocation rate at which the
29 student achievement program would have been funded under chapter 3,
30 Laws of 2001, if all annual adjustments to the initial 2001 allocation
31 rate had been made in previous years and in each subsequent year as
32 provided for under chapter 3, Laws of 2001.

33 (d) "Initiative 732 base" means the prior year's state allocation
34 for annual salary cost-of-living increases for district employees in
35 the state-funded salary base as it would have been calculated under
36 chapter 4, Laws of 2001, if each annual cost-of-living increase
37 allocation had been provided in previous years and in each subsequent
38 year.

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

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

6 (11) For calendar year 2009, the office of the superintendent of
7 public instruction shall recalculate school district levy authority to
8 reflect levy rates certified by school districts for calendar year
9 2009.

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

12 LEVY BASE 2018 AND THEREAFTER. The maximum dollar amount which may
13 be levied by or for any school district for maintenance and operation
14 support under the provisions of RCW 84.52.053 shall be determined as
15 follows:

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

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

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

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

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

1 (i) The number of full-time equivalent students served from the
2 resident district in the prior school year; multiplied by:
3 (ii) The serving district's maximum levy percentage determined
4 under subsection (4) of this section; increased by:
5 (iii) The percent increase per full-time equivalent student as
6 stated in the state basic education appropriation section of the
7 biennial budget between the prior school year and the current school
8 year divided by fifty-five percent;
9 (d) The district's maximum levy amount shall be reduced by the
10 maximum amount of state matching funds for which the district is
11 eligible under RCW 28A.500.010.

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

23 (a) The district's basic education allocation as determined
24 pursuant to RCW 28A.150.250, 28A.150.260, and 28A.150.350;
25 (b) State and federal categorical allocations for the following
26 programs:
27 (i) Pupil transportation;
28 (ii) Special education;
29 (iii) Education of highly capable students;
30 (iv) Compensatory education, including but not limited to learning
31 assistance, migrant education, Indian education, refugee programs, and
32 bilingual education;
33 (v) Food services; and
34 (vi) Statewide block grant programs; and
35 (c) Any other federal allocations for elementary and secondary
36 school programs, including direct grants, other than federal impact aid
37 funds and allocations in lieu of taxes.

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

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

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

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

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

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

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

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

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

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

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

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

32 (D) Take the greater of zero or the percentage calculated in
33 (b)(iii)(C) of this subsection.

34 (5) "Levy reduction funds" shall mean increases in state funds from
35 the prior school year for programs included under subsection (3) of
36 this section: (a) That are not attributable to enrollment changes,
37 compensation increases, or inflationary adjustments; and (b) that are
38 or were specifically identified as levy reduction funds in the

1 appropriations act. If levy reduction funds are dependent on formula
2 factors which would not be finalized until after the start of the
3 current school year, the superintendent of public instruction shall
4 estimate the total amount of levy reduction funds by using prior school
5 year data in place of current school year data. Levy reduction funds
6 shall not include moneys received by school districts from cities or
7 counties.

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

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

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

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

18 NEW SECTION. **Sec. 3.** INTENT REGARDING ADDITIONAL LEVIES. The
19 legislature recognizes that school districts request voter approval for
20 two-year through four-year levies based on their projected levy
21 capacities at the time that the levies are submitted to the voters. It
22 is the intent of the legislature to permit school districts with voter-
23 approved maintenance and operation levies to seek an additional
24 approval from the voters, if subsequently enacted legislation would
25 permit a higher levy.

26 **Sec. 4.** RCW 84.52.053 and 2009 c 460 s 2 are each amended to read
27 as follows:

28 ADDITIONAL LEVIES FOR SUBSEQUENTLY ENACTED INCREASE. (1) The
29 limitations imposed by RCW 84.52.050 through 84.52.056, and 84.52.043
30 shall not prevent the levy of taxes by school districts, when
31 authorized so to do by the voters of such school district in the manner
32 and for the purposes and number of years allowable under Article VII,
33 section 2(a) of the Constitution of this state. Elections for such
34 taxes shall be held in the year in which the levy is made or, in the
35 case of propositions authorizing two-year through four-year levies for
36 maintenance and operation support of a school district, authorizing

1 two-year levies for transportation vehicle funds established in RCW
2 28A.160.130, or authorizing two-year through six-year levies to support
3 the construction, modernization, or remodeling of school facilities,
4 which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the
5 year in which the first annual levy is made.

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

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

23 **Sec. 5.** RCW 28A.500.020 and 2004 c 21 s 1 are each amended to read
24 as follows:

25 LEVY EQUALIZATION--DEFINITIONS. (1) Unless the context clearly
26 requires otherwise, the definitions in this section apply throughout
27 this chapter.

28 (a) "Prior tax collection year" means the year immediately
29 preceding the year in which the local effort assistance shall be
30 allocated.

31 (b) "Statewide average (~~(twelve))~~ fourteen percent levy rate" means
32 (~~(twelve))~~ fourteen percent of the total levy bases as defined in RCW
33 84.52.0531 (3) and (4) summed for all school districts, and divided by
34 the total assessed valuation for excess levy purposes in the prior tax
35 collection year for all districts as adjusted to one hundred percent by
36 the county indicated ratio established in RCW 84.48.075.

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

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

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

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

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

19 LEVY EQUALIZATION--ALLOCATION. Allocation of state matching funds
20 to eligible districts for local effort assistance shall be determined
21 as follows:

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

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

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

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

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

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

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

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

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

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

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

12 NEW SECTION. **Sec. 9.** Sections 1, 5, and 6 of this act expire
13 January 1, 2018.

14 NEW SECTION. **Sec. 10.** Section 2 of this act takes effect January
15 1, 2018.

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

20 NEW SECTION. **Sec. 12.** The legislature finds that the sections
21 contained in this act constitute a single integrated plan for revising
22 the laws relating to school district maintenance and operations levies.
23 If each provision of this act as passed by the senate and house of
24 representatives is not enacted into law, the entire act is null and
25 void. If by June 30, 2010, the superintendent of public instruction
26 does not certify to the legislature that full funding has been
27 appropriated in the 2010 omnibus operating appropriations act for the
28 local effort assistance rates specified in sections 5 and 6 of this
29 act, the entire act is null and void. If any provision of this act or
30 its application to any person or circumstance is held invalid, the act
31 shall be considered invalid in its entirety, and the act and the

1 application of any provision of the act to any person or circumstance
2 shall be considered null and void and of no effect.

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