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SECOND SUBSTITUTE SENATE BILL 6518

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State of Washington

61st Legislature

2010 Regular Session

**By** Senate Ways & Means (originally sponsored by Senators Oemig, Gordon, Kohl-Welles, McDermott, Tom, McAuliffe, Hobbs, Kauffman, Marr, Ranker, and Pridemore)

READ FIRST TIME 03/09/10.

1       AN ACT Relating to school levies; amending RCW 84.52.0531,  
2 84.52.0531, and 84.52.053; amending 2009 c 4 s 909 (uncodified);  
3 amending 2006 c 119 s 3 (uncodified); reenacting and amending RCW  
4 28A.500.030; creating a new section; providing an effective date;  
5 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       The maximum dollar amount which may be levied by or for any school  
10 district for maintenance and operation support under the provisions of  
11 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) Beginning in calendar year 2011, the difference between the  
21 allocation the district would have received in the ~~((current))~~ prior  
22 school year ~~((had RCW 84.52.068 not been amended by chapter 19, Laws of~~  
23 ~~2003 1st sp. sess.))~~ using the Initiative 728 base and the allocation  
24 the district received in the ~~((current))~~ prior school year ~~((pursuant~~  
25 ~~to RCW 84.52.068. The office of the superintendent of public~~  
26 ~~instruction shall offset the amount added to a district's levy base~~  
27 ~~pursuant to this subsection (4)(a) by any additional per student~~  
28 ~~allocations included in a district's levy base pursuant to the~~  
29 ~~enactment of an initiative to the people subsequent to June 10, 2004));~~  
30 and

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

1 ~~additional salary increase allocations included in a district's levy~~  
2 ~~base pursuant to the enactment of an initiative to the people~~  
3 ~~subsequent to June 10, 2004.)~~

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

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

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

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

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

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

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

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

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

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

15       ~~((7) For the purposes of this section,)~~ (8) The definitions in  
16 this subsection apply throughout this section unless the context  
17 clearly requires otherwise.

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

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

22       (c) "Initiative 728 base" means the allocation to the student  
23 achievement fund for the prior year that would have been made under  
24 chapter 3, Laws of 2001, as approved by the voters, if all annual  
25 adjustments to the initial 2001 allocation had been made in previous  
26 years and in each subsequent year as provided under chapter 3, Laws of  
27 2001.

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

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

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

1 (11) For calendar year 2009, the office of the superintendent of  
2 public instruction shall recalculate school district levy authority to  
3 reflect levy rates certified by school districts for calendar year  
4 2009.

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

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

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

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

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

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

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

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

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

35 (iii) The percent increase per full-time equivalent student as  
36 stated in the state basic education appropriation section of the

1 biennial budget between the prior school year and the current school  
2 year divided by fifty-five percent;

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

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

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

19 (b) State and federal categorical allocations for the following  
20 programs:

21 (i) Pupil transportation;

22 (ii) Special education;

23 (iii) Education of highly capable students;

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

27 (v) Food services; and

28 (vi) Statewide block grant programs; and

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

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

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

1        ~~((a))~~ (i) For 1997, the difference between the district's 1993  
2 maximum levy percentage and twenty percent; and  
3        ~~((b))~~ (ii) For ~~((1998 and thereafter))~~ 2011 through 2017, the  
4 percentage calculated as follows:  
5        ~~((i))~~ (A) Multiply the grandfathered percentage for the prior  
6 year times the district's levy base determined under subsection (3) of  
7 this section;  
8        ~~((ii))~~ (B) Reduce the result of ~~((b)(i))~~ (b)(ii)(A) of this  
9 subsection by any levy reduction funds as defined in subsection (5) of  
10 this section that are to be allocated to the district for the current  
11 school year;  
12        ~~((iii))~~ (C) Divide the result of ~~((b)(ii))~~ (b)(ii)(B) of this  
13 subsection by the district's levy base; and  
14        ~~((iv))~~ (D) Take the greater of zero or the percentage calculated  
15 in ~~((b)(iii))~~ (b)(ii)(C) of this subsection.  
16        (iii) For 2018 and thereafter, the percentage shall be calculated  
17 as follows:  
18        (A) Multiply the grandfathered percentage for the prior year times  
19 the district's levy base determined under subsection (3) of this  
20 section;  
21        (B) Reduce the result of (b)(iii)(A) of this subsection by any levy  
22 reduction funds as defined in subsection (5) of this section that are  
23 to be allocated to the district for the current school year;  
24        (C) Divide the result of (b)(iii)(B) of this subsection by the  
25 district's levy base; and  
26        (D) Take the greater of zero or the percentage calculated in  
27 (b)(iii)(C) of this subsection.  
28        (5) "Levy reduction funds" shall mean increases in state funds from  
29 the prior school year for programs included under subsection (3) of  
30 this section: (a) That are not attributable to enrollment changes,  
31 compensation increases, or inflationary adjustments; and (b) that are  
32 or were specifically identified as levy reduction funds in the  
33 appropriations act. If levy reduction funds are dependent on formula  
34 factors which would not be finalized until after the start of the  
35 current school year, the superintendent of public instruction shall  
36 estimate the total amount of levy reduction funds by using prior school  
37 year data in place of current school year data. Levy reduction funds



1 shall not include moneys received by school districts from cities or  
2 counties.

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

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

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

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

13 **Sec. 3.** RCW 84.52.053 and 2009 c 460 s 2 are each amended to read  
14 as follows:

15 (1) The limitations imposed by RCW 84.52.050 through 84.52.056, and  
16 84.52.043 shall not prevent the levy of taxes by school districts, when  
17 authorized so to do by the voters of such school district in the manner  
18 and for the purposes and number of years allowable under Article VII,  
19 section 2(a) of the Constitution of this state. Elections for such  
20 taxes shall be held in the year in which the levy is made or, in the  
21 case of propositions authorizing two-year through four-year levies for  
22 maintenance and operation support of a school district, authorizing  
23 two-year levies for transportation vehicle funds established in RCW  
24 28A.160.130, or authorizing two-year through six-year levies to support  
25 the construction, modernization, or remodeling of school facilities,  
26 which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the  
27 year in which the first annual levy is made.

28 (2) Once additional tax levies have been authorized for maintenance  
29 and operation support of a school district for a two-year through four-  
30 year period as provided under subsection (1) of this section, no  
31 further additional tax levies for maintenance and operation support of  
32 the district for that period may be authorized, except for additional  
33 levies to provide for subsequently enacted increases affecting the  
34 district's levy base or maximum levy percentage. For the purpose of  
35 applying the limitation of this subsection, a two-year through six-year  
36 levy to support the construction, modernization, or remodeling of

1 school facilities shall not be deemed to be a tax levy for maintenance  
2 and operation support of a school district.

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

9 **Sec. 4.** RCW 28A.500.030 and 2006 c 372 s 904 and 2006 c 119 s 1  
10 are each reenacted and amended to read as follows:

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

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

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

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

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

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

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

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

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

29 ~~(5) From January 1, 2006, to December 31, 2006, allocations and  
30 maximum eligibility under this chapter shall be multiplied by 0.9563.))~~

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

34 (4) Beginning with calendar year 2011, in addition to the  
35 allocations in subsections (1) through (3) of this section, an  
36 additional distribution specified in the omnibus appropriations act  
37 shall be made to those districts eligible for local effort assistance

1 with per-pupil local effort assistance payments lower than the  
2 statewide average. The purpose of the additional distribution is to  
3 begin the transition to a system of local effort assistance payment  
4 that provides more equalized per-pupil local effort assistance funding  
5 to districts.

6 (a) The total shall be distributed as follows: To each eligible  
7 district, the total distribution multiplied by each district's  
8 proportional percentage, designed to provide a larger per-pupil  
9 percentage of the additional distribution to those districts that are  
10 farther below the statewide average per-pupil distribution. Each  
11 district's proportional percentage is the difference between the  
12 district's prior school year per-pupil local effort assistance payment  
13 and the statewide average prior school year per-pupil local effort  
14 assistance; divided by the sum of each district's difference between  
15 its prior school year per-pupil local effort assistance payment and the  
16 statewide average prior school year per-pupil local effort assistance,  
17 multiplied by each district's prior school year enrollment.

18 (b) The distributions in this subsection shall not reduce the  
19 districts' maximum levy amount under RCW 84.52.0531(2)(d).

20 NEW SECTION. Sec. 5. The legislature recognizes that school  
21 districts request voter approval for two-year through four-year levies  
22 based on their projected levy capacities at the time that the levies  
23 are submitted to the voters. It is the intent of the legislature to  
24 permit school districts with voter-approved maintenance and operation  
25 levies to seek an additional approval from the voters, if subsequently  
26 enacted legislation would permit a higher levy.

27 **Sec. 6.** 2009 c 4 s 909 (uncodified) is amended to read as follows:  
28 Section 908 of this act expires January 1, (~~2012~~) 2018.

29 **Sec. 7.** 2006 c 119 s 3 (uncodified) is amended to read as follows:  
30 This act expires January 1, (~~2012~~) 2018.

31 NEW SECTION. Sec. 8. Sections 1 and 4 of this act expire January  
32 1, 2018.

1        NEW SECTION.   **Sec. 9.**   Section 2 of this act takes effect January  
2   1, 2018.

3        NEW SECTION.   **Sec. 10.**   Sections 1 and 3 through 8 of this act are  
4   necessary for the immediate preservation of the public peace, health,  
5   or safety, or support of the state government and its existing public  
6   institutions, and take effect immediately.

--- END ---