



September 6, 2007

SUMMARY OF CONSTITUTIONAL AMENDMENT EHJR 4204

Concerning school district tax levies.

*This summary has been prepared in response to specific questions about the provisions and effects of Constitutional Amendment EHJR 4204 and is provided for legislative purposes only; it is **not** provided as an expression for or against the ballot measure. Please remember that it is inappropriate to use public resources to support or oppose a ballot measure. Please refer to the 2007 Legislative Ethics Manual or contact Senate Counsel for further guidance on when and how comment on ballot measures is appropriate.*

BRIEF SUMMARY

Engrossed House Joint Resolution 4204 amends the state Constitution to provide that certain excess property tax levies for school districts may be approved by a simple majority of voters voting in a levy election.

BACKGROUND

The Washington State Constitution gives school districts the authority to collect property tax revenues in excess of 1 percent of the assessed value of county property for maintenance and operation, capital, and transportation purposes, and to assume excess debt when voters approve a levy issue by certain margins. The Constitution also specifies the frequency of such "excess" levy elections. Additionally, levy propositions may not be submitted more than 12 months prior to the effective date of the levy.

There are two methods for authorizing a school district excess levy. First, a levy is approved if 60 percent of the registered voters within the school district voting on the levy vote "yes" so long as the number of voters voting on the levy equals or exceeds 40 percent of district voters who participated in the last preceding general election.

The second method for authorizing a school district excess levy occurs when the registered voters within the school district turn out in fewer numbers than the requisite "40 percent." In this case, the "yes" count threshold is higher for levy approval. The number of "yes" votes must equal or exceed 60 percent of a number that represents 40 percent of district voters who participated in the last preceding general election.

SUMMARY OF EHJR 4204

The Washington State Constitution is amended to provide that an excess local property tax levy for maintenance and operations (M&O), capital, and transportation purposes is passed if approved by a simple majority vote of registered voters within the school district voting to approve the levy. The amendment also removes the 40 percent election validation requirement

for school district excess levy elections. These changes would not apply to school district bond authorization levies.

FISCAL IMPACT

The fiscal impact of this measure is based on the assumption that the lower simple majority threshold to pass a levy would result in an increased voter approval rate of school districts' M&O, capital, and transportation levies. This would increase revenues available to school districts and increase the property tax amount paid by taxpayers.

The exact fiscal impact is impossible to predict and would likely change based on school district and voter behavior over time. However, assuming that some of the 218 school districts that currently have a levy in place, but who are not at their maximum levy percentage, will be able to pass slightly larger M&O levies, and that some of the 18 school districts without a levy in place will be able to collect a portion of their unused levy capacity. One scenario prepared by Senate Committee Services fiscal staff estimates that the measure might increase annual school district collections from M&O levies by \$25 million. Because the state equalizes a portion of the maintenance and operations levies among school districts, this could increase state expenditures by \$1 to 2 million per year. With respect to capital levies, assuming that some school districts will be able to pass approximately 10 percent higher amounts than under current law, this would increase capital levies by approximately \$13 million.

For further information please contact:
Bryon Moore, (360) 786-7726
Senate Ways and Means Committee

*This summary should not be considered legislative history for purposes of interpreting
Constitutional Amendment EHJR 4204.*