

**HB 4117 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Dae Baek, Economist

**Meeting Dates:** 2/7

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**WHAT THE MEASURE DOES:**

Increases the upper limits of local option property tax revenues that school districts can keep and use, starting from July 1, 2018. Makes provisions so that a school district that exceeded binding caps in listed school years can keep and use specified amounts without sending over-the-cap amounts to a pool of formula revenues to be distributed among all school districts and Education Service Districts.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Currently, local option taxes that are excluded from local revenues in the school funding equalization formula in a given year, is the lesser of (1) 20 percent of the formula revenue a district receives, and (2) a specified amount per extended weighted Average Daily Membership (extended ADMw) of the district. The specified amounts were \$1,266.8 in the 2015-16 school year, \$1304.8 in 2016-17. For the 2017-18 school year, the specified amount is \$1,343.9 and it is escalated by 3 percent every year.