

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Referendum Revenue Cap

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### Overview

A school district may raise additional operating revenue through an election. This revenue is commonly referred to by one of three names: operating referendum revenue; the excess levy; or the override levy. Since fiscal year 1993, a portion of the referendum revenue has been equalized. Currently, the state provides equalization aid for the first \$415 per pupil unit of referendum revenue. Other changes adopted in the early 1990s included switching the referendum tax base from net tax capacity to referendum market value (a tax base that taxes each dollar of residential property the same as each dollar of commercial/industrial property), capping the maximum amount of referendum that a district may have, and limiting the length of referendum to no more than 10 years. The maximum referendum allowance cap initially keyed off the district's referendum authority in fiscal year 1992. The cap is now the greater of the district's referendum revenue for fiscal year 1994 or 25% of the formula allowance (currently \$991 per pupil unit). School districts eligible for sparsity revenue are exempt from the referendum allowance cap.

### Section

- 1 **Referendum allowance limit.** Increases the referendum allowance limit for a school district from 25% of the formula allowance to the sum of 25% of the formula allowance plus the amount of the district's unreimbursed special education costs.