

3 three (3) after the word "district" the words ", levee district, drain-
4 age district,".

Approved April 10, 1970.

CHAPTER 1212

TAXATION OF WATER CORPORATIONS

H. F. 1057

AN ACT relating to property exempt from taxation.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section four hundred twenty-seven point one (427.1),
2 Code 1966, is hereby amended by adding thereto the following new
3 subsection:
4 "The real and personal property of a nonprofit corporation engaged
5 in the distribution and sale of water to rural areas when devoted to
6 public use and not held for pecuniary profit."

Approved April 10, 1970.

CHAPTER 1213

BOARDS OF TAX REVIEW

H. F. 1029

AN ACT to correct an error in enactment relating to boards of tax review.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section four hundred forty-one point thirty-five
2 (441.35), Code 1966, subsection two (2), line five (5), is amended by
3 striking the comma and inserting in lieu thereof the word "of".

Approved January 16, 1970.

CHAPTER 1214

SCHOOL BUDGETS AND TAXATION

S. F. 640

AN ACT relating to school budget hearings; the basic school tax formula and allocation of state equalization aid to public schools; establishment of certain limitations for school district expenses; provision for and program budgeting development within the individual school districts.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Chapter three hundred fifty-six (356), section two (2),
2 subsection two (2), Acts of the Sixty-second General Assembly, is

3 hereby amended as follows:

- 4 1. By striking from line seven (7) everything after the period.
5 2. By striking lines eight (8) through ten (10), inclusive.

1 SEC. 2. Chapter three hundred fifty-six (356), section two (2),
2 Acts of the Sixty-second General Assembly, is hereby amended as fol-
3 lows:

4 1. By inserting in line nineteen (19) after the word "growth" the
5 following: "for the state".

6 2. By striking line twenty-four (24), and inserting in lieu thereof
7 the following:

8 "on or before February fifteenth of each year. For the purpose of
9 this subsection, 'year' means calendar year.

10 The allowable growth for the year ended December 31, 1969, shall
11 be fixed and established at fifty-three (53) dollars. This allowable
12 growth shall be in lieu of the above computation for use in the school
13 fiscal year beginning July 1, 1970, and ending June 30, 1971, and for
14 that year only."

1 SEC. 3. Chapter three hundred fifty-six (356), section two (2),
2 Acts of the Sixty-second General Assembly, is hereby amended as fol-
3 lows:

4 1. By striking from line twenty-seven (27) the words "percent of".

5 2. By inserting in line twenty-eight (28) after the word "growth"
6 the words "expressed in dollars".

1 SEC. 4. Chapter three hundred fifty-six (356), section two (2),
2 Acts of the Sixty-second General Assembly, is hereby amended by add-
3 ing the following subsection:

4 "6. The 'allowable reimbursable expenditure' for computing payment
5 of state equalization aid for each of the several school districts of
6 the state for the current school year shall be the amount determined
7 by adding the dollar increase in the adjusted state average reimbur-
8 sable expenditure determined in subsection five (5) of this section to
9 each district's allowable reimbursable expenditures per pupil approved
10 by the committee for the past year. This per pupil dollar figure, or an
11 allowable per pupil expenditure as determined by the school budget re-
12 view committee, shall be multiplied by the projected average daily
13 membership as determined in section thirty-four (34), chapter three
14 hundred fifty-six (356), Acts of the Sixty-second General Assembly
15 to determine total allowable reimbursable expenditure."

1 SEC. 5. Chapter three hundred fifty-six (356), section four (4),
2 Acts of the Sixty-second General Assembly, is hereby repealed and the
3 following enacted in lieu thereof:

4 "The state comptroller shall determine the basic school tax by com-
5 puting the millage necessary to raise an amount equal to forty per-
6 cent of the total of net proposed general fund expenditures of all
7 school districts in the basic school tax unit. Net proposed general
8 fund expenditures shall be computed by each school district by deter-
9 mining proposed general fund expenditures, and subtracting therefrom
10 the following:

- 11 1. Estimated state equalization aid.
12 2. Returned state income tax.

13 3. Other miscellaneous income.

14 4. Unencumbered balance.

15 For purposes of computing the basic school tax, the requirements of
16 chapter twenty-four (24) of the Code relating to budget estimates,
17 and any other conflicting provisions of law, are superseded by the
18 provisions of this section.

19 The county auditor shall spread the basic school tax levy at a uni-
20 form rate over all taxable property in the basic school tax unit. In
21 the case of joint districts the levy shall be spread in the same manner
22 as previously employed for the purpose of making other school levies
23 in such circumstances. The money collected from the levy shall be
24 placed by the county treasurer in the basic school tax equalization
25 fund."

1 SEC. 6. Chapter three hundred fifty-six (356), section five (5),
2 Acts of the Sixty-second General Assembly, is hereby amended by
3 striking from line two (2) the words "state tax commission" and in-
4 serting in lieu thereof the words "department of revenue".

1 SEC. 7. Chapter three hundred fifty-six (356), section six (6),
2 Acts of the Sixty-second General Assembly, is hereby amended as fol-
3 lows:

4 1. By striking line one (1).

5 2. By striking from line two (2) the words "year thereafter," and
6 inserting in lieu thereof the words "The state comptroller shall, not
7 later than November 1 of each year,".

1 SEC. 8. Chapter three hundred fifty-six (356), section eight (8),
2 Acts of the Sixty-second General Assembly is hereby repealed and the
3 following section enacted in lieu thereof:

4 "The state comptroller shall compute the distribution of the moneys
5 in the basic school tax equalization fund as follows: Distribute to each
6 school district in the basic school tax unit its share on the basis of
7 number of pupils in fall enrollment in the district to the total number
8 of pupils in fall enrollment for the basic school tax unit. For those
9 districts which were limited in their expenditures by the school bud-
10 get review committee for sharing of state equalization aid, there shall
11 be deducted from their share of the distribution of the basic school
12 tax equalization fund forty percent of such limitation; the amounts
13 so disallowed shall be distributed to the other school districts in the
14 basic school tax unit on the basis of the number of pupils in fall enroll-
15 ment in the district to the total number of pupils in fall enrollment
16 (exclusive of districts which were limited) for the basic school tax unit.

17 The amount determined by the state comptroller for each district
18 shall be distributed by the county treasurer on the tenth day of the
19 month following the month of collection. A report of the distribution
20 so made shall be certified by each county treasurer to the state depart-
21 ment of public instruction. Also, the fall enrollment figure for each
22 school district shall be compared with the average daily membership
23 for the same school year by the state department of public instruction.
24 In the event of substantial variance, in any school district, that dis-
25 trict shall be called upon to explain the variance to the budget review
26 committee, which may order a reduction in county equalization funds
27 for the next school year immediately following the year of variances

28 in proportion to any variances or part thereof not satisfactorily ex-
29 plained.”

1 SEC. 9. Chapter three hundred fifty-six (356), section twelve (12),
2 Acts of the Sixty-second General Assembly, is hereby amended by
3 striking from line fifteen (15) the word “commission” and inserting
4 in lieu thereof the word “department”.

1 SEC. 10. Chapter three hundred fifty-six (356), section thirteen
2 (13), Acts of the Sixty-second General Assembly, as amended by chap-
3 ter two hundred fifty-seven (257), section one (1), Acts of the Sixty-
4 third General Assembly, First Session, is hereby further amended by
5 striking from lines two (2) and three (3) the words “pupil member-
6 ship in all schools of the district” and inserting in lieu thereof “pupils
7 who are members of all public schools in the district and all pupils
8 resident in that district who are members of any nonpublic school”.

1 SEC. 11. Chapter three hundred fifty-six (356), section fourteen
2 (14), Acts of the Sixty-second General Assembly, is hereby repealed
3 and the following enacted in lieu thereof:

4 “State aid payable to each public school district shall be computed
5 by the state comptroller on the basis of a financial support factor. The
6 financial support factor for the state is the relationship between total
7 pupils in the state, determined by adding the average daily member-
8 ship and school census for all districts and dividing the sum by two,
9 and total wealth in the state, determined by adding the adjusted gross
10 income and the adjusted real value of all taxable property. The ad-
11 justed real value of taxable property is the actual real value modified
12 so that it is on a seventy to thirty ratio to the adjusted gross income.

13 The financial support factor for each district is determined in the
14 same manner, based upon the relationship between total pupils and
15 total wealth in the district, except that the adjusted real value of
16 taxable property in the district is determined by modifying the actual
17 real value by the same percentage that the actual real value of taxable
18 property in the state was modified.

19 Twenty-five percent of the ratio of the local to the state support
20 factor subtracted from one shall determine the percent of state aid
21 applicable to each district’s allowable general fund expenditure less
22 the district’s share of the county basic school tax equalization fund.”

1 SEC. 12. Chapter three hundred fifty-six (356), section fifteen
2 (15), Acts of the Sixty-second General Assembly, as amended by chap-
3 ter two hundred fifty-eight (258), section one (1), Acts of the Sixty-
4 third General Assembly, First Session, is hereby further amended by
5 inserting in line twenty-three (23) after the word “from” the words
6 “clearing accounts,”.

1 SEC. 13. Chapter three hundred fifty-six (356), section seventeen
2 (17), Acts of the Sixty-second General Assembly, is hereby amended
3 as follows:

4 1. By striking from line ten (10) the words “forthwith draw war-
5 rants,” and inserting in lieu thereof the words “draw warrants in pay-
6 ment of the amount of aid payable to each of the districts in three
7 installments to be paid on approximately the first day of September
8 (estimate), February, and May,”.

9 2. By inserting in line thirteen (13) after the word "Iowa" the
10 words ", unless he is instructed by the school budget review committee
11 to withhold payment".

1 SEC. 14. Chapter three hundred fifty-six (356), section nineteen
2 (19), Acts of the Sixty-second General Assembly, is hereby amended
3 by striking from line three (3) the words "by the county auditor".

1 SEC. 15. Chapter three hundred fifty-six (356), section thirty-
2 four (34), Acts of the Sixty-second General Assembly, is hereby
3 amended as follows:

4 1. By striking all of lines one (1) through nine (9), inclusive, and
5 by inserting before the word "Each" in line ten (10) "Sec. 34."

6 2. By striking all of lines twenty-five (25) through thirty-seven
7 (37), inclusive, and inserting in lieu thereof the following:

8 "The school budget review committee is authorized to review any
9 and all school budgets, including county school systems, and may call
10 in officers of any and all school districts or systems for hearings.

11 In addition the school budget review committee shall review the
12 budgets of all school districts whose budgets per pupil in projected
13 average daily membership exceed the adjusted state average reim-
14 burstable expenditure by more than twenty percent or whose budgets
15 exceed the allowable reimbursable expenditure as computed in section
16 two (2), subsection six (6), chapter three hundred fifty-six (356),
17 Acts of the Sixty-second General Assembly.

18 No state equalization aid shall be paid on any expenditures per
19 pupil which exceed the adjusted state average reimbursable expendi-
20 ture by more than twenty percent. Also, no state equalization aid
21 shall be paid on any amounts which exceed the allowable reimbursable
22 expenditure as computed in section two (2), subsection six (6), chap-
23 ter three hundred fifty-six (356), Acts of the Sixty-second General
24 Assembly, except as follows:

25 The committee may however permit a school district to share in the
26 equalization aid based upon such excess expenditures if that school dis-
27 trict can support with facts and information that its needs and circum-
28 stances are unique and unusual. Such unique and unusual needs and
29 circumstances may be considered by the committee including but not
30 limited to any unusual increases or decreases in enrollments, natural
31 disasters, unusual transportation problems, and initial staffing prob-
32 lems.

33 No expenditure in excess of the allowable reimbursable expendi-
34 ture as computed in section two (2), subsection six (6), chapter three
35 hundred fifty-six (356), Acts of the Sixty-second General Assembly,
36 shall be used as a base for determining the next year's allowable
37 reimbursable expenditure unless such additional amount has been ap-
38 proved by the budget review committee.

39 Failure by any school district to provide information or appear
40 before the committee as requested for the accomplishment of review
41 or hearing shall constitute justification for the committee to instruct
42 the state comptroller to withhold state aid until said committee's in-
43 quiries are satisfied completely."

1 SEC. 16. Chapter three hundred fifty-six (356), section thirty-
2 five (35), Acts of the Sixty-second General Assembly, is hereby re-

3 repealed and the following enacted in lieu thereof :

4 "Not later than December first each year beginning in December,
5 1970, for the fiscal year beginning July 1, 1971, and ending June 30,
6 1972, and December first for each fiscal year thereafter, the board of
7 directors of each school corporation shall set a tentative limitation in
8 dollars of the amount the district may spend on each program in the
9 system as defined by the school budget review committee and in the
10 form which they shall so prescribe. This prospectus of program and
11 allotted dollars as approved by the board shall guide the superintend-
12 ent when preparing the proposed budget for that year. These limi-
13 tations submitted by the board of directors to the superintendent of
14 schools for the district shall be promptly forwarded to the school
15 budget review committee."

1 SEC. 17. Chapter three hundred fifty-six (356), sections fifty
2 (50), fifty-three (53), and fifty-four (54), Acts of the Sixty-second
3 General Assembly, are hereby repealed.

1 SEC. 18. Section two hundred ninety-eight point one (298.1),
2 Code 1966, as amended by Senate File one thousand eighty-three, Acts
3 of the Sixty-third General Assembly, Second Session, is hereby re-
4 pealed and the following enacted in lieu thereof :

5 "The board of each school corporation shall estimate the amount
6 of the proposed expenditures and proposed receipts for the general
7 school purposes at a time and in a manner to effectuate the provi-
8 sions of chapter three hundred fifty-six (356), Acts of the Sixty-
9 second General Assembly. Compliance with chapter twenty-four (24)
10 of the Code shall be observed.

11 Prior to compliance with section twenty-four point nine (24.9)
12 of the Code, the superintendent of the county school systems shall
13 call a joint meeting of school superintendents and school board mem-
14 bers for all of the local districts within the county basic school tax
15 unit. The time and place for such joint meetings shall be set by the
16 superintendent of the county school system.

17 The purpose of the joint meeting shall be for a review of the budgets
18 of the several school districts within the county basic school tax units,
19 and for the discussion of common problems within the county basic
20 unit."

1 SEC. 19. Section two hundred ninety-one point nine (291.9), sub-
2 section one (1), Code 1966, is hereby amended by striking from line
3 five (5), the word "twenty-one" and inserting in lieu thereof the
4 word "nineteen".

1 SEC. 20. This Act, being deemed of immediate importance, shall
2 take effect and be in force from and after its publication in The
3 Progress-Review, a newspaper published in LaPorte City, Iowa, and
4 in the Emmetsburg Reporter, a newspaper published in Emmetsburg,
5 Iowa.

Approved May 11, 1970.

I hereby certify that the foregoing Act, Senate File 640, was published in The Progress-Review, LaPorte City, Iowa, May 20, 1970, and in the Emmetsburg Reporter, Emmetsburg, Iowa, May 19, 1970.

MELVIN D. SYNHORST, *Secretary of State.*