

7 of insurance before issuance of the annual certificate as provided by
8 law.

1 SEC. 9. NEW SECTION. The tax imposed by this Act shall be paid
2 upon the marine underwriting profits, if any, upon all marine insur-
3 ance business written in this state during the calendar year nineteen
4 hundred seventy-three and each calendar year thereafter. The tax on
5 gross premiums under section four hundred thirty-two point one
6 (432.1) of the Code shall not be levied on marine insurance premiums
7 reportable in a tax return prescribed by the commissioner of insurance
8 to record taxable underwriting profit, if any, defined herein. The tax
9 return required shall be in lieu of all other tax requirements imposed
10 by section four hundred thirty-two point one (432.1) of the Code.

1 SEC. 10. Section four hundred thirty-two point one (432.1), sub-
2 section two (2), Code 1973, is amended to read as follows:

3 2. Two percent of gross amount of premiums, assessments, and fees
4 received during the preceding calendar year by every company or
5 association other than life on contracts of insurance other than life
6 for business done in this state, including all insurance upon property
7 situated in this state, after deducting the amounts returned upon can-
8 celed policies, certificates and rejected applications *but not including*
9 *the gross premiums, assessments and fees in connection with ocean*
10 *marine insurance authorized in section five hundred fifteen point forty-*
11 *eight (515.48) of the Code.*

Approved May 25, 1973.

CHAPTER 258

SCHOOL FOUNDATION PROGRAM

H. F. 359

AN ACT amending the state school foundation program by providing that special methods of computing state school foundation aid will be continued for only two years, providing two alternate dates for determining enrollment, including in enrollment certain pupils for which the school district pays tuition to attend an Iowa area school, excluding pupils attending a university laboratory school from any district's enrollment, defining miscellaneous income and other terms, adding new definitions, excluding miscellaneous income from certain computations, limiting proposed and actual expenditures, establishing state percent of growth at five percent for the school year beginning July 1, 1973, limiting state percent of growth to a maximum of five percent for the school year beginning July 1, 1974, providing greater equalization by increasing the allowable growth for districts whose district cost per pupil is below state cost per pupil, establishing the state cost per pupil for certain years, requiring the use of budget amounts rather than actual expenditures for certain computations, revising the determination of district cost, district cost per pupil, and the additional school district property tax levy, revising and clarifying the duties and powers of the school budget review committee, requiring the school budget review committee to permit or increase allowable growth in certain hardship situations related to the exclusion of miscellaneous income from certain computations, permitting the school budget review committee to establish a modified allowable growth, to authorize certain expenditures by a school district, or to authorize a limited tax levy for one year under certain conditions, or to grant supplemental aid from funds appropriated for this purpose, revising the procedures for establishing, increasing, or continuing a school district income surtax, repealing

the requirement for a tentative budget, repealing chapter two hundred eighty-four (284), Code 1973, and making related technical and procedural changes.

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

1 SECTION 1. Section four hundred forty-two point one (442.1),
2 Code 1973, is amended to read as follows:

3 442.1 **State school foundation program.** This chapter establishes
4 a state school foundation program. For each school year, each school
5 district in the state is entitled to receive state school foundation aid,
6 which shall be an amount per pupil ~~in fall enrollment~~ equal to the
7 difference between the amount per pupil ~~in fall enrollment~~ of founda-
8 tion property tax ~~plus miscellaneous income~~ in the district, and the
9 state foundation base or the district cost per pupil, whichever is less.
10 However, *for the school years beginning July 1, 1973, and July 1,*
11 *1974, only,* if the amount so determined for any district is less than
12 two hundred dollars per pupil ~~in fall enrollment~~, the district is
13 entitled to receive not less than two hundred dollars per pupil ~~in fall~~
14 ~~enrollment~~ except when a district's total general fund millage rate
15 ~~for any school year~~, is reduced to ninety percent *or less* of the dis-
16 trict's total general fund millage rate for the school year beginning
17 July 1, 1970. In this case the district is entitled to receive only that
18 portion of the two hundred dollars per pupil necessary to retain that
19 ten percent reduction. *In making computations and payments under*
20 *this chapter, the state comptroller shall round amounts to the nearest*
21 *whole dollar.*

1 SEC. 2. Section four hundred forty-two point three (442.3), Code
2 1973, is amended to read as follows:

3 442.3 **State foundation base.** The state foundation base for the
4 school year beginning July 1, 1972, is seventy percent of the state
5 cost per pupil. For each succeeding school year the state foundation
6 base shall be increased by the amount of one percent of the state cost
7 per pupil, up to a maximum of eighty percent of the state cost per
8 pupil. The district foundation base is the larger of the state founda-
9 tion base or the amount per pupil ~~in fall enrollment~~ which the district
10 will receive from foundation property tax, ~~miscellaneous income~~, and
11 state school foundation aid.

1 SEC. 3. Section four hundred forty-two point four (442.4), Code
2 1973, is amended to read as follows:

3 442.4 **Fall Enrollment.** *Fall* ~~Except as otherwise provided in this~~
4 ~~section,~~ enrollment shall be determined by adding the resident pupils
5 ~~and the out-of-state pupils~~ who are enrolled on the second Friday
6 ~~of September of each year of January in the base year or the second~~
7 ~~Friday of September in the budget year, whichever number is larger,~~
8 in public elementary and secondary schools of the district, in public
9 elementary and secondary schools in another district or state for
10 which tuition is paid by the district, and in special education pro-
11 grams for which tuition is paid by the district whether the special
12 education program is conducted by a county board of education or an-
13 other school district. *The September enrollment may be estimated for*
14 *budget purposes but actual enrollment shall be used for final com-*
15 *putations. If actual September enrollment is higher than the enroll-*
16 *ment estimated for the certified budget, the certified budget may be*

17 *amended as provided in section twenty-four point nine (24.9) of the*
 18 *Code.*

19 *Resident pupils of high school age for which the district pays*
 20 *tuition to attend an Iowa area school shall be counted in the enroll-*
 21 *ment of the district on a full-time equivalent basis as of the same*
 22 *date.*

23 *Shared-time and part-time pupils of school age shall be counted*
 24 *as of the same date in the proportion that the time for which they*
 25 *are enrolled or receive instruction for the school year bears to the*
 26 *time that full-time pupils carrying a normal course schedule, at the*
 27 *same grade level, in the same school district, for the same school*
 28 *year, are enrolled and receive instruction.*

29 *Each school district shall certify its fall enrollment to the state*
 30 *department of public instruction by January twenty-fifth and Sep-*
 31 *tember 25 twenty-fifth of each year, and the information shall be*
 32 *promptly forwarded to the state comptroller.*

33 *Pupils attending a university laboratory school shall be reported*
 34 *directly to the department of public instruction by the laboratory*
 35 *school, and shall not be counted in any district's enrollment.*

1 SEC. 4. Section four hundred forty-two point five (442.5), Code
 2 1973, as contained* in Acts of the General Assembly, 1972 Session,
 3 chapter one thousand one hundred seven (1107), section two (2), is
 4 amended by striking the section and inserting in lieu thereof the
 5 following:

6 **442.5 Miscellaneous income—expenditures.**

7 1. As used in this chapter:

8 a. "Miscellaneous income" means all receipts deposited to the gen-
 9 eral fund of a school district which are not obtained from state aid
 10 provided under section four hundred forty-two point one (442.1) or
 11 four hundred forty-two point eleven (442.11) of the Code, or from
 12 property tax.

13 b. "Expenditures" means the total amounts paid out of the gen-
 14 eral fund of a school district, exclusive of amounts paid for the follow-
 15 ing purposes, for which special levies are authorized:

16 (1) A contract for the use of a library under section two hundred
 17 ninety-eight point seven (298.7) of the Code.

18 (2) A judgment under sections two hundred ninety-eight point
 19 fifteen (298.15) through two hundred ninety-eight point seventeen
 20 (298.17) of the Code.

21 (3) Tort liability under chapter six hundred thirteen A (613A)
 22 of the Code.

23 2. The proposed expenditures in a certified budget may not exceed
 24 the district cost for the budget year plus the anticipated miscella-
 25 neous income for the budget year and any unspent balance from the
 26 preceding year's budget. Actual expenditures during a school year
 27 may not exceed the district cost for that year plus the actual miscel-
 28 laneous income received for that year and any unspent balance from
 29 the preceding year's budget. If actual miscellaneous income for a
 30 school year exceeds the anticipated miscellaneous income in the cer-
 31 tified budget for that year, a school district may amend its certified
 32 budget.

*According to enrolled Act.

1 SEC. 5. Section four hundred forty-two point six (442.6), Code
2 1973, is amended to read as follows:

3 442.6 **District cost—district cost per pupil—base year—budget**
4 **year.** As used in this chapter, *“district 1. “District cost” and*
5 *“district cost per pupil” mean means the total expenditures for the*
6 *current year or anticipated expenditures for the budget year of a*
7 *district which are payable from the school general fund the amounts*
8 *computed as provided in section four hundred forty-two point nine*
9 *(442.9) of the Code.*

10 2. *“Base year” means the school year ending during the calendar*
11 *year in which a budget is certified.*

12 3. *“Budget year” means the school year beginning during the cal-*
13 *endar year in which a budget is certified.*

1 SEC. 6. Section four hundred forty-two point seven (442.7), Code
2 1973, is amended to read as follows:

3 442.7 **Allowable growth.** Each year the state comptroller shall
4 compute the state percent of growth by adding the percents of in-
5 crease for the second and third years of the most recent three-year
6 period for which accurate figures are available, for each of the fol-
7 lowing sources of revenue, and dividing the total by four:

8 1. State general fund revenues, adjusted for changes in rates or
9 basis.

10 2. Statewide assessed valuation of taxable property, adjusted for
11 statewide changes in assessment practices.

12 Each year the state comptroller shall compute the dollar equivalent
13 of the state percent of growth by multiplying the state cost per pupil
14 for the preceding school year by the current state percent of growth,
15 except that this dollar equivalent is limited to a maximum amount of
16 forty-six dollars for the school year beginning on July 1, 1972, forty-
17 eight dollars for the school year beginning on July 1, 1973, and fifty-
18 one dollars for the school year beginning on July 1, 1974. As used in
19 this chapter, “allowable growth” means the dollar equivalent of the
20 state percent of growth.

21 *However, except as otherwise provided in this section, the state*
22 *percent of growth is established at five percent for the school year*
23 *beginning July 1, 1973, and the state percent of growth is limited to*
24 *a maximum of five percent for the school year beginning July 1, 1974.*

25 *For each school district whose district cost per pupil is below the*
26 *state cost per pupil for the budget year, “allowable growth” means*
27 *the lesser of the dollar equivalent of the state percent of growth mul-*
28 *tiplied by one hundred twenty-five percent, or the amount required to*
29 *make the district cost per pupil equal to the state cost per pupil.*

30 *If the school budget review committee has established a modified*
31 *allowable growth for a district, “allowable growth” for the district*
32 *means its modified allowable growth.*

1 SEC. 7. Section four hundred forty-two point eight (442.8), Code
2 1973, is amended to read as follows:

3 442.8 **State cost per pupil.** The state cost per pupil for the school
4 year beginning July 1, 1971 1972, is nine hundred twenty three dol-
5 lars. The state cost per pupil for the school year beginning on July 1,
6 1972 1973, and for each succeeding school year is the previous
7 year’s state cost per pupil plus the allowable growth. If the state

8 percent of growth is zero or less, the state cost per pupil shall be the
9 same as the previous year's state cost per pupil.

1 SEC. 8. Section four hundred forty-two point nine (442.9), sub-
2 section one (1), Code 1973, is amended to read as follows:

3 442.9 **Maximum general fund budget and District cost per pupil—**
4 **district cost—additional school district property tax levy.**

5 1. The state comptroller shall determine the additional school dis-
6 trict property tax levy for each school district, which is in addition
7 to the foundation property tax levy, as follows:

8 a. The district cost per pupil in fall enrollment for the current
9 school year ending June 30 each for the budget year, plus the allow-
10 able growth, determines is equal to the district cost per pupil for the
11 school base year beginning July 1 each year plus the allowable growth.
12 However, if the district cost per pupil in fall enrollment for the cur-
13 rent school year ending June 30 each year exceeds one hundred ten
14 percent of the state cost per pupil, the school budget review commit-
15 tee shall review the proposed budget and establish the amount of
16 allowable growth for that district, not to exceed the limitations in
17 section 442.7 in determining the district cost per pupil for the budget
18 year beginning July 1, 1973, district cost per pupil in the base year
19 means the general fund budget for the school year beginning July 1,
20 1971, as authorized and funded under Acts of the General Assembly,
21 1971 Session, chapter seventy-two (72), including additional ap-
22 proved funding authorized by the school budget review committee,
23 less the amount of adjusted miscellaneous income including adjust-
24 ments pursuant to section four hundred forty-two point twenty-five
25 (442.25) of the Code, divided by the fall enrollment certified in Sep-
26 tember of 1971, plus the allowable growth for the school year begin-
27 ning July 1, 1972, as computed on the basis of state cost per pupil
28 excluding miscellaneous income.

29 b. The district cost per pupil for the budget year is equal to the
30 district cost per pupil for the budget year multiplied by the number
31 of pupils in fall enrollment for the school year beginning July 1 each
32 year, determines the maximum district cost for each district. A
33 school district may not exceed increase its maximum district cost
34 unless additional for the budget year except to the extent that excess
35 millage is authorized or supplemental state aid is distributed to the
36 district by the school budget review committee as provided in section
37 442.13, subsection 5, or unless an additional amount is raised by a
38 school district income surtax approved by the voters eight (8).

39 c. The district foundation base multiplied by the number of pupils
40 in fall enrollment, and the product, plus any moneys excluded from
41 miscellaneous income, subtracted from the lesser of the actual or
42 maximum amount to be raised by the additional school district prop-
43 erty tax levy is equal to the district cost for the school budget year
44 beginning July 1 each year, determines the amount to be raised by
45 the additional school district property tax levy, subject to, less the
46 product of the state or district foundation base and the enrollment.
47 However, said amount shall be adjusted in accordance with the maxi-
48 mum millage provided in section 442.10; any additional millage
49 authorized by the school budget review committee under section
50 442.13, subsection 5, paragraph "a", or and the maximum millage
51 reduction provided in section 442.21.

1 SEC. 9. Section four hundred forty-two point ten (442.10), Code
2 1973, is amended to read as follows:

3 442.10 **Maximum millage levy.** For the purpose of determining
4 the maximum millage levy for the general fund in a school district,
5 the state comptroller shall determine the sum of the foundation
6 property tax levy and the additional property tax levy, in mill's. When
7 this total millage rate levy exceeds the district general fund levy in
8 mills for the school year which began July 1, 1970, he shall adjust
9 the district general fund millage levy to a rate equal to the millage
10 levy for the school year beginning July 1, 1970, unless additional
11 except that excess millage is approved authorized by the school
12 budget review committee, as provided in section 442.13, subsection
13 5, paragraph "a" eight (8), may be added to that rate.

1 SEC. 10. Section four hundred forty-two point eleven (442.11),
2 Code 1973, is amended to read as follows:

3 442.11 **Guaranteed state aid.** For the school year beginning July
4 1, 1972, and for the next four succeeding school years, the state shall
5 provide specific funds, called guaranteed state aid, to any school
6 district in which the amount to be raised by the maximum millage,
7 excluding any additional millage approved by the school budget
8 review committee, levy plus the district's miscellaneous income and
9 state school foundation aid, does not meet the actual or maximum
10 district cost, whichever is less.

11 There is hereby appropriated from the general fund of the state
12 to the department of public instruction moneys sufficient to pay the
13 guaranteed state aid provided in this section. The state comptroller
14 shall pay this aid no later than May 15 of each year, beginning in 1973
15 for the school year beginning July 1, 1972 in installments, at the same
16 time as the installments of state school foundation aid are paid.

1 SEC. 11. Section four hundred forty-two point thirteen (442.13),
2 Code 1973, is amended to read as follows:

3 442.13 **Duties of the committee.**

4 1. The school budget review committee may recommend the revi-
5 sion of any rules, regulations, directives, or forms relating to school
6 district budgeting and accounting, confer with local school boards or
7 their representatives and make recommendations relating to any
8 budgeting or accounting matters, and may direct the superintendent
9 of public instruction or the state comptroller to make studies and
10 investigations of school costs in any school district.

11 2. The committee shall report to each session of the general assem-
12 bly, which report shall include any recommended changes in laws
13 relating to school districts, and shall specify the number of hearings
14 held annually, the reasons for the committee's recommendations, and
15 other information as the committee deems advisable.

16 3. The committee shall review the proposed or certified budget of
17 any school district if the district cost per pupil in estimated fall
18 enrollment has increased over the district cost per pupil in fall enroll-
19 ment for the previous year by more than the allowable growth of the
20 district.

21 4. The committee may review the proposed or certified budget of
22 any school district as follows:

23 a. If the budget shows district costs per pupil in estimated fall
24 enrollment of more than the state cost per pupil.

25 b. If in the judgment of the committee, the budget shows the
26 district cost to be unreasonably high in relation to the comparative
27 cost factors of similar districts, even if the district cost per pupil in
28 estimated fall enrollment does not exceed the state cost per pupil.

29 5. The committee may authorize a school budget in excess of limita-
30 tions provided in sections 442.9 and 442.10 of this division as fol-
31 lows:

32 a. If a nonpublic school closes wholly or in part, the committee
33 may authorize an increase in the school general fund millage beyond
34 the maximum permitted under section 442.10, but only to the extent
35 necessary to cover the cost of absorbing the former nonpublic school
36 pupils into the public school system. The school board shall establish
37 the amount of necessary increased cost to the satisfaction of the
38 school budget review committee before an increase in millage is
39 authorized.

40 b. Additional supplemental state aid may be paid to any district
41 from any discretionary funds appropriated specifically to the com-
42 mittee for this purpose.

43 6. If the committee does not authorize a school district's budget,
44 it shall state its recommendations in terms of a specific reduction in
45 the district cost, and in terms of a projected reduction in the millage
46 rate of the school district, and shall notify the school board of its
47 recommendations through the state comptroller.

48 7. The committee, when making decisions relating to school budg-
49 ets, shall consider each district's circumstances and facts which are
50 unique and unusual, including but not limited to any unusual in-
51 creases or decreases in enrollments, natural disasters, unusual trans-
52 portation problems, and initial staffing problems.

53 3. The committee shall meet beginning not later than March first
54 of each year, shall review the proposed budget and certified budget
55 of each school district, and may make recommendations. The com-
56 mittee may make decisions affecting budgets to the extent provided
57 in this chapter. The costs and computations referred to in this section
58 relate to the budget year unless otherwise expressly stated.

59 4. If the district cost per pupil exceeds one hundred ten percent
60 of the state cost per pupil, the committee shall establish a modified
61 allowable growth by reducing the allowable growth. In making deci-
62 sions under this subsection, the committee shall permit allowable
63 growth to the extent necessary to prevent severe hardship to a
64 district whose district cost per pupil would not have exceeded one
65 hundred ten percent of the state cost per pupil if miscellaneous
66 income were included in computations under this chapter to the same
67 extent that it was included for the school year beginning July 1, 1972.

68 5. The committee may establish a modified allowable growth by
69 reducing the allowable growth:

70 a. If the district cost per pupil exceeds the state cost per pupil.

71 b. If in the committee's judgment the district cost is unreasonably
72 high in relation to the comparative cost factors of similar districts,
73 even if the district cost per pupil does not exceed the state cost per
74 pupil.

- 75 6. If a district has unusual circumstances, creating an unusual
76 need for additional funds, including but not limited to the following
77 circumstances, the committee may grant supplemental aid to the
78 district from any funds appropriated to the department of public
79 instruction for the use of the school budget review committee for this
80 purpose, and such aid shall be miscellaneous income and shall not
81 be included in district cost; or may establish a modified allowable
82 growth for the district by increasing its allowable growth; or both:
- 83 a. Any unusual increase or decrease in enrollment.
 - 84 b. Unusual natural disasters.
 - 85 c. Unusual transportation problems.
 - 86 d. Unusual initial staffing problems.
 - 87 e. The closing of a nonpublic school, wholly or in part.
 - 88 f. Substantial reduction in miscellaneous income due to circum-
89 stances beyond the control of the district.
 - 90 g. Unusual necessity for additional funds to permit continuance of
91 a course or program which provides substantial benefit to pupils.
 - 92 h. Unusual need for a new course or program which will provide
93 substantial benefit to pupils, if the district establishes such need and
94 the amount of necessary increased cost.
 - 95 i. Unusual need for additional funds for special education or com-
96 pensatory education programs.
 - 97 j. Year-round or substantially year-round attendance programs
98 which apply toward graduation requirements, including but not lim-
99 ited to tri-semester or four-quarter programs. Enrollment in such
100 programs shall be adjusted to reflect equivalency to normal school
101 year attendance.
 - 102 k. Severe hardship due to the exclusion of miscellaneous income
103 from computations under this chapter. For the school year beginning
104 July 1, 1973, the committee shall increase the district's allowable
105 growth to the extent necessary to prevent such hardship.
- 106 7. If a nonpublic school closes wholly or in part, the committee may
107 authorize an increase in the district general fund millage levy beyond
108 the maximum permitted by section four hundred forty-two point ten
109 (442.10) of the Code, but only to the extent necessary to cover the
110 cost of absorbing the former nonpublic school pupils into the public
111 school system. The school board shall establish the amount of neces-
112 sary increased cost to the satisfaction of the school budget review
113 committee before an increase in millage is authorized.
- 114 8. The committee may authorize a district to spend a reasonable
115 and specified amount from its unexpended cash balance for the sole
116 purpose or purposes of furnishing, equipping, and contributing to the
117 construction of a new building or structure for which the voters of
118 the district have approved a bond issue as provided by law or a tax
119 as provided in chapter two hundred seventy-eight (278) of the Code.
120 No other expenditure, including but not limited to expenditures for
121 salaries or recurring costs, shall be authorized under this subsection.
122 Expenditures authorized under this subsection shall not be included
123 in allowable growth or district cost, and the portion of the unex-
124 pended cash balance which is authorized to be spent shall be regarded
125 as if it were miscellaneous income. Any part of such amount which
126 is not actually spent for the authorized purpose shall revert to its

127 former status as part of the unexpended cash balance.

128 9. The committee may approve or modify the initial base year dis-
129 trict cost of any district which changes accounting procedures.

130 10. When the committee makes a decision under subsections three
131 (3) through nine (9) of this section, it shall make all necessary
132 changes in the district cost, budget, and millage levy. It shall give
133 written notice of its decision, including all such changes, to the school
134 board through the state comptroller.

135 11. All decisions by the committee under this chapter shall be made
136 in accordance with reasonable and uniform policies which shall be
137 consistent with this chapter. All such policies of general application
138 shall be stated in rules adopted in accordance with chapter seventeen
139 A (17A) of the Code. The committee shall take into account the
140 intent of this chapter to equalize educational opportunity, to provide
141 a good education for all the children of Iowa, to provide property tax
142 relief, to decrease the percentage of school costs paid from property
143 taxes, and to provide reasonable control of school costs. The commit-
144 tee shall also take into account the amount of funds available.

145 § 12. Failure by any school district to provide information or
146 appear before the committee as requested for the accomplishment of
147 review or hearing shall constitute justification for the committee to
148 instruct the state comptroller to withhold any state aid to that dis-
149 trict until the committee's inquiries are satisfied completely.

150 § 13. The school budget review committee may call in any county
151 board of education for the purpose of reviewing its budget as it
152 relates to the individual districts within the county.

1 SEC. 12. Section four hundred forty-two point fourteen (442.14),
2 unnumbered paragraphs one (1), two (2), and three (3), Code 1973,
3 are amended to read as follows:

4 ~~442.14 Election to exceed maximum district cost for school district~~
5 ~~income surtax.~~ If a school board wishes to exceed its maximum dis-
6 trict cost, as determined under section 442.9, it shall first submit its
7 proposed budget to the school budget review committee. The com-
8 mittee may approve the proposed budget or may make other recom-
9 mendations, but if the board decides that the district should exceed
10 its maximum district cost, and the committee has not authorized an
11 additional millage or supplemental state aid as provided in section
12 ~~442.13, subsection 5, spend more than is permitted under sections~~
13 ~~four hundred forty-two point one (442.1) through four hundred forty-~~
14 ~~two point thirteen (442.13) of the Code, after review by the school~~
15 ~~budget review committee, the board shall may submit to the voters~~
16 of the school district, at a regular or special school election held not
17 later than September 15 ~~fifteenth~~, the question of whether the pro-
18 posed budget shall be approved, and ~~the excess amount~~ financed by a
19 school district income surtax of a specified rate, ~~or whether the dis-~~
20 ~~trict shall be limited to its maximum district cost.~~

21 If a majority of those voting approves the proposed budget and the
22 specified school district income surtax rate, the surtax, determined
23 as provided in section 442.15, may be imposed by resolution of the
24 school board.

25 If the proposed budget and surtax does do not receive approval by
26 a majority of those voting, the school board shall reduce its ~~general~~

27 ~~fund budget proposed expenditures~~ to an amount which does not
 28 exceed its ~~maximum~~ district cost *plus miscellaneous income and any*
 29 *unspent balance from the preceding year's budget.*

1 SEC. 13. Section four hundred forty-two point fifteen (442.15),
 2 subsections two (2) and three (3), Code 1973, are amended to read
 3 as follows:

4 2. A school district income surtax rate approved by the voters, or
 5 as much of it as may be necessary, shall continue to be in effect in
 6 that school district until the school board finds that the surtax or a
 7 part of it is unnecessary, or until the amount of the surtax is altered
 8 by another election. If a school board wishes to increase the ~~district~~
 9 ~~costs so that they cannot be met by the combination of maximum~~
 10 ~~millage, state aid, miscellaneous income, and the approved school~~
 11 ~~district income surtax rate~~, the school board may hold another elec-
 12 tion to submit the question of whether to increase the surtax rate for
 13 the district, and may increase the rate only if an increase is approved
 14 by a majority of those voting.

15 3. At least once every five years, if a school district income surtax
 16 is found to be necessary, the school board shall submit to the voters
 17 of the school district, at a regular or special school election held not
 18 later than September 15 *fifteenth*, the question of whether to continue
 19 imposition of the established rate of school district income surtax or
 20 of a lesser rate as necessary. If a majority of those voting does not
 21 approve the proposed school district income surtax rate, the school
 22 board shall reduce its ~~general fund budget proposed expenditures~~
 23 to an amount which does not exceed its ~~maximum~~ district cost *plus*
 24 *miscellaneous income and any unspent balance from the preceding*
 25 *year's budget.*

1 SEC. 14. Section four hundred forty-two point twenty-one
 2 (442.21), Code 1973, is amended to read as follows:

3 442.21 **Maximum millage reduction.** If the functioning of the
 4 state school foundation program established by this chapter causes
 5 a reduction in any school district, for the school year beginning July
 6 1, 1972, of more than ten percent of the district's total general fund
 7 millage for the school year beginning July 1, 1970, the reduction for
 8 the school year beginning July 1, 1972, is limited to that ten percent,
 9 and the reduction for each of the school years beginning July 1, 1973,
 10 and July 1, 1974, is limited to ten percent of the preceding year's
 11 millage. However, if this limitation results in a district millage levy
 12 which raises more than the district needs to meet ~~the lesser~~ of its
 13 ~~actual or maximum~~ district cost, the ten percent limitation does not
 14 apply, and the district may reduce its millage as much as can be done
 15 without entitling the district to state school foundation aid. The state
 16 comptroller shall compute any maximum millage reduction required
 17 by this section, and shall notify the school boards accordingly.

1 SEC. 15. Section four hundred forty-two point twenty-five
 2 (442.25), Code 1973, is amended to read as follows:

3 442.25 **Estimates of miscellaneous aids.** No later than September
 4 ~~1~~ *first* of each year, the department of public instruction shall certify
 5 to the state comptroller the amounts of any state aids other than the
 6 amounts provided in this division that will be received by each school

7 district in the state. In the event any estimate of state aids in any
 8 school budget certified to the auditor as provided by section 24.17 is
 9 more or less than the amount of state aids certified to the state comp-
 10 troller by the department of public instruction as provided by this
 11 section, the state comptroller shall certify to the county auditors the
 12 final millage for each school district.

1 SEC. 16. Chapter two hundred eighty-four (284),* and section
 2 four hundred forty-two point twenty-two (442.22), Code 1973, are
 3 repealed.

1 SEC. 17. The committee may, for the school year beginning July
 2 1, 1972, in cases where hardship can be shown because of decrease in
 3 allowable budget caused by decrease in enrollment, authorize school
 4 boards to levy, in excess of other allowable levies, an amount suffi-
 5 cient to reimburse their general fund and permit expenditure for the
 6 current year of an amount up to ninety-seven percent of the 1971-
 7 1972 fall enrollment multiplied by the 1972-1973 per-pupil cost.

Approved May 16, 1973.

*See references in ch. 284 to §§27A.4 and 274.46 of the Code.

CHAPTER 259

INHERITANCE TAX PAYMENT

S. F. 131

AN ACT relating to the time of payment of inheritance tax.

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

1 SECTION 1. Section four hundred fifty point six (450.6), Code
 2 1973, is amended to read as follows:

3 450.6 **Accrual of tax—maturity—extension of time.** The tax here-
 4 by imposed shall be for the use of the state, shall accrue at the death
 5 of the decedent owner, and shall be paid to the department of revenue
 6 within ~~eighteen~~ fifteen months after the death of the decedent owner
 7 except when otherwise provided in this chapter. When in the opinion
 8 of the director of revenue additional time should be granted for pay-
 9 ment to avoid hardship, the director may extend the period to a date
 10 not exceeding three years from date of death of decedent, but in case
 11 of any such extension the tax shall bear six percent interest from the
 12 expiration of ~~eighteen~~ fifteen months from decedent's death.

1 SEC. 2. Section four hundred fifty point twenty (450.20), unnum-
 2 bered paragraph one (1), Code 1973, is amended to read as follows:

3 It shall also keep a separate record of any deferred estate upon
 4 which the tax due is not paid within ~~eighteen~~ fifteen months from the
 5 death of the decedent, showing substantially the same facts as are
 6 required in other cases, and also showing:

1 SEC. 3. Section four hundred fifty point forty-five (450.45), Code
 2 1973, is amended to read as follows:

3 450.45 **Life and term estates—appraisalment.** Subject to the pro-
 4 visions of section 450.39 when an estate or interest for life or term of