

CHAPTER 160
SCHOOL REORGANIZATION
H.F. 496

AN ACT relating to supplementary weighting and area education agency and school district procedures regarding school reorganization.

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

Section 1. Section 257.12, unnumbered paragraph 1, Code 1993, is amended to read as follows:

In determining weighted enrollment under section 257.6, if the board of directors of a school district has approved a contract for sharing under section 442.39, subsection 2 or 4, Code 1991, or section 257.11 and the school district has initiated an action prior to November 30, 1990, to bring about a reorganization, the reorganized school district shall include, for a period of five six years following the effective date of the reorganization, additional pupils added by the application of the supplementary weighting plan, equal to the pupils added by the application of the supplementary weighting plan in the year preceding the reorganization. For the purposes of this paragraph, the weighted enrollment for the period of six years following the effective date of reorganization shall include the supplementary weighting in the base year used for determining the combined district cost for the first year of the reorganization. However, the weighting shall be reduced by the supplementary weighting added for a pupil whose residency is not within the reorganized district. For purposes of this section paragraph, a reorganized district is one in which the reorganization was approved in an election pursuant to sections 275.18 and 275.20 and takes effect on or after July 1, 1991, and on or before July 1, 1993. Each district which initiated, by a vote of the board of directors or jointly by the affected boards, action to bring about a reorganization or dissolution by November 30, 1990, shall certify the date and the nature of the action taken to the department of education by September 1, 1991.

Sec. 2. Section 257.12, unnumbered paragraph 2, Code 1993, is amended to read as follows:

A reorganized school district in which eligible pupils were added under section 442.39A, Code 1991, shall continue to have pupils added, subject to the changes in weighting made under section 257.11, until the expiration of the five-year period provided in section 442.39A, Code 1991 this paragraph. For the purposes of this paragraph, the weighted enrollment continues for a period of six years following the effective date of reorganization and shall include the supplementary weighting in the base year used for determining the combined district cost for the first year of the reorganization.

Sec. 3. Section 275.1, Code 1993, is amended by adding the following new subsections:

NEW SUBSECTION. 1A. "Initial board" means the board of a newly reorganized district that is selected pursuant to section 275.25 or 274.41* and functions until the organizational meeting following the fourth regular school election held after the effective date of the reorganization.

NEW SUBSECTION. 3A. "Regular board" means the board of a reorganized district that begins to function at the organizational meeting following the fourth regular school election held after the effective date of the school reorganization, and is comprised of members who were elected to the current terms or were appointed to replace members who were elected.

Sec. 4. Section 275.2, Code 1993, is amended to read as follows:

275.2 SCOPE OF SURVEYS.

The scope of the studies and surveys shall include the following matters in the various districts in the area education agency and all districts adjacent to the area education agency: The adequacy of the educational program, pupil enrollment, property valuations, existing buildings and equipment, natural community areas, road conditions, transportation, economic factors, individual attention given to the needs of students, the opportunity of students to participate in a wide variety of activities related to the total development of the student, and other matters that may bear on educational programs meeting minimum standards required by

*Section 275.41 probably intended

law. The plans shall also include suggested alternate plans that incorporate the school districts in the area education agency into reorganized districts that meet the enrollment standards specified in section 275.3 and may include alternate plans proposed by school districts for sharing programs under section 28E.9, 256.13, 280.15, or 282.7, or 282.10 as an alternative to school reorganization.

Sec. 5. Section 275.12, subsection 4, Code 1993, is amended to read as follows:

4. The area education agency board in reviewing the petition as provided in sections 275.15 and 275.16 shall review the proposed method of election of school directors and may change or amend the plan in any manner, including the changing of boundaries of director districts if proposed, or to specify a different method of electing school directors as may be required by law, justice, equity, and the interest of the people. In the action, the area education agency board shall follow the same procedure as is required by sections 275.15 and 275.16 for other action on the petition by the area education agency board. The area education agency shall ascertain that director district boundary lines comply with the provisions of section 275.23A, subsection 1, and shall make adjustments as necessary.

Sec. 6. Section 275.15, unnumbered paragraph 2, Code 1993, is amended by striking the paragraph and inserting in lieu thereof the following:

The area education agency board, when entering the order fixing the boundaries, shall consider all available evidence including, but not limited to, information presented by the petitioners, all objections requesting territory exclusion, reorganization studies and plans, geographical patterns evidenced by students using open enrollment to attend school in another district pursuant to section 282.18, potential travel distances required of students, and geographic configuration of the proposed district. The exclusion of territory shall represent a balance between the rights of the objectors and the welfare of the reorganized district.

Sec. 7. Section 275.22, Code 1993, is amended to read as follows:

275.22 CANVASS AND RETURN.

The precinct election officials shall count the ballots, and make return to and deposit the ballots with the county commissioner of elections, who shall enter the return of record in the commissioner's office. The election tally lists, including absentee ballots, shall be listed by individual school district. The county commissioner of elections shall certify the results of the election to the area education agency administrator. If the majority of the votes cast by the qualified electors is in favor of the proposition, as provided in section 275.20, a new school corporation shall be organized. If the majority of votes cast is opposed to the proposition, a new petition describing the identical or similar boundaries shall not be filed for at least six months from the date of the election. If territory is excluded from the reorganized district, action pursuant to section 274.37 shall be taken prior to the effective date of reorganization. The area education agency administrator secretary of the new school corporation shall file a written description of the boundaries as provided in section 274.4.

Sec. 8. Section 275.28, Code 1993, is amended to read as follows:

275.28 PLAN OF DIVISION OF ASSETS AND LIABILITIES.

A plan of reorganization in In addition to setting up the territory to comprise the reorganized districts, a reorganization petition may provide for a division of assets and liabilities of the old districts between reorganized districts. If no provision is made in the plan petition for division of assets and liabilities, such or if territory is excluded from the reorganized district by the petition or by the area education agency board of directors, the division shall be made under the provisions of sections 275.29 to 275.31, inclusive, hereof.

Sec. 9. Section 275.29, Code 1993, is amended to read as follows:

275.29 DIVISION OF ASSETS AND LIABILITIES AFTER REORGANIZATION.

Between July 1 and July 20, the board of directors of the newly formed school district shall meet with the boards of all the old school districts, or parts of districts, affected by the organization of the new school corporation, including the boards of districts receiving territory of

the school districts affected, for the purpose of reaching joint agreement on an equitable division of the assets of the several school corporations or parts of school corporations and an equitable distribution of the liabilities of the affected corporations or parts of corporations. In addition, if outstanding bonds are in existence in any district, ~~the boards~~ initial board of directors of the newly formed school district shall meet ~~together with the boards of all school districts affected prior to March~~ April 15 prior to the school year the reorganization is effective to determine the distribution of the bonded indebtedness between the districts so that the newly formed district may certify its budget under the procedures specified in chapter 24. The boards shall consider the mandatory levy required in section 76.2 and shall assure the satisfaction of outstanding obligations of each affected school corporation. If the petition includes plans for the distribution of the bonded indebtedness, the exclusion of territory from the reorganized district does not require action pursuant to this section.

Sec. 10. Section 275.30, Code 1993, is amended to read as follows:

275.30 ARBITRATION.

If the boards cannot agree on such division and distribution, the matters on which they differ shall be decided by disinterested arbitrators, one selected by ~~each the initial board having an interest therein, and if of directors of the newly formed district, one by each of the boards of directors of the school districts affected, and one selected jointly by the boards of directors of contiguous districts receiving territory of the school district affected.~~ If the number thus of arbitrators selected is even, then one a disinterested arbitrator shall be added by the area education agency administrator. The decision of the arbitrators shall be made in writing and filed with the secretary of the new corporation, and any a party to the proceedings may appeal therefrom the decision to the district court by serving notice thereof on such the secretary of the new corporation within twenty days after the decision is filed. Such The appeal shall be tried in equity and a decree entered determining the entire matter, including the levy, collection, and distribution of any necessary taxes.

Sec. 11. Section 275.33, subsection 2, unnumbered paragraph 1, Code 1993, is amended to read as follows:

The collective bargaining agreement of the district with the largest basic enrollment for the year prior to the reorganization, as defined in section 257.6, in the new district shall serve as the base agreement and the employees of the other districts involved in the formation of the new district shall automatically be accreted to the bargaining unit of that collective bargaining agreement for purposes of negotiating the contracts for the following years without further action by the public employment relations board. If only one collective bargaining agreement is in effect among the districts which are party to the reorganization, then that agreement shall serve as the base agreement, and the employees of the other districts involved in the formation of the new district shall automatically be accreted to the bargaining unit of that collective bargaining agreement for purposes of negotiating the contracts for the following years without further action by the public employment relations board. The board of the newly formed district, using the base agreement as its existing contract, shall bargain with the combined employees of the existing districts for the school year beginning with the effective date of the reorganization. The bargaining shall be completed by ~~March 15~~ the dates specified in section 20.17 prior to the school year in which the reorganization becomes effective or within one hundred eighty days after the organization of the new board, whichever is later. If a bargaining agreement was already concluded by the board and employees of the existing district with the contract serving as the base agreement for the school year beginning with the effective date of the reorganization, that agreement shall be void. However, if the base agreement contains multiyear provisions affecting school years subsequent to the effective date of the reorganization, the base agreement shall remain in effect as specified in the agreement.

Sec. 12. Section 275.41, subsection 1, Code 1993, is amended to read as follows:

1. As an alternative to the method specified in section 275.25 for electing directors in a newly formed community school district, the procedure specified in this section may be used and if

used, the petition filed under section 275.12 shall state the number of directors on the initial board. If two districts are named in the petition, either five or seven directors shall serve on the initial board. If three or more districts are named in the petition, either seven or nine directors shall serve on the initial board. The petition shall specify the number of directors to be retained from each district, and those numbers shall be proportionate to the populations of the districts. If the exclusion of territory from a reorganization affects the proportionate balance of directors among the affected districts specified in the petition, or if the proposal specified in the petition does not comply with the requirement for proportionate representation, the area education board shall modify the proposal. However, all districts affected shall retain at least one member.

Sec. 13. Section 275.41, subsections 2 through 7, Code 1993, are amended by striking the subsections and inserting in lieu thereof the following:

2. Prior to the organization meeting of the newly formed district, the boards of the former districts shall designate directors to be retained as members to serve on the initial board, and if the total number of directors determined under subsection 1 is an even number, that number of directors shall function and may within five days of the organizational meeting appoint one additional director by unanimous vote with all directors voting. Otherwise, the board shall function until a special election can be held to elect an additional director. The procedure for calling the special election shall be the procedure specified in section 275.25. If there is an insufficient number of board members eligible to be retained from a former school district, the board of the former school district may appoint members to fill the vacancies. A vacancy occurs if there is an insufficient number of former board members who reside in the newly formed district or if there is an insufficient number who are willing to serve on the board of the newly formed district.

3. Prior to the effective date of the reorganization, the initial board shall approve a plan that commences at the second regular school election held after the effective date of the merger and is completed at the fourth regular school election held after the effective date of the merger, to replace the initial board with the regular board. If the petition specifies a number of directors on the regular board to be different from the number of directors on the initial board, the plan shall provide that the number specified in the petition for the regular board is in place by the time the regular board is formed. The plan shall provide that as nearly as possible one-third of the members of the board shall be elected each year, and if a special election was held to elect a member to create an odd number of members on the board, the term of that member shall end at the organizational meeting following the fourth regular school election held after the effective date.

Sec. 14. Section 275.51, unnumbered paragraph 1, Code 1993, is amended to read as follows:

As an alternative to school district reorganization prescribed in this chapter, the board of directors of a school district may establish a school district dissolution commission to prepare a proposal of dissolution of the school district and attachment of all of the school district to one or more contiguous school districts and to include in the proposal a division of the assets and liabilities of the dissolving school district. A school district dissolution commission ~~may~~ shall be established by the board of directors of a school district if a dissolution proposal has been prepared by eligible electors who reside within the district. The proposal must contain the names of the proposed members of the commission and be accompanied by a petition which has been signed by at least twenty percent of the eligible electors.

Sec. 15. **NEW SECTION. 279.39 SCHOOL BUILDINGS.**

The board of any school corporation shall establish attendance centers and provide suitable buildings for each school in the district and may at the regular or a special meeting call a special election to submit to the qualified electors of the district the question of voting a tax or authorizing the board to issue bonds, or both.

Sec. 16. Section 282.11, unnumbered paragraph 2, Code 1993, is amended to read as follows:

Not less than thirty days prior to signing a whole grade sharing agreement whereby all or a substantial portion of the pupils in a grade in the district will attend school in another district, the board of directors of each school district that is a party to a proposed sharing agreement shall hold a public hearing at which the proposed agreement is described, and at which the parent or guardian of an affected pupil and certificated employees of the school district shall have an opportunity to comment on the proposed agreement. Within the thirty-day period prior to the signing of the agreement, the parent or guardian of an affected pupil may request the board of directors to send the pupil to another contiguous school district. For the purposes of this section, "affected pupils" are those who under the whole-grade sharing agreement are attending or scheduled to attend the school district specified in the agreement, other than the district of residence, during the term of the agreement. The request shall be based upon one of the following:

Sec. 17. Section 300.2, Code 1993, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The proposition to levy the public recreation and playground tax is not affected by a change in the boundaries of a school district, except as otherwise provided in this section. If each district involved in school reorganization under chapter 275 has adopted the public recreation and playground tax, and if the voters have not voted upon the proposition to levy the public recreation and playground tax in the reorganized district, the existing public recreation and playground tax shall be in effect for the reorganized district for the least amount that has been approved in any of the districts and until discontinued pursuant to section 300.3.

Sec. 18. Section 275.32, Code 1993, is repealed.

Approved May 25, 1993

CHAPTER 161

WIND ENERGY CONVERSION PROPERTY — TAXATION

H.F. 664

AN ACT relating to providing for special valuation for property tax and sales, service, and use tax exemptions for wind energy conversion property.

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

Section 1. Section 422.45, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 48. The gross receipts from the sale of wind energy conversion property to be used as an electric power source and the sale of the materials used to manufacture, install, or construct wind energy conversion property used or to be used as an electric power source.

For purposes of this section, "wind energy conversion property" means any device, including, but not limited to, a wind charger, windmill, wind turbine, tower and electrical equipment, pad mount transformers, power lines, and substation, which converts wind energy to a form of usable energy.

Sec. 2. NEW SECTION. 427B.26 SPECIAL VALUATION OF WIND ENERGY CONVERSION PROPERTY.

1. a. A city council or county board of supervisors may provide by ordinance for the special valuation of wind energy conversion property as provided in subsection 2. The ordinance may be enacted not less than thirty days after a public hearing on the ordinance is held. Notice of the hearing shall be published in accordance with section 331.305 in the case of a county, or section 362.3 in the case of a city. The ordinance shall only apply to property first assessed