

CHAPTER 423F

STATEWIDE SCHOOL INFRASTRUCTURE FUNDING

Referred to in §76.4, 256.9, 291.10

Chapter to be repealed January 1, 2051; see §423F.6

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423F.1 Legislative intent.

It is the intent of the general assembly that the increase in the state sales, services, and use taxes under [chapter 423, subchapters II and III](#), from five percent to six percent on July 1, 2008, shall be used solely for purposes of providing revenues to local school districts under [this chapter](#) to be used solely for school infrastructure purposes or school district property tax relief.

[2008 Acts, ch 1134, §27](#)

423F.2 Secure an advanced vision for education fund creation and distribution — repeal of local sales and services taxes.

1. a. After July 1, 2008, all local sales and services taxes for school infrastructure purposes imposed under [chapter 423E](#), Code 2023, are repealed. After July 1, 2008, a county no longer has the authority under [chapter 423E](#), Code 2023, or any other provision of law to impose or to extend an existing local sales and services tax for school infrastructure purposes.

b. The increase in the state sales, services, and use taxes under [chapter 423, subchapters II and III](#), from five percent to six percent shall replace the repeal of the county’s local sales and services tax for school infrastructure purposes. The distribution of moneys in the secure an advanced vision for education fund and the use of the moneys for infrastructure purposes or property tax relief shall be as provided in [this chapter](#).

c. To the extent that any school district has issued bonds anticipating the proceeds of a local sales and services tax for school infrastructure purposes prior to July 1, 2008, the pledge of such tax receipts for the payment of principal and interest on such bonds shall be replaced by a pledge of its share of the revenues the school district receives under [this section](#).

2. A secure an advanced vision for education fund is created as a separate and distinct fund in the state treasury under the control of the department of revenue. Moneys in the fund include revenues credited to the fund pursuant to [this chapter](#), appropriations made to the fund, and other moneys deposited into the fund. Subject to [subsection 3](#), any amounts disbursed from the fund shall be utilized for school infrastructure purposes or property tax relief.

3. a. The moneys available in a fiscal year in the secure an advanced vision for education fund shall be distributed by the department of revenue to each school district on a per pupil basis calculated using each school district’s budget enrollment, as defined in [section 257.6](#), for that fiscal year.

b. (1) Prior to distribution of moneys in the secure an advanced vision for education fund to school districts, an amount equal to the equity transfer amount for the fiscal year minus the foundation base transfer amount for the fiscal year shall be distributed and credited to the property tax equity and relief fund created in [section 257.16A](#), an amount equal to the foundation base transfer amount shall be distributed and credited to the foundation base supplement fund created in [section 257.16D](#), and an amount equal to the career academy transfer amount for the fiscal year shall be distributed and credited to the career academy fund created in [section 257.51](#).

(2) For purposes of [this subsection](#), the equity transfer amount is determined by multiplying the equity transfer percentage by the amount of moneys available in the secure an advanced vision for education fund in the fiscal year.

(a) For the fiscal year beginning July 1, 2018, the equity transfer percentage is two and one-tenth percent. For the fiscal year beginning July 1, 2019, the equity transfer percentage is three and one-tenth percent.

(b) For each fiscal year beginning on or after July 1, 2020, the equity transfer percentage is equal to the equity transfer percentage for the immediately preceding fiscal year, unless the amount of moneys available in the secure an advanced vision for education fund in the immediately preceding fiscal year equals or exceeds one hundred two percent of the amount of moneys available in the fund for the fiscal year prior to the immediately preceding fiscal year, in which case the equity transfer percentage shall be the equity transfer percentage for the immediately preceding fiscal year plus one percent subject to the limitation in subparagraph division (c).

(c) If the equity transfer percentage calculated under subparagraph division (b) exceeds thirty percent, the equity transfer percentage for that fiscal year shall be thirty percent.

(3) For purposes of [this subsection](#), the foundation base transfer amount for the fiscal year beginning July 1, 2019, is zero, and for each fiscal year beginning on or after July 1, 2020, the foundation base transfer amount equals the equity transfer amount for the fiscal year under subparagraph (2) minus the sum of the following:

(a) Three and one-tenth percent of the amount of the moneys available in the secure an advanced vision for education fund in the fiscal year.

(b) One-half of the product of the equity transfer percentage for the fiscal year minus three and one-tenth percent multiplied by the moneys available in the secure an advanced vision for education fund in the fiscal year.

(4) (a) For purposes of [this subsection](#), the career academy transfer amount for the fiscal year beginning July 1, 2019, is one million dollars.

(b) For each fiscal year beginning on or after July 1, 2020, the career academy transfer amount is equal to the lesser of five million dollars or the amount of the career academy transfer amount for the immediately preceding fiscal year, unless the amount of moneys available in the secure an advanced vision for education fund in the immediately preceding fiscal year equals or exceeds one hundred two and one-half percent of the amount of moneys available in the fund for the fiscal year prior to the immediately preceding fiscal year, in which case the career academy transfer amount equals the lesser of five million dollars or the sum of the amount of the career academy transfer amount for the immediately preceding fiscal year plus one-half percent of the amount of moneys available in the secure an advanced vision for education fund in the fiscal year following the deposit of revenues in the property tax equity and relief fund and the foundation base supplement fund.

4. a. The director of revenue by the last day of each month shall transfer to each school district the amount of tax moneys remitted to the department attributable to each school district from the preceding month.

b. On or before August 15 of each fiscal year the director of revenue shall provide to each school district an estimate of the amount of tax moneys to be distributed to each school district for the current fiscal year.

[2008 Acts, ch 1134, §28](#); [2008 Acts, ch 1191, §72](#); [2013 Acts, ch 140, §134 – 136](#); [2019 Acts, ch 166, §11](#); [2022 Acts, ch 1138, §48 – 50](#)

Referred to in [§8.57, 257.51, 275.12, 275.29, 275.30, 292.1, 292.2, 423.2A, 423.43, 423F.4](#)

Section not amended; editorial changes applied

423F.3 Use of revenues.

1. A school district receiving revenues from the secure an advanced vision for education fund under [this chapter](#) without a valid revenue purpose statement shall expend the revenues subject to [subsections 2 and 3](#) for the following purposes:

a. Reduction of bond levies under [sections 298.18 and 298.18A](#) and all other debt levies.

b. Reduction of the regular and voter-approved physical plant and equipment levy under [section 298.2](#).

c. Reduction of the public educational and recreational levy under [section 300.2](#).

d. For any authorized infrastructure purpose of the school district as defined in [subsection 6](#).

e. For the payment of principal and interest on bonds issued under [sections 423E.5*](#) and [423F.4](#).

2. A revenue purpose statement in existence for the expenditure of local sales and services tax for school infrastructure purposes imposed by a county pursuant to [section 423E.2](#), Code Supplement 2007, prior to July 1, 2008, shall remain in effect until amended or extended. The board of directors of a school district may take action to adopt or amend a revenue purpose statement specifying the specific purposes for which the revenues received from the secure an advanced vision for education fund will be expended. If a school district is located in a county which has imposed a local sales and services tax for school infrastructure purposes prior to July 1, 2008, this action shall be taken before expending or anticipating revenues to be received after the unextended term of the tax unless the school district elects to adopt a revenue purpose statement as provided in [subsection 3](#).

3. a. If the board of directors adopts a resolution to use funds received under the operation of [this chapter](#) solely for providing property tax relief by reducing indebtedness from the levies specified under [section 298.2](#) or [298.18](#), or for radon testing pursuant to [section 280.32](#), the board of directors may approve a revenue purpose statement for that purpose without submitting the revenue purpose statement to a vote of the electors.

b. (1) If the board of directors intends to use funds for purposes other than those listed in paragraph “a”, or change the use of funds to purposes other than those listed in paragraph “a”, the board shall adopt a revenue purpose statement or amend an existing revenue purpose statement, subject to approval of the electors, listing the proposed use of the funds.

(2) (a) Notwithstanding any provision of law to the contrary, for each school district with an existing revenue purpose statement for the use of revenues from the secure an advanced vision for education fund adopted under this paragraph or adopted under another provision of law before July 1, 2019, such revenue purpose statement shall terminate and be of no further force and effect on January 1, 2031, or the expiration date of the revenue purpose statement, whichever is earlier. If such a school district intends to use funds for purposes other than those listed in paragraph “a” and does not intend to operate without a revenue purpose statement on or after January 1, 2031, or the expiration date of the revenue purpose statement, whichever is earlier, the board of directors shall submit a revenue purpose statement for approval by the electors under subparagraph (1) on or after July 1, 2019, and such revenue purpose statement submitted to the electors shall include all proposed uses including those previously approved by the electors, if applicable. The following, in substantially the following form, shall be included in the notice of the election published under paragraph “d” and published on the school district’s internet site:

If a majority of eligible electors voting on the question fail to approve this revenue purpose statement, revenues received by the school district from the secure an advanced vision for education fund shall first be expended for (State the purposes in the order listed in [subsection 1](#) and as required by [subsection 4](#) of [this section](#) for which the revenues received by the school district under [this chapter](#) will be expended.)

(b) Unless a new revenue purpose statement is adopted by the electors, the existing revenue purpose statement remains in effect until January 1, 2031, or the expiration date of the revenue purpose statement, whichever is earlier. If a revenue purpose statement is terminated under the provisions of this subparagraph, such termination shall not affect the validity of or a first lien on bonds issued under [section 423E.5](#), Code 2019, or [section 423F.5](#) prior to the date the revenue purpose statement is terminated under subparagraph division (a), or the validity of a contract or other obligation of the school district secured in whole or in part by or requiring the payment of funds received under [this chapter](#) in effect prior to the date the revenue purpose statement is terminated under subparagraph division (a).

c. The board of directors may use funds received under the operation of [this chapter](#) for a joint infrastructure project with one or more school districts or one or more school districts and a community college established under [chapter 260C](#), for which buildings or facilities are constructed or leased for the purpose of offering classes under a district-to-community

college sharing agreement or concurrent enrollment program that meets the requirements for funding under [section 257.11, subsection 3](#). If the board intends to use funds received under the operation of [this chapter](#) for such a joint infrastructure project, the board shall adopt a revenue purpose statement or amend an existing revenue purpose statement, subject to approval of the electors, stating the proposed use of the funds.

d. The board secretary shall notify the county commissioner of elections of the intent to take an issue to the voters pursuant to paragraph “b” or “c”. The county commissioner of elections shall publish the notices required by law for special or general elections, and the election shall be held on a date specified in [section 39.2, subsection 4](#), paragraph “c”. A majority of those voting on the question must favor approval of the revenue purpose statement. If the proposal is not approved, the school district shall not submit the same or new revenue purpose statement to the electors for a period of six months from the date of the previous election.

4. The revenues received pursuant to [this chapter](#) shall be expended for the purposes specified in the revenue purpose statement. If a board of directors has not approved a revenue purpose statement, the revenues shall be expended in the order listed in [subsection 1](#) except that the payment of bonds for which the revenues have been pledged shall be paid first. Once approved, a revenue purpose statement is effective until amended or repealed by the foregoing procedures. A revenue purpose statement shall not be amended or repealed to reduce the amount of revenue pledged to the payment of principal and interest on bonds as long as any bonds authorized by [sections 423E.5*](#) and [423F.4](#) are outstanding unless funds sufficient to pay principal, interest, and premium, if any, on the outstanding obligations at or prior to maturity have been properly set aside and pledged for that purpose.

5. A school district with a certified enrollment of fewer than two hundred fifty pupils in the entire district or certified enrollment of fewer than one hundred pupils in high school shall not expend the amount received for new construction without prior application to the department of education and receipt of a certificate of need pursuant to [this subsection](#). A certificate of need is not required for repairing schoolhouses or buildings, equipment, technology, or transportation equipment for transporting students as provided in [section 298.3](#), or for construction necessary for compliance with the federal Americans With Disabilities Act pursuant to 42 U.S.C. §12101 – 12117. In determining whether a certificate of need shall be issued or denied, the department shall consider all of the following:

- a. Enrollment trends in the grades that will be served at the new construction site.
- b. The cost-benefit analysis of remodeling, reconstructing, or repairing existing buildings.
- c. The fire and health safety needs of the school district.
- d. The distance, convenience, cost of transportation, and accessibility of the new construction site to the students to be served at the new construction site.
- e. Availability of alternative, less costly, or more effective means of serving the needs of the students.
- f. The financial condition of the district, including the effect of the decline of the budget guarantee and unspent balance.
- g. Broad and long-term ability of the district to support the facility and the quality of the academic program.
- h. Cooperation with other educational entities including other school districts, area education agencies, postsecondary institutions, and local communities.

i. Benefits and effects of the new construction on student learning.

6. a. (1) For purposes of [this chapter](#), “*school infrastructure*” means those activities authorized in [section 423E.1, subsection 3](#), Code 2007.

(2) Additionally, “*school infrastructure*” includes the payment or retirement of outstanding bonds previously issued for school infrastructure purposes as defined in [this subsection](#), and the payment or retirement of bonds issued under [sections 423E.5*](#) and [423F.4](#).

(3) Additionally, “*school infrastructure*” includes the acquisition or installation of information technology infrastructure. For purposes of this subparagraph, “*information technology infrastructure*” means the basic, underlying physical framework or system necessary to deliver technology connectivity to a school district and to network school buildings within a school district.

(4) Additionally, “school infrastructure” includes school safety and security infrastructure. For purposes of this subparagraph, “school safety and security infrastructure” includes but is not limited to safe rooms, remote entry technology and equipment, security camera systems, card access systems, and communication systems with access to fire and police emergency frequencies. For purposes of this subparagraph, “school safety and security infrastructure” does not include the cost of personnel, development of safety and security plans, or training related to the implementation of safety and security plans.

b. It is the intent of the general assembly that each school district prioritize the use of revenues under [this chapter](#) for secure entries for the district’s attendance centers before expending such revenues for athletic facility infrastructure projects.

c. A school district that uses secure an advanced vision for education fund moneys for school infrastructure shall comply with the state building code in the absence of a local building code.

7. a. Prior to approving the use of revenues received under [this chapter](#) for an athletic facility infrastructure project within the scope of the school district’s approved revenue purpose statement or pursuant to [subsection 4](#) for a school district without an approved revenue statement, the board of directors shall adopt a resolution setting forth the proposal for the athletic facility infrastructure project and hold an additional public hearing on the issue of construction of the athletic facility. Notice of the time and place of the public hearing shall be published not less than ten nor more than twenty days before the public hearing in a newspaper which is a newspaper of general circulation in the school district. If at any time prior to the fifteenth day following the hearing, the secretary of the board of directors receives a petition containing the required number of signatures and asking that the question of the approval of the use of revenues for the athletic facility infrastructure project be submitted to the voters of the school district, the board of directors shall either rescind the board’s resolution for the use of revenues for the athletic facility infrastructure project or direct the county commissioner of elections to submit the question to the registered voters of the school district at an election held on a date specified in [section 39.2, subsection 4, paragraph “c”](#). The petition must be signed by eligible electors equal in number to not less than one hundred or thirty percent of the number of voters at the last preceding election of school officials under [section 277.1](#), whichever is greater. If a majority of those voting on the question favors the use of the revenues for the athletic facility infrastructure project, the board shall be authorized to approve such use by resolution of the board. If a majority of those voting on the question does not favor the use of the revenues for the athletic facility infrastructure project, the board of directors shall rescind the board’s resolution for the use of revenues for the athletic facility infrastructure project. If a petition is not received by the board of directors within the prescribed time period, the board of directors may approve the use of revenues for the athletic facility infrastructure project without voter approval.

b. After fourteen days from the date of the hearing under paragraph “a” or fourteen days after the date of the election held under paragraph “a”, if applicable, whichever is later, an action shall not be brought questioning the board of directors’ authority to use funds for the athletic facility infrastructure project or questioning the legality of any proceedings in connection with the authorization of such use.

c. For purposes of [this subsection](#):

(1) “Athletic facility” means a building or structure, or portion thereof, that is not physically attached to a student attendance center.

(2) “Athletic facility infrastructure project” means a school infrastructure project that includes in whole or in part the construction of an athletic facility.

(3) “Construction” does not include repair or maintenance of an existing facility.

8. The general assembly shall not alter the purposes for which the revenues received under [this section](#) may be used from infrastructure and property tax relief purposes to any

other purpose unless the bill is approved by a vote of at least two-thirds of the members of both chambers of the general assembly and is signed by the governor.

2008 Acts, ch 1134, §29; 2008 Acts, ch 1191, §73; 2013 Acts, ch 88, §36; 2013 Acts, ch 141, §50, 51; 2015 Acts, ch 120, §46; 2019 Acts, ch 166, §12 – 16; 2020 Acts, ch 1063, §229; 2022 Acts, ch 1097, §2, 4

Referred to in §76.4, 275.12

Subsection 8 does not apply to the 2022 amendment to subsection 3, paragraph a; 2022 Acts, ch. 1097, §4

*Chapter 423E repealed effective June 30, 2023, pursuant to terms of former §423E.7; corrective legislation is pending

423F.4 Borrowing authority for school districts.

1. Subject to the conditions established under [subsection 2](#), a school district may anticipate its share of the revenues under [section 423F.2](#) by issuing bonds in the manner provided in [section 423E.5](#), Code 2019. However, to the extent any school district has issued bonds anticipating the proceeds of an extended local sales and services tax for school infrastructure purposes imposed by a county pursuant to former [chapter 423E](#), Code and Code Supplement 2007, prior to July 1, 2008, the pledge of such revenues for the payment of principal and interest on such bonds shall be replaced by a pledge of its share of the revenues under [section 423F.2](#).

2. a. Bonds issued on or after July 1, 2019, shall not be sold at public sale as provided in [chapter 75](#), or at a private sale, without notice and hearing. Notice of the time and place of the public hearing shall be published not less than ten nor more than twenty days before the public hearing in a newspaper which is a newspaper of general circulation in the school district.

b. For bonds subject to the requirements of paragraph “a”, if at any time prior to the fifteenth day following the hearing, the secretary of the board of directors receives a petition containing the required number of signatures and asking that the question of the issuance of such bonds be submitted to the voters of the school district, the board shall either rescind its adoption of the resolution or direct the county commissioner of elections to submit the question to the registered voters of the school district at an election held on the date specified in [section 39.2, subsection 4](#), paragraph “d”. The petition must be signed by eligible electors equal in number to not less than one hundred or thirty percent of the number of voters at the last preceding election of school officials under [section 277.1](#), whichever is greater. If the board submits the question at an election and a majority of those voting on the question favors issuance of the bonds, the board shall be authorized to issue the bonds.

c. After fourteen days from the date of the hearing under paragraph “a” or fourteen days after the date of the election held under paragraph “b”, if applicable, whichever is later, an action shall not be brought questioning the legality of any bonds or the power of the authority to issue any bonds or to the legality of any proceedings in connection with the authorization or issuance of the bonds.

2008 Acts, ch 1134, §30; 2019 Acts, ch 166, §17; 2023 Acts, ch 71, §134, 136

Referred to in §275.12, 275.29, 275.30, 275.53, 275.54, 275.55, 423F3

2023 amendment to subsection 2, paragraph b applies July 1, 2023, for elections on propositions relating to the issuing of bonds or other indebtedness occurring on or after that date; 2023 Acts, ch 71, §136

Subsection 2, paragraph b amended

423F.5 Contents of financial audit.

1. A school district shall include as part of its financial audit for the budget year beginning July 1, 2007, and for each subsequent budget year the amount received during the year pursuant to [chapter 423E*](#) or [this chapter](#), as applicable. In addition, the financial audit shall include the amount of bond levies, physical plant and equipment levy, and public educational and recreational levy reduced as a result of the moneys received under [chapter 423E*](#) or [this chapter](#), as applicable. The amount of the reductions shall be stated in terms of dollars and cents per one thousand dollars of valuation and in total amount of property tax dollars. Also included shall be an accounting of the amount of moneys received which were spent for infrastructure purposes pursuant to [chapter 423E*](#) or [this chapter](#), as applicable.

2. The auditor of state may prescribe necessary forms and procedures for the consistent collection of the information required by [this section](#).

[2008 Acts, ch 1134, §31](#); [2011 Acts, ch 25, §43](#)

Referred to in [§291.10, 423F.3](#)

*[Chapter 423E](#) repealed effective June 30, 2023, pursuant to terms of former [§423E.7](#); corrective legislation is pending

423F.6 Repeal.

[This chapter](#) is repealed January 1, 2051.

[2008 Acts, ch 1134, §32](#); [2019 Acts, ch 166, §18](#)