

FILED FEB 17 1984

EDUCATION

SENATE FILE 2133

BY WARNSTADT

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
 Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the distribution of moneys in the secure an  
 2 advanced vision for education fund under the local sales and  
 3 services tax for school infrastructure purposes and including  
 4 an effective date.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2133 EDUCATION

1 Section 1. Section 422E.3, subsection 5, paragraph e, Code  
2 Supplement 2003, is amended by striking the paragraph and  
3 inserting in lieu thereof the following:

4 e. The amount of tax receipts credited to the account  
5 within the secure an advanced vision for education fund  
6 maintained in the name of a school district shall be  
7 distributed to that school district as provided in paragraphs  
8 "a", "b", and "c". Any additional moneys available to the  
9 school district from the fund shall be determined and  
10 distributed as a supplemental school infrastructure amount as  
11 provided in section 422E.3A, subsection 3.

12 Sec. 2. Section 422E.3A, subsection 1, Code Supplement  
13 2003, is amended to read as follows:

14 1. A secure an advanced vision for education fund is  
15 created as a separate and distinct fund in the state treasury  
16 under the control of the department of revenue. Moneys in the  
17 fund include revenues credited to the fund pursuant to this  
18 chapter, appropriations made to the fund, and other moneys  
19 deposited into the fund. Appropriations made to the fund  
20 shall be credited to a separate appropriations account. Any  
21 amounts disbursed from the fund shall be utilized for school  
22 infrastructure purposes or property tax relief.

23 Sec. 3. Section 422E.3A, subsections 2 through 5, Code  
24 Supplement 2003, are amended by striking the subsections and  
25 inserting in lieu thereof the following:

26 2. a. For purposes of the distributions in subsection 3,  
27 the department of education, in consultation with the  
28 departments of management and revenue, shall compute by June 1  
29 preceding each budget year the infrastructure tax capacity,  
30 statewide infrastructure tax capacity, and infrastructure tax  
31 capacity inequity for each school district located in whole or  
32 in part in a county that has imposed the local sales and  
33 services tax for school infrastructure purposes under this  
34 chapter.

35 b. For purposes of this section:

1 (1) "Actual enrollment" for a school district means the  
2 actual enrollment as reported by October 1 to the department  
3 of management by the department of education pursuant to  
4 section 257.6, subsection 1.

5 (2) "Infrastructure tax capacity" means for a school  
6 district the estimated amount of revenues that a school  
7 district receives or would receive if the regular physical  
8 plant and equipment levy of thirty-three cents per thousand  
9 dollars is imposed, divided by the school district's actual  
10 enrollment.

11 (3) "Infrastructure tax capacity inequity" means the  
12 amount that a school district's infrastructure tax capacity is  
13 less than the statewide infrastructure tax capacity. If a  
14 school district's infrastructure tax capacity exceeds the  
15 statewide infrastructure tax capacity, the school district  
16 does not have an inequity.

17 (4) "Statewide infrastructure tax capacity" means the  
18 amount determined by estimating the total revenues that would  
19 be generated by a regular physical plant and equipment levy of  
20 thirty-three cents per thousand dollars if imposed by all the  
21 school districts during the budget year and dividing this  
22 estimated revenue amount by the sum of the combined actual  
23 enrollment for all school districts.

24 3. The appropriations credited in a fiscal year to the  
25 appropriations account of the secure an advanced vision for  
26 education fund shall be distributed as a supplemental school  
27 infrastructure amount as follows:

28 a. The department of education shall compute the  
29 infrastructure tax capacity inequity of each school district  
30 located in whole or in part in a county that has imposed the  
31 tax under this chapter.

32 b. The department of revenue, in conjunction with the  
33 department of education, shall distribute to the extent  
34 sufficient funds are available a supplemental school  
35 infrastructure amount to each school district that has an

1 infrastructure tax capacity inequity. The amount of the  
2 supplemental school infrastructure amount distributed shall be  
3 an amount equal to the school district's infrastructure tax  
4 capacity inequity. If sufficient funds are not available, the  
5 director of revenue shall distribute to the school district  
6 with the highest infrastructure tax capacity inequity an  
7 amount equal to such inequity. Any additional funds shall  
8 then be distributed to the school district with the next  
9 highest inequity. Any additional funds will then be  
10 distributed to the next school district in descending order of  
11 inequity until the funds have all been distributed.

12 4. Moneys received by a school district as a supplemental  
13 school infrastructure amount shall be used solely for school  
14 infrastructure purposes and shall not be used to reduce any  
15 property tax levy.

16 Sec. 4. Section 422E.4, unnumbered paragraph 1, Code  
17 Supplement 2003, is amended to read as follows:

18 The board of directors of a school district shall be  
19 authorized to issue negotiable, interest-bearing school bonds,  
20 without election, and utilize tax receipts derived from the  
21 sales and services tax for school infrastructure purposes and  
22 the supplemental school infrastructure amount distributed  
23 pursuant to section 422E.3A, subsection ~~27-paragraph-"b"~~ 3,  
24 for principal and interest repayment. Proceeds of the bonds  
25 issued pursuant to this section shall be utilized solely for  
26 school infrastructure needs as school infrastructure is  
27 defined in section 422E.1, subsection 3. Issuance of bonds  
28 pursuant to this section shall be permitted only in a district  
29 which has imposed a local sales and services tax for school  
30 infrastructure purposes pursuant to section 422E.2. The  
31 provisions of sections 298.22 through 298.24 shall apply  
32 regarding the form, rate of interest, registration,  
33 redemption, and recording of bond issues pursuant to this  
34 section, with the exception that the maximum period during  
35 which principal on the bonds is payable shall not exceed the

1 date of repeal stated on the ballot proposition.

2 Sec. 5. EFFECTIVE DATE. This Act, being deemed of  
3 immediate importance, takes effect upon enactment.

4 EXPLANATION

5 Under present law, Code chapter 422E, school districts may  
6 receive, through a county-imposed local option sales and  
7 services tax for school infrastructure purposes, moneys to be  
8 used for infrastructure or property tax levy reduction.  
9 Specifically, the chapter provides that counties that impose  
10 the local option sales and services tax on or after April 1,  
11 2003, will have their tax collections placed in a secure an  
12 advanced vision for education fund. Each school district  
13 within such counties will receive from this fund the amount  
14 per pupil collected in its county, not to exceed the school  
15 district's guaranteed per pupil amount. If the amount of the  
16 per pupil amount collected is less than the guaranteed per  
17 pupil amount, the school district would receive a supplemental  
18 amount per pupil equal to the difference. School districts  
19 located in counties that have imposed the tax prior to April  
20 1, 2003, would also have their tax collections deposited into  
21 the fund but would receive all of the tax collected in the  
22 county without limitation by the guaranteed per pupil amount.  
23 However, a school district that receives less than its  
24 guaranteed per pupil amount would also receive a supplemental  
25 amount per pupil equal to the difference. A school district's  
26 guaranteed per pupil amount equals \$575 per pupil if the  
27 school district has imposed the full one cent tax for the  
28 entire fiscal year. If the tax is imposed for less than one  
29 cent or for less than the entire fiscal year, a proportional  
30 amount would be the guaranteed per pupil amount.

31 This bill amends the present distribution formula. The  
32 bill provides that each school district would receive the  
33 amount of local sales and services tax collected in the county  
34 prorated, based upon its enrollment in the county. In  
35 addition, any other moneys, including appropriations,

1 deposited into the secure an advanced vision for education  
2 fund would be distributed to those school districts located in  
3 a county that has imposed the infrastructure tax which would  
4 not be able to raise from the 33 cents per \$1,000 of assessed  
5 value regular physical plant and equipment levy an amount per  
6 pupil at least equal to the statewide average per pupil amount  
7 raised by such a levy.

8     The bill takes effect upon enactment.

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