Senate File 1163
Appropriations
Van Gilst,
Chairperson
Culver
Andersen

FILED FEB 18 1976

SENATE FILE 1163

By HANSEN

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to financial support of elementary and
2 secondary education and making an appropriation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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SENATE FILE 1163

S-5231

1 Amend Senate File 1163, page 2, by striking lines
2 7 through 9 and inserting in lieu thereof the follow-
3 ing: "valuation on all taxable property which,
4 beginning July 1, 1977, shall be based upon an average
5 of assessed valuation of taxable property for the
6 most recent two-year period and for the school year
7 beginning July 1, 1978, and each subsequent year
8 beginning on July first, the assessed valuation on
9 all taxable property shall be based upon an average
10 of assessed valuation of taxable property for the
11 most recent three-year period in".

S-5231 FILED
FEBRUARY 26, 1976 BY WILLARD R. HANSEN

S.F. 1163 H.F. _____

Section 1. Section twenty-four point three (24.3), subsection four (4), Code 1975, is amended to read as follows:

4. A comparison of ~~such amounts so proposed to be expended with the amounts expended for like purposes for the two preceding years~~ the estimated revenue and proposed expenditure with estimated revenue and expenditure of the current budget and with the actual revenue and expenditure for the most recently completed fiscal year.

Sec. 2. Section four hundred forty-one point twenty-one (441.21), subsection one (1), unnumbered paragraph five (5), and paragraphs a and b, Code 1975, as amended by Acts of the Sixty-sixth General Assembly, 1975 Session, chapter two hundred five (205), are amended to read as follows:

In assessing and determining the actual value of agricultural property ~~fifty percent~~ consideration shall be given in proportion to each of the following factors:

a. ~~The~~ Two-thirds upon the productivity and net earning capacity of the property determined on the basis of the use for agricultural purposes capitalized at a rate representing a fair return on the investment, such rate to be established by the state board of tax review and applied uniformly among counties and among classes of property.

b. ~~The~~ One-third upon the fair and reasonable market value of such property as defined herein, but such market value shall be based only on its current use and not on its potential value for other uses.

Sec. 3. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1976 and ending June 30, 1977, from funds not otherwise appropriated the amount of two hundred thousand (200,000) dollars or so much thereof as necessary to the department of revenue to be used to defray expenses for the costs of review and reassessment of industrial and manufacturing property.

Sec. 4. Section four hundred forty-two point two (442.2), unnumbered paragraph one (1), Code 1975, as amended by Acts

CPA-34947 1/71

of the Sixty-sixth General Assembly, 1975 Session, chapter two hundred five (205), section six (6), is amended to read as follows:

Each school district shall cause to be levied each year, for the school general fund, a foundation property tax of five dollars and forty cents per thousand dollars of assessed valuation on all taxable property which, beginning July 1, 1976, shall be based upon an average of the most recent three-year period for assessed valuation of taxable property in the district. For the purpose of this chapter, a school district is defined as a school corporation organized under chapter 274. Each county auditor shall certify to each school district within the county and to the state comptroller, not later than January first each year, the assessed valuation of taxable property for the current year in each school district within the county and the average of the most recent three-year period for assessed valuation of taxable property.

Sec. 5. Section four hundred forty-two point three (442.3), Code 1975, is amended to read as follows:

442.3 STATE FOUNDATION BASE. The state foundation base for the school year beginning July 1, ~~1972~~ 1976, is ~~seventy~~ eighty percent of the state cost per pupil. ~~For each succeeding school year the state foundation base shall be increased by the amount of one percent of the state cost per pupil, up to a maximum of eighty percent of the state cost per pupil.~~ The district foundation base is the larger of the state foundation base or the amount per pupil which the district will receive from foundation property tax and state school foundation aid.

EXPLANATION

This bill provides for an increase of the state foundation base of state support of elementary and secondary education from 74 percent for the fiscal year beginning July 1, 1976 to 80 percent and provides that the assessment of the $5.40 per $1,000 of assessed valuation of taxable property

SFA-34946 1/71

should be based on an average of the assessed value of taxable property for the most recent preceding three years. This bill provides for a change to the assessment methods for agricultural property and provides an appropriation to the department of revenue to reassess industrial and manufacturing property.

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CPA-34947 1/71