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SENATE FILE 2187
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Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the levying of property taxes and the payment
2 of state foundation aid to local school districts and area
3 education agencies for the fiscal years beginning July 1, 1986
4 and July 1, 1987 and providing that the Act will take effect
5 upon its publication.

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

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S.F. 2187

1 Section 1. NEW SECTION. 442.65 REGULAR PROGRAM DISTRICT
2 COST.

3 For the budget year beginning July 1, 1986, the regular
4 program district cost of a school district is equal to the
5 district cost per pupil for that district for the base year
6 less the amount per pupil for special education support
7 services for the base year, multiplied by the balance of the
8 weighted enrollment for the base year less the additional
9 enrollment because of special education for the base year of
10 the district, plus the amount of dollars a district received
11 under section 442.28 during the base year.

12 Sec. 2. NEW SECTION. 442.66 SPECIAL EDUCATION INSTRUCC-
13 TION DISTRICT COST.

14 For the budget year beginning July 1, 1986, the special
15 education instruction district cost of a school district is
16 equal to the district cost per pupil for the base year for
17 that district less the amount per pupil for special education
18 support services for the base year multiplied by the
19 additional enrollment because of special education for the
20 base year and adding that total to the amount of dollars a
21 district received under section 442.38 for the base year.

22 Sec. 3. NEW SECTION. 442.67 AREA EDUCATION AGENCIES
23 SPECIAL EDUCATION SUPPORT DISTRICT COST.

24 For the budget year beginning July 1, 1986, the area edu-
25 cation agency special education district cost for an area
26 education agency is equal to the amount per pupil for special
27 education support services for the base year multiplied by the
28 weighted enrollment for the base year and subtracting that
29 district's portion of the area education agency special
30 education support services budget reduction determined by the
31 state comptroller pursuant to section 442.72 from the total.

32 Sec. 4. NEW SECTION. 442.68 MEDIA AND EDUCATIONAL SER-
33 VICES DISTRICT COST.

34 For the budget year beginning July 1, 1986, the media and
35 educational services district cost for an area education

1 agency is equal to the area media services cost per pupil for
2 the base year plus the area education agency educational
3 services cost per pupil for the base year multiplied by the
4 enrollment served in the base year and subtracting the
5 district's portion of the area education agency media and
6 educational services budget reduction as determined by the
7 state comptroller pursuant to section 442.72 from the total.

8 Sec. 5. NEW SECTION. 442.69 TOTAL FOUNDATION BASE DOL-
9 LARS.

10 1. For the budget year beginning July 1, 1986, the total
11 foundation base dollars are equal to eighty percent of the
12 state cost per pupil for the base year multiplied by the
13 weighted enrollment for the base year and adding to that
14 balance the amount of the state school aid portion of an
15 advance computed pursuant to section 442.28 and the amount of
16 the state school aid portion of the advance for special
17 education computed pursuant to section 442.38.

18 2. Notwithstanding section 442.1, if a district's state
19 school foundation aid for the budget year beginning July 1,
20 1986 is less than an amount equal to two hundred dollars
21 multiplied by the weighted enrollment for the base year, that
22 district's state school foundation aid shall be increased by
23 the difference between the two and its additional property tax
24 reduced by that difference.

25 Sec. 6. NEW SECTION. 442.70 FOUNDATION PROPERTY TAX.

26 Notwithstanding section 442.2, for the budget year begin-
27 ning July 1, 1986, the foundation property tax rate per thou-
28 sand dollars of assessed valuation is the rate computed by
29 dividing five dollars and forty cents by a quantity, the
30 numerator of which is the total assessed valuation of all
31 taxable property in school districts in the state as of
32 January 1, 1985, and the denominator of which is the total
33 assessed valuation of all taxable property of school districts
34 in the state as of January 1, 1984.

35 Sec. 7. NEW SECTION. 442.71 DISTRICT COST.

1 For the budget year beginning July 1, 1986, the district
2 cost of a school district is equal to the sum of the regular
3 program district cost as computed in section 442.65, special
4 education instruction district cost as computed in section
5 442.66, area education agency special education support
6 district cost as computed in section 442.66, media and
7 educational services district cost as computed in section
8 442.67, additional district cost added for moneys received by
9 a school district under section 302.3, Code 1981, and
10 additional allowable growth granted by the school budget
11 review committee under section 442.13 pursuant to section
12 442.84.

13 Sec. 8. NEW SECTION. 442.72 AEA BUDGET REDUCTION.

14 For the budget year beginning July 1, 1986, funding for
15 special education support services and media and educational
16 services shall be reduced by three hundred thousand dollars on
17 a statewide basis. The state comptroller shall prorate this
18 amount among special education support services and media
19 services and educational services and among area education
20 agencies based upon the relative cost of each service for each
21 area education agency for the budget year beginning July 1,
22 1985.

23 Sec. 9. NEW SECTION. 442.73 STATE COST PER PUPIL.

24 For purposes of computing allowable growth for the budget
25 year beginning July 1, 1987, the state cost per pupil for the
26 base year is equal to the state cost per pupil for the year
27 preceding the base year.

28 Sec. 10. NEW SECTION. 442.74 DISTRICT COST PER PUPIL.

29 For purposes of determining district cost per pupil for the
30 budget year beginning July 1, 1987, and succeeding years, the
31 district cost per pupil for the budget year beginning July 1,
32 1986, is equal to the district cost per pupil for the base
33 year, modified as follows:

34 1. The special education support services cost per pupil
35 shall be reduced by an amount equal to the reduction deter-

1 mined under section 442.72 and then divided by weighted
2 enrollment for the base year.

3 2. The media services cost per pupil shall be reduced by
4 an amount equal to the reduction for media services cost
5 determined under section 442.72 and then divided by the total
6 enrollment served for the base year.

7 3. The educational services cost per pupil shall be re-
8 duced by an amount equal to the reduction for educational
9 services cost determined under section 442.72 and then divided
10 by the total enrollment served for the base year.

11 Sec. 11. NEW SECTION. 442.75 ALLOWABLE GROWTH.

12 For the budget year beginning July 1, 1987, the basic al-
13 lowable growth per pupil shall be computed by multiplying the
14 state cost per pupil for the base year times eighty percent of
15 the state percent of growth calculated for the budget year.
16 The allowable growth added to state cost per pupil for special
17 education support services is the amount included in state
18 cost per pupil for special education support services for the
19 base year times eighty percent of the state percent of growth
20 for the budget year. Notwithstanding section 442.27, for the
21 budget year beginning July 1, 1987, the amount funded for
22 media and educational services is equal to the amount funded
23 for media and educational services for the fiscal year be-
24 ginning July 1, 1985. For the budget year beginning July 1,
25 1987, the state comptroller shall recompute the state percent
26 of growth computed in September of 1985 and forwarded to the
27 commissioner of public instruction, using adjusted estimates
28 and actual figures available. The difference between the
29 recomputed state percent of growth for September of 1985 and
30 the original computation shall be added to or subtracted from
31 the state percent of growth for the budget year, as
32 applicable. For the budget year beginning July 1, 1987,
33 section 442.7, subsections 4 and 7, do not apply.

34 Sec. 12. NEW SECTION. 442.76 DISTRICT COST PER PUPIL.

35 For the budget year beginning July 1, 1987, the district

1 cost per pupil shall equal the district cost per pupil for the
2 base year plus eighty percent of the allowable growth computed
3 under section 442.75.

4 Sec. 13. NEW SECTION. 442.77 PROPERTY TAX.

5 1. For the budget year beginning July 1, 1987, the founda-
6 tion property tax rate per thousand dollars of assessed valua-
7 tion is the rate computed by dividing five dollars and forty
8 cents by a quantity, the numerator of which is the total
9 assessed valuation of all taxable property in school districts
10 in the state as of January 1, 1986, and the denominator of
11 which is the total assessed valuation of all taxable property
12 in school districts in the state as of January 1, 1984.

13 2. For the budget year beginning July 1, 1987, and suc-
14 ceeding budget years, the amount paid to each school district
15 from the personal property tax replacement fund established in
16 sections 427A.9 through 427A.14 shall be regarded as property
17 tax, pursuant to section 442.2, subsection 3.

18 Sec. 14. NEW SECTION. 442.78 BUDGET GUARANTEE.

19 For the budget year beginning July 1, 1987, if an amount
20 equal to the district cost per pupil for the budget year minus
21 the amount included in the district cost per pupil for the
22 budget year to compensate for the cost of special education
23 support services for a school district for the budget year and
24 then multiplied by the budget enrollment of the school
25 district for the budget year is less than one hundred percent
26 times an amount equal to the district cost per pupil for the
27 base year minus the amount included in the district cost per
28 pupil for the base year to compensate for the cost of special
29 education support services for a school district for the base
30 year and multiplied by the budget enrollment for the school
31 district for the base year, the state comptroller shall
32 increase the budget enrollment for the school district for the
33 budget year to a number which will provide that one hundred
34 percent amount.

35 Sec. 15. NEW SECTION. 442.79 ADVANCE FOR INCREASING

1 ENROLLMENT.

2 Notwithstanding section 442.28, for the budget year be-
3 ginning July 1, 1987, if a district's actual enrollment for
4 the budget year, determined under section 442.4, is higher
5 than its actual enrollment for the base year, the district is
6 entitled to an advance from the state of an amount equal to
7 the balance of its district cost per pupil less the amount per
8 pupil for special education support services, computed as a
9 part of district cost under section 442.7 for the budget year,
10 multiplied by the difference between the actual enrollment for
11 the budget year and the actual enrollment for the base year.

12 Sec. 16. NEW SECTION. 442.80 OTHER LEVY LIMITATIONS.

13 1. The maximum amount in dollars which may be received
14 from the following levies of a district for taxes payable in
15 each of the fiscal years beginning July 1, 1986, and July 1,
16 1987, shall not exceed the amount in dollars received from
17 those levies for taxes payable in the fiscal year beginning
18 July 1, 1985, for the following levies, except as otherwise
19 provided in sections 442.65 through 442.85:

20 a. Taxes for the schoolhouse levy under section 278.1,
21 subsection 7.

22 b. Taxes for the site levy under section 297.5.

23 c. Taxes for the playground levy under section 300.1.

24 d. Taxes for the lease-purchase levy under section 278.1,
25 subsection 10.

26 e. Taxes for the tort liability levy under section 613A.7.

27 f. Taxes for the unemployment benefits levy under section
28 96.31.

29 g. Taxes for the cash reserve levy under section 298.10.

30 2. For the fiscal year beginning July 1, 1987, the maximum
31 amount that may be received from levies listed in subsection 1
32 shall be reduced by an amount equal to the actual value of
33 personal property assessed for taxation in the district as of
34 January 1, 1973, excluding livestock, multiplied by the
35 applicable property tax rate of the district for taxes levied

1 for the fiscal year beginning July 1, 1985, as determined by
2 the state comptroller.

3 3. The limitation prescribed in subsection 1 does not apply
4 to taxes levied for the debt service fund under section 298.18
5 or to taxes approved by a vote at an election which are first
6 payable during the fiscal year beginning July 1, 1986, or July
7 1, 1987.

8 4. If the property tax dollars received from levies by a
9 district for the fiscal year beginning July 1, 1986, or July
10 1, 1987, exceed the limitations established by sections 442.65
11 through this section, the state comptroller shall reduce the
12 property tax levies to a rate that will bring in an amount in
13 dollars equal to the amount in dollars received for taxes
14 payable in the fiscal year beginning July 1, 1985, subject to
15 subsection 3 and section 442.81.

16 Sec. 17. NEW SECTION. 442.81 APPEAL PROCEDURES.

17 A school district may certify proposed additions to a levy
18 in excess of the limitations imposed by this Act, subject to
19 approval by the state appeal board, as follows:

20 1. The school district shall petition the state appeal
21 board for approval of the proposed addition to a tax levy on
22 forms furnished by the state comptroller no later than
23 February 15.

24 2. Additional costs incurred by the school district due to
25 the following circumstances are the basis for justifying an
26 addition to a tax levy:

- 27 a. Natural disaster or other life-threatening emergencies.
- 28 b. Unusual problems relating to major new functions.

29 3. The state appeal board shall approve, disapprove, or
30 reduce the rate of the tax levy in excess of the limits. The
31 board shall take into account the intent of sections 442.65
32 through 442.80 to provide property tax relief. The decision
33 of the board shall be rendered at a regular or special meeting
34 of the board within twenty days of the board's receipt of an
35 appeal.

1 4. Upon receipt of the decision of the appeal board, the
2 school district shall publish, adopt, and certify its budget
3 under chapter 24. The budget shall not contain property tax
4 levies in excess of the levies approved by the state appeal
5 board.

6 Sec. 18. NEW SECTION. 442.82 BUDGET APPEAL NOT AFFECTED.

7 Sections 442.65 through 442.81 do not prohibit or affect a
8 protest filed with the state appeal board by persons affected
9 by the total budget of the district under section 24.27.

10 Sec. 19. NEW SECTION. 442.83 PROPERTY TAX LEVY LIMITA-
11 TIONS NOT AFFECTED.

12 Section 442.80 does not remove or otherwise affect the
13 property tax limitations otherwise provided by law for each of
14 the tax levies listed in section 442.80, subsection 1.

15 Sec. 20. NEW SECTION. 442.84 SUSPENDED PROVISIONS.

16 For the fiscal year beginning July 1, 1986, section 442.4,
17 subsection 5, and section 442.28, Code Supplement 1985, and
18 section 442.38, Code 1985, are not applicable. For the fiscal
19 years beginning July 1, 1986 and July 1, 1987, section 24.48
20 and section 442.13, subsections 4, 5, 6, 14, and 15, Code
21 1985, are not applicable.

22 Sec. 21. NEW SECTION. 442.85 PREVAILING LAW.

23 Sections 442.65 through this section prevail over any
24 inconsistent statutes.

25 Sec. 22. This Act, being deemed of immediate importance,
26 takes effect from and after its publication in the Quad City
27 Times, a newspaper published in Davenport, Iowa, and in the
28 Eldora Herald-Ledger, a newspaper published in Eldora, Iowa.

29 EXPLANATION

30 This bill for fiscal years 1986-87 and 1987-88 limits local
31 school district property tax dollars raised to an amount no
32 greater than the property tax dollars raised in 1985-86. The
33 bill provides that for 1986-87 state school foundation aid to
34 local school districts will equal the amount that would have
35 been paid in 1985-1986 if the 3.85 percent across-the-board

1 reduction had not been imposed. In fiscal year 1987-88 the
2 allowable growth is provided at 80 percent of the state
3 percent of growth under the formula. This bill provides that
4 school district budgets for fiscal year 1987-88 will at least
5 be equal to school district budgets for 1986-1987. This bill
6 reduces area education agencies' funding by \$300,000. It
7 provides that a school district is limited in total dollars
8 for 1987-1988 for the schoolhouse levy, the site levy, the
9 playground levy, the lease-purchase levy, the tort liability
10 levy, the unemployment benefits levy, and the cash reserve
11 levy to the total dollars received for those levies in 1986-
12 1987.

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