SENATE FILE 176

BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 1145)

A BILL FOR

1 An Act relating to school district property tax replacement
2   payments for certain budget years and including effective
3   date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1   Section 1. Section 257.16B, subsection 2, paragraph b,
2 unnumbered paragraph 1, Code 2015, is amended to read as
3 follows:
4   For ~~each~~ the budget year beginning ~~on or after~~ July 1, 2014,
5 the department of management shall calculate for each school
6 district all of the following:
7   Sec. 2. Section 257.16B, subsection 2, paragraph b,
8 subparagraph (3), Code 2015, is amended to read as follows:
9   (3) The amount of each school district's property tax
10 replacement payment. Each school district's property tax
11 replacement payment equals the school district's weighted
12 enrollment for the budget year beginning July 1, 2014,
13 multiplied by the remainder of the amount calculated for
14 the school district under subparagraph (2) minus the amount
15 calculated for the school district under subparagraph (1).
16   Sec. 3. Section 257.16B, subsection 2, Code 2015, is amended
17 by adding the following new paragraphs:
18   NEW PARAGRAPH. *c.* For the budget year beginning July 1,
19 2015, the department of management shall calculate for each
20 school district all of the following:
21   (1) The regular program state cost per pupil for the budget
22 year beginning July 1, 2012, multiplied by one hundred percent
23 less the regular program foundation base per pupil percentage
24 pursuant to section 257.1.
25   (2) The regular program state cost per pupil for the budget
26 year beginning July 1, 2015, multiplied by one hundred percent
27 less the regular program foundation base per pupil percentage
28 pursuant to section 257.1.
29   (3) The amount of each school district's property tax
30 replacement payment. Each school district's property tax
31 replacement payment equals the school district's weighted
32 enrollment for the budget year beginning July 1, 2015,
33 multiplied by the remainder of the amount calculated for
34 the school district under subparagraph (2) minus the amount
35 calculated for the school district under subparagraph (1).

1   <u>NEW PARAGRAPH.</u> *d.* For each budget year beginning on
2 or after July 1, 2016, the department of management shall
3 calculate for each school district all of the following:
4   (1) The regular program state cost per pupil for the budget
5 year beginning July 1, 2012, multiplied by one hundred percent
6 less the regular program foundation base per pupil percentage
7 pursuant to section 257.1.
8   (2) The regular program state cost per pupil for the budget
9 year beginning July 1, 2016, multiplied by one hundred percent
10 less the regular program foundation base per pupil percentage
11 pursuant to section 257.1.
12   (3) The amount of each school district's property tax
13 replacement payment. Each school district's property tax
14 replacement payment equals the school district's weighted
15 enrollment for the budget year multiplied by the remainder
16 of the amount calculated for the school district under
17 subparagraph (2) minus the amount calculated for the school
18 district under subparagraph (1).
19   Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
20 immediate importance, takes effect upon enactment.
21   EXPLANATION

22   *The inclusion of this explanation does not constitute agreement with*
23   *the explanation's substance by the members of the general assembly.*

24   Current Code section 257.16B provides for school district
25 property tax replacement payments. For the budget year
26 beginning July 1, 2013, each school district's property tax
27 replacement payment amount is equal to the school district's
28 weighted enrollment for that budget year multiplied by the
29 difference of the following: (1) the regular program state
30 cost per pupil for the budget year beginning July 1, 2013,
31 multiplied by 100 percent less the regular program foundation
32 base per pupil percentage; and (2) the regular program state
33 cost per pupil for the budget year beginning July 1, 2012,
34 multiplied by 100 percent less the regular program foundation
35 base per pupil percentage. For each budget year beginning on

1 or after July 1, 2014, each school district's property tax
2 replacement payment amount is equal to the school district's
3 weighted enrollment for the budget year multiplied by the
4 difference of the following: (1) the regular program state
5 cost per pupil for the budget year beginning July 1, 2014,
6 multiplied by 100 percent less the regular program foundation
7 base per pupil percentage; and (2) the regular program state
8 cost per pupil for the budget year beginning July 1, 2012,
9 multiplied by 100 percent less the regular program foundation
10 base per pupil percentage.
11   The bill modifies the replacement payment calculation for
12 the budget year beginning July 1, 2015. For the budget year
13 beginning July 1, 2015, each school district's property tax
14 replacement payment amount is equal to the school district's
15 weighted enrollment for the budget year beginning July 1, 2015,
16 multiplied by the difference of the following: (1) the regular
17 program state cost per pupil for the budget year beginning July
18 1, 2015, multiplied by 100 percent less the regular program
19 foundation base per pupil percentage; and (2) the regular
20 program state cost per pupil for the budget year beginning July
21 1, 2012, multiplied by 100 percent less the regular program
22 foundation base per pupil percentage.
23   The bill also modifies the replacement payment calculation
24 for budget years beginning on or after July 1, 2016. For each
25 budget year beginning on or after July 1, 2016, each school
26 district's property tax replacement payment amount is equal to
27 the school district's weighted enrollment for the budget year
28 multiplied by the difference of the following: (1) the regular
29 program state cost per pupil for the budget year beginning July
30 1, 2016, multiplied by 100 percent less the regular program
31 foundation base per pupil percentage; and (2) the regular
32 program state cost per pupil for the budget year beginning July
33 1, 2012, multiplied by 100 percent less the regular program
34 foundation base per pupil percentage.