

**423E.4 Secure an advanced vision for education fund distribution formula.**

1. The moneys credited in a fiscal year to the secure an advanced vision for education fund shall be distributed as follows:

a. A school district that is located in whole or in part in a county that voted on and approved prior to April 1, 2003, the local sales and services tax for school infrastructure purposes and that has a sales tax capacity per student above the guaranteed school infrastructure amount shall receive for the remainder of the unextended term of the tax an amount equal to its pro rata share of the local sales and services tax receipts as provided in section 423E.3, subsection 3, paragraph “a”, unless the school board passes a resolution by October 1, 2003, agreeing to receive a distribution pursuant to paragraph “b”, subparagraph (1).

b. (1) A school district that is located in whole or in part in a county that voted on and approved prior to April 1, 2003, the local sales and services tax for school infrastructure purposes and that has a sales tax capacity per student below its guaranteed school infrastructure amount shall receive for the remainder of the unextended term of the tax an amount equal to its pro rata share of the local sales and services tax receipts as provided in section 423E.3, subsection 3, paragraph “a”, plus an amount equal to its supplemental school infrastructure amount, unless the school district passes a resolution by October 1, 2003, agreeing to receive only an amount equal to its pro rata share as provided in section 423E.3, subsection 3, paragraph “a”, in all subsequent years.

(2) A school district that is located in whole or in part in a county that voted on and approved on or after April 1, 2003, the local sales and services tax for school infrastructure purposes shall receive an amount equal to its pro rata share of the local sales and services tax receipts as provided in section 423E.3, subsection 3, paragraph “a”, not to exceed its guaranteed school infrastructure amount. However, if the school district’s pro rata share is less than its guaranteed school infrastructure amount, the district shall receive an additional amount equal to its supplemental school infrastructure amount.

(3) A school district that is located in whole or in part in a county that voted on and approved the extension of the local sales and services tax for school infrastructure purposes pursuant to section 423E.2, subsection 5, Code 2007, on or after April 1, 2003, shall receive for any extended period an amount equal to its pro rata share of the local sales and services tax receipts as provided in section 423E.3, subsection 3, paragraph “a”, not to exceed its guaranteed school infrastructure amount. However, if the school district’s pro rata share is less than its guaranteed school infrastructure amount, the district shall receive an additional amount equal to its supplemental school infrastructure amount.

c. In the case of a school district located in more than one county, the amount to be distributed to the school district shall be separately computed for each county based upon the school district’s actual enrollment that attends school in the county.

2. a. The director of revenue by August 15 of each fiscal year shall compute the guaranteed school infrastructure amount for each school district, each school district’s sales tax capacity per student for each county, the statewide tax revenues per student, and the supplemental school infrastructure amount for the fiscal year.

b. For purposes of distributions under subsection 1:

(1) “*Guaranteed school infrastructure amount*” means for a school district the statewide tax revenues per student, multiplied by the quotient of the tax rate percent imposed in the county, divided by one percent and multiplied by the quotient of the number of quarters the tax is imposed during the fiscal year divided by four quarters.

(2) “*Sales tax capacity per student*” means for a school district the estimated amount of revenues that a school district would receive if a local sales and services tax for school infrastructure purposes was imposed at one percent in the county pursuant to section 423E.2, Code 2007, divided by the school district’s actual enrollment as determined in section 423E.3, subsection 3, paragraph “a”.

(3) “*Statewide tax revenues per student*” means the amount determined by estimating the total revenues that would be generated by a one percent local option sales and services tax for school infrastructure purposes if imposed by all the counties during the entire fiscal year and dividing this estimated revenue amount by the sum of the combined actual enrollment

for all counties as determined in section 423E.3, subsection 3, paragraph “a”, subparagraph (2).

(4) “*Supplemental school infrastructure amount*” means the guaranteed school infrastructure amount for the school district less its pro rata share of local sales and services tax for school infrastructure purposes as provided in section 423E.3, subsection 3, paragraph “a”.

3. a. For the purposes of distribution under subsection 1, paragraph “b”, subparagraph (1), a school district with a sales tax capacity per student below its guaranteed school infrastructure amount shall use the amount equal to the guaranteed school infrastructure amount less the pro rata share amount in accordance with section 423E.3, subsection 3, paragraph “a”, for the purpose of paying principal and interest on outstanding bonds previously issued for school infrastructure purposes as defined in section 423E.1, subsection 3, Code 2007. Any money remaining after the payment of all principal and interest on outstanding bonds previously issued for infrastructure purposes may be used for any authorized infrastructure purpose of the school district. If a majority of the voters in the school district approves the use of revenue pursuant to a revenue purpose statement in an election held after July 1, 2003, in the school district pursuant to section 423E.2, Code Supplement 2007, the school district may use the amount for the purposes specified in its revenue purpose statement.

b. Nothing in this section shall prevent a school district from using its sales tax capacity per student or guaranteed school infrastructure amount to pay principal and interest on obligations issued pursuant to section 423E.5.

4. In the case of a deficiency in the fund to pay the supplemental school infrastructure amounts in full, the amount available in the fund less the sales and services tax revenues for school infrastructure purposes attributed to each school district should be allocated first to increase the school district with the lowest sales tax capacity per student to an amount equal to the school district or school districts with the next lowest sales tax capacity per student and then increase the school districts to an amount equal to the school district or school districts with the next lowest sales tax capacity per student and continue on in this manner until money is no longer available or all school districts reach their guaranteed school infrastructure amount.

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 supplemental school infrastructure amount received for new construction or for payments for bonds issued for new construction against the supplemental school infrastructure amount without prior application to the department of education and receipt of a certificate of need pursuant to this subsection. However, a certificate of need is not required for the payment of outstanding bonds issued for new construction pursuant to section 296.1, before April 1, 2003. A certificate of need is also 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 infeasibility 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.

6. Notwithstanding subsection 1 or any other provision to the contrary, a school district that is located in whole or in part in a county that has not previously imposed the local sales and services tax for school infrastructure, and which votes on and approves the tax at a rate of one percent after January 1, 2007, and before July 1, 2007, shall receive an amount equal to its pro rata share of the local sales and services tax receipts as provided in section 423E.3, subsection 3, paragraph “a”, for a period corresponding to one-half the duration of the tax authorized by the voters. For the second half of the duration of the tax authorized by the voters, local sales and services tax receipts shall be distributed as otherwise applicable pursuant to subsection 1.

2003 Acts, ch 145, §286; 2003 Acts, ch 157, §8, 11; 2003 Acts, 1st Ex, ch 2, §20 – 25, 203, 205, 209

CS2003, §422E.3A

2004 Acts, ch 1086, §68; 2004 Acts, ch 1175, §255 – 257

C2005, §423E.4

2005 Acts, ch 140, §49; 2005 Acts, ch 179, §96; 2006 Acts, ch 1182, §46, 53; 2008 Acts, ch 1134, §18 – 24; 2008 Acts, ch 1191, §69, 70

Referred to in §423E.3, 423E.5, 423E.2

[P] Secure an advanced vision for education fund, see §423E.2