

298.3 Revenues from levies.

1. The revenue from the regular and voter-approved physical plant and equipment levies shall be placed in the physical plant and equipment levy fund and expended only for the following purposes:

a. The purchase and improvement of grounds. For the purpose of this paragraph:

(1) “*Purchase of grounds*” includes the legal costs relating to the property acquisition, costs of surveys of the property, costs of relocation assistance under state and federal law, and other costs incidental to the property acquisition.

(2) “*Improvement of grounds*” includes grading, landscaping, paving, seeding, and planting of shrubs and trees; constructing sidewalks, roadways, retaining walls, sewers and storm drains, and installing hydrants; surfacing and soil treatment of athletic fields and tennis courts; exterior lighting, including athletic fields and tennis courts; furnishing and installing flagpoles, gateways, fences, and underground storage tanks which are not parts of building service systems; demolition work; and special assessments against the school district for public improvements, as defined in [section 384.37](#).

b. The construction of schoolhouses or buildings and opening roads to schoolhouses or buildings.

c. The purchase, lease, or lease-purchase of equipment or technology exceeding five hundred dollars in value per purchase, lease, or lease-purchase transaction. Each transaction may include multiple equipment or technology units.

d. The payment of debts contracted for the erection or construction of schoolhouses or buildings, not including interest on bonds.

e. Procuring or acquisition of library facilities.

f. Repairing, remodeling, reconstructing, improving, or expanding the schoolhouses or buildings and additions to existing schoolhouses. For the purpose of this paragraph:

(1) “*Repairing*” means restoring an existing structure or thing to its original condition, as near as may be, after decay, waste, injury, or partial destruction, but does not include maintenance.

(2) “*Reconstructing*” means rebuilding or restoring as an entity a thing which was lost or destroyed.

g. Expenditures for energy conservation.

h. The rental of facilities under [chapter 28E](#).

i. The purchase of transportation equipment for transporting students and the repair of such transportation equipment if the cost of the repair exceeds two thousand five hundred dollars. For the purposes of this paragraph, “*repair*” means restoring an existing item of equipment to its original condition, as near as may be, after gradual obsolescence or physical and functional depreciation due to wear and tear, corrosion and decay, or partial destruction, and includes maintenance of an item of equipment.

j. The purchase of buildings or lease-purchase option agreements for school buildings. However, a contract for construction by a private party of property to be lease-purchased by a public school corporation is a contract for a public improvement as defined in [section 26.2](#). If the estimated cost of the property to be lease-purchased that is renovated, repaired, or involves new construction exceeds the competitive bid threshold in [section 26.3](#), the board of directors shall comply with the competitive bidding requirements of [section 26.3](#).

k. Equipment purchases for recreational purposes.

l. Payments to a municipality or other entity as required under [section 403.19, subsection 2](#).

m. Demolition, cleanup, and other costs if such costs are necessitated by, and incurred within two years of, a disaster as defined in [section 29C.2, subsection 4](#).

2. Interest earned on money in the physical plant and equipment levy fund may be expended for a purpose listed in [this section](#).

3. Unencumbered funds collected prior to July 1, 1991, from the levy previously authorized under [section 297.5](#), Code 1991, may be expended for the purposes listed in [this section](#).

4. Revenue from the regular and voter-approved physical plant and equipment levies shall

not be expended for school district employee salaries or travel expenses, supplies, printing costs or media services, or for any other purpose not expressly authorized in [this section](#).

89 Acts, ch 135, §108; 92 Acts, ch 1187, §8, 9; 94 Acts, ch 1029, §24, 25; 94 Acts, ch 1141, §1, 2; 94 Acts, ch 1175, §14; 97 Acts, ch 182, §3; 2000 Acts, ch 1054, §1, 3; 2002 Acts, ch 1118, §1; 2003 Acts, ch 13, §1, 2; 2008 Acts, ch 1041, §2; 2009 Acts, ch 65, §9; 2009 Acts, ch 133, §109; 2011 Acts, ch 132, §20, 30, 106; 2015 Acts, ch 105, §1, 2; 2018 Acts, ch 1041, §127; 2018 Acts, ch 1075, §9, 12, 13; 2018 Acts, ch 1172, §27, 71, 72; 2024 Acts, ch 1167, §17

Referred to in §279.41, 423F3

Subsection 1, paragraph g amended