

**298.10 Levy for cash reserve.**

1. The board of directors of a school district may certify for levy by April 30 of a school year, a tax on all taxable property in the school district in order to raise an amount for a necessary cash reserve for a school district's general fund. The amount raised for a necessary cash reserve does not increase a school district's authorized expenditures as defined in [section 257.7](#).

2. For fiscal years beginning on or after July 1, 2009, if the school budget review committee determines that a school district's unexpended fund balance is in excess of the amount necessary for operations, the school budget review committee shall direct the school district to use the unexpended fund balance in lieu of levying property taxes and shall direct the department of management to do one of the following:

a. For the fiscal period beginning July 1, 2009, and ending June 30, 2012, limit the school district's cash reserve levy to a level that is not excessive as determined by the school budget review committee.

b. For fiscal years beginning on or after July 1, 2012, limit the school district's cash reserve levy to a level that is not excessive as determined by the school budget review committee and does not exceed the cash reserve limitation in [subsection 3](#).

3. For fiscal years beginning on or after July 1, 2012, the cash reserve levy for a budget year shall not exceed twenty percent of the general fund expenditures for the year previous to the base year minus the unexpended fund balance, as defined in [section 257.2](#), for the year previous to the base year.

[81 Acts, ch 94, §1, 18; 82 Acts, ch 1128, §1, 5]

89 Acts, ch 135, §111; 93 Acts, ch 1, §12; 2009 Acts, ch 183, §70, 74; 2010 Acts, ch 1004, §7, 8, 10; 2023 Acts, ch 71, §76, 98

Referred to in [§257.31](#)

2023 amendment to subsection 1 applies to political subdivision budgets for fiscal years beginning on or after July 1, 2024; 2023 Acts, ch 71, §98