

CHAPTER 298

SCHOOL TAXES AND BONDS

Referred to in [§28E.41](#), [28E.42](#), [274.3](#), [292.2](#)

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298.1 School taxes.

The board of each school district shall estimate the amount of the proposed expenditures and proposed receipts for the general school purposes at a time and in a manner to effectuate the provisions of [chapter 257](#) and [sections 256B.9](#) and [256B.11](#). Compliance with [chapter 24](#) shall be observed.

[C51, §1152; R60, §2033, 2034, 2037, 2038, 2044, 2088; C73, §1777, 1778; C97, §2806; S13, §2806; SS15, §2794-a; C24, 27, 31, 35, 39, §4386; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.1]

[89 Acts, ch 135, §106](#)

Referred to in [§294.12](#), [294.13](#), [294.14](#)

298.2 Imposition of physical plant and equipment levy.

1. a. A physical plant and equipment levy of not exceeding one dollar and sixty-seven cents per thousand dollars of assessed valuation in the district is established except as otherwise provided in [this subsection](#). The physical plant and equipment levy consists of the regular physical plant and equipment levy of not exceeding thirty-three cents per thousand dollars of assessed valuation in the district and a voter-approved physical plant and equipment levy of not exceeding one dollar and thirty-four cents per thousand dollars of assessed valuation in the district. However, the voter-approved physical plant and equipment levy may consist of a combination of a physical plant and equipment property tax levy and a physical plant and equipment income surtax as provided in [subsection 4](#) with the maximum amount levied and imposed limited to an amount that could be raised by a one dollar and thirty-four cent property tax levy.

b. For school budget years beginning on or after July 1, 2015, a school district may by resolution of the board of directors adopted prior to April 30 preceding the budget year impose a physical plant and equipment levy at a rate in excess of the levy rate limitations under paragraph “a” if the board has refunded or refinanced a loan agreement entered into under [section 297.36](#) and such refunding or refinancing complies with the maturity period authorized under [section 297.36, subsection 1](#), paragraph “c”, and results in a lower amount of interest on the amount of the loan agreement. However, the rate imposed by a school district under this paragraph shall not exceed the rate imposed during the budget year in which the loan agreement was refunded or refinanced. Authorization to exceed the levy rate limitations of paragraph “a” shall terminate upon the maturity of the loan agreement after refunding or refinancing. Upon adoption of the resolution under this paragraph “b”, the board shall comply with the requirements of [section 297.36, subsection 1](#), paragraph “b”.

2. If the electors of a school district have authorized a voter-approved physical plant and equipment levy not exceeding sixty-seven cents per thousand dollars of assessed valuation in the district prior to July 1, 1997, the levy shall continue for the period authorized under

the voter-approved levy, and the maximum levy that can be authorized by the electors under the voter-approved levy on or after July 1, 1997, under [this section](#), is an additional sixty-seven cents for a period to coincide with the period for which the initial physical plant and equipment levy in the district was approved.

3. 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 for the regular physical plant and equipment levy.

4. a. The board may on its own motion, and upon the written request of not less than one hundred eligible electors or thirty percent of the number of eligible electors voting at the last regular school election, whichever is greater, shall, direct the county commissioner of elections to provide for submitting the proposition of levying the voter-approved physical plant and equipment levy for a period of time authorized by the voters at the election, not to exceed ten years. The election shall be held on a date specified in [section 39.2, subsection 4](#), paragraph “c”. The proposition is adopted if a majority of those voting on the proposition at the election approves it. The voter-approved physical plant and equipment levy shall be funded either by a physical plant and equipment property tax or by a combination of a physical plant and equipment property tax and a physical plant and equipment income surtax, as determined by the board. However, if the board intends to enter into a rental or lease arrangement under [section 279.26](#), or intends to enter into a loan agreement under [section 297.36](#), only a property tax shall be levied for those purposes. Subject to the limitations of [section 298.14](#), if the board uses a combination of a physical plant and equipment property tax and a physical plant and equipment surtax, for each fiscal year the board shall determine the percent of income surtax to be imposed expressed as full percentage points, not to exceed twenty percent.

b. If a combination of a property tax and income surtax is used, by April 30 of the previous school year, the board shall certify the percent of the income surtax to be imposed and the amount to be raised to the department of management and the department of management shall establish the rate of the property tax and income surtax for the school year. The physical plant and equipment property tax and income surtax shall be levied or imposed, collected, and paid to the school district in the manner provided for the instructional support program in [sections 257.21 through 257.26](#).

5. a. The proposition to levy the voter-approved physical plant and equipment levy is not affected by a change in the boundaries of the school district, except as otherwise provided in [this section](#). If each school district involved in a school reorganization under [chapter 275](#) has adopted the voter-approved physical plant and equipment levy, and if the voters have not voted upon the proposition to levy the voter-approved physical plant and equipment levy in the reorganized district, the existing voter-approved physical plant and equipment levy is in effect for the reorganized district for the least amount and the shortest time for which it is in effect in any of the districts.

b. An authorized levy for the period of time approved is not affected as a result of a failure of a proposition proposed to expand the purposes for which the funds may be expended.

[89 Acts, ch 135, §107; 92 Acts, ch 1187, §7; 93 Acts, ch 1, §9, 10; 97 Acts, ch 182, §1, 2; 2009 Acts, ch 57, §80; 2010 Acts, ch 1033, §42; 2013 Acts, ch 88, §28, 29; 2015 Acts, ch 122, §1, 2; 2023 Acts, ch 71, §72 – 74, 98](#)

Referred to in [§257.19](#), [257.31](#), [274.37](#), [275.12](#), [279.26](#), [283A.9](#), [292.1](#), [297.36](#), [298.14](#), [298A.4](#), [403.19](#), [423F3](#)

2023 amendments to section apply to political subdivision budgets for fiscal years beginning on or after July 1, 2024; 2023 Acts, ch 71, §98

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

298.4 District management levy.

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 for a district management levy. The revenue from the tax levied in [this section](#) shall be placed in the district management levy fund of the school district. The district management levy shall be expended only for the following purposes:

- a. To pay the cost of unemployment benefits as provided in [section 96.31](#).
- b. To pay the costs of liability insurance and the costs of a judgment or settlement relating to liability together with interest accruing on the judgment or settlement to the expected date of payment.
- c. To pay the costs of insurance agreements under [section 296.7](#).
- d. To pay the costs of a judgment under [section 298.16](#).
- e. To pay the cost of early retirement benefits to employees under [section 279.46](#).
- f. To pay the costs of mediation and arbitration, including but not limited to legal fees associated with such mediation or arbitration.

2. Unencumbered funds collected from the levies authorized in [sections 96.31, 279.46, and 296.7](#) prior to July 1, 1991, may be expended for the purposes listed in [subsection 1](#), paragraphs “a”, “c”, and “e”.

[89 Acts, ch 135, §109; 90 Acts, ch 1168, §41; 92 Acts, ch 1187, §10; 93 Acts, ch 1, §11; 94 Acts, ch 1029, §26, 27; 2010 Acts, ch 1061, §103; 2010 Acts, ch 1193, §48; 2015 Acts, ch 50, §1, 2; 2023 Acts, ch 71, §75, 98; 2024 Acts, ch 1005, §1, 3](#)

Referred to in [§96.31, 257.19, 296.7, 298A.3, 670.10](#)

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

Subsection 1, paragraph g repealed by its own terms effective July 1, 2025; [2024 Acts, ch 1005, §1](#)

298.5 Taxes estimated.

School corporations containing territory in adjoining counties may vote and estimate all taxes for school purposes in dollars and cents per thousand dollars of assessed value.

[C97, §2806; S13, §2806; C24, 27, 31, 35, 39, §4389; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.5]

298.6 Public disclosure of outstanding levies.

The board of directors of a school district shall, prior to certifying any levy by board approval, or submitting a levy for voter approval, facilitate public access to a complete listing of all outstanding levies within the school district by rate, amount, duration, and the applicable maximum levy limitations. The information relating to outstanding levies shall be posted on an internet site maintained by the school district by January 1 of each school year, and updated prior to board approval or submission for voter approval of any levy during the school year. If the school district does not maintain or develop an internet site, the school district shall either distribute or post written copies of the listing at specified locations throughout the school district.

[2006 Acts, ch 1152, §15; 2009 Acts, ch 54, §11; 2013 Acts, ch 90, §257](#)

298.7 Contract for use of library — tax levy.

1. The board of directors of a school corporation in which there is no free public library may contract with a free public library for the free use of the library by the residents of the school district, and pay the library the amount agreed upon for the use of the library as provided by law. During the existence of the contract, the board shall certify annually a tax sufficient to pay the library the consideration agreed upon, not exceeding twenty cents per thousand dollars of assessed value of the taxable property of the district. During the existence of the contract, the school corporation is relieved from the requirement that the school treasurer withhold funds for library purposes. [This section](#) does not apply in townships where a contract for other library facilities is in existence.

2. However, if a school district which is qualified to contract for library services under [subsection 1](#) levies a tax not to exceed twenty cents per thousand dollars of assessed valuation of the taxable property for school library purposes in the fiscal year before a reorganization

involving the district, the tax levy shall remain valid for succeeding fiscal years, and shall be levied and collected against the taxable property of the former district which is part of the reorganized district for school library purposes. The contract and the tax levy may be discontinued by a petition signed by eligible electors residing in the former district. The petition requesting the discontinuance must be signed by no fewer than one hundred eligible electors or thirty percent of the number voting at the last preceding school election in the former district, whichever is greater. The petition must be filed with the secretary of the board of directors of the school district at least seventy-five days before the next regular school election. The proposal to discontinue the levy shall be deemed adopted if the vote in favor of the discontinuance is equal to at least a majority of the total vote cast on the proposal by the electors of the former school district.

[S13, §2806; C24, 27, 31, 35, 39, §4391; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.7]
[84 Acts, ch 1288, §1](#); [93 Acts, ch 74, §1](#)

Referred to in [§298A.7](#)

298.8 Levy by board of supervisors.

The board of supervisors shall at the time of levying taxes for county purposes levy the taxes necessary to raise the various funds authorized by law and certified to it by law, but if the amount certified for any such fund is in excess of the amount authorized by law, it shall levy only so much thereof as is authorized by law.

[R60, §2059; C73, §1779, 1780; C97, §2807; SS15, §1303; C24, 27, 31, 35, 39, §4393; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.8]

Referred to in [§294.12](#), [294.13](#), [294.14](#)

298.9 Special levies.

If the voter-approved physical plant and equipment levy, consisting solely of a physical plant and equipment property tax levy, is approved by the voters at an election held on a date specified in [section 39.2, subsection 4](#), paragraph “c”, and certified to the board of supervisors after the regular levy is made, the board shall at its next regular meeting levy the tax and cause it to be entered upon the tax list to be collected as other school taxes. If the certification is filed prior to May 1, the annual levy shall begin with the tax levy of the year of filing. If the certification is filed after May 1 in a year, the levy shall begin with the levy of the fiscal year succeeding the year of the filing of the certification.

[C97, §2807; SS15, §1303; C24, 27, 31, 35, 39, §4394; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.9]

[89 Acts, ch 135, §110](#); [95 Acts, ch 67, §23](#); [96 Acts, ch 1215, §54](#); [2008 Acts, ch 1115, §49, 71](#); [2009 Acts, ch 57, §81, 97](#)

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](#)

298.11 Apportionment of school funds.

1. The county auditor shall, on the first Monday in April and the first Monday in October of each year, apportion the school tax, together with rents on unsold school lands to which the county is entitled as shown in notice from the director of the department of administrative services, and all other moneys in the hands of the county treasurer belonging in common to the schools of the county and not included in a previous apportionment, among the corporations in the county in the manner provided by law.

2. The county auditor shall immediately notify the county treasurer of such apportionment and of the amount due thereby to each corporation.

3. The county treasurer shall thereupon give notice to the president of each corporation, and shall pay out such apportionment moneys in the same manner that the county treasurer is authorized to pay other school moneys to the treasurers of the several school districts.

[[R60, §1966, 2060, 2061](#); [C73, §1781, 1782, 1841](#); [C97, §2808](#); [S13, §2808](#); [C24, 27, 31, 35, 39, §4396](#); [C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.11](#)]

[86 Acts, ch 1016, §6](#); [2003 Acts, ch 145, §286](#); [2017 Acts, ch 54, §76](#)

Referred to in [§331.502, 331.552](#)

298.12 Reserved.

298.13 Direct deposit of tax revenue.

Before the fifteenth day of each month, the county treasurer shall send the amount collected for each fund through the last day of the preceding month for direct deposit into the depository and account designated by the school board. The county treasurer shall send a notice to the secretary of the school board stating the amount deposited, the date, the amount to be credited to each fund according to the budget, and the source of revenue.

[[C73, §1784, 1785](#); [C97, §2810](#); [C24, 27, 31, 35, 39, §4398](#); [C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §298.13](#); [81 Acts, ch 117, §1210](#); [82 Acts, ch 1195, §1](#)]

Referred to in [§331.552, 331.558](#)

298.14 School district income surtaxes.

1. For each fiscal year, the cumulative total of the percents of surtax approved by the board of directors of a school district and collected by the department of revenue under [sections 257.21, 257.29, and 298.2](#), and the enrichment surtax under [section 442.15](#), Code 1989, and an income surtax collected by a political subdivision under [chapter 422D](#), shall not exceed twenty percent.

2. A school district income surtax fund is created in the office of treasurer of state. Income surtaxes collected by the department of revenue under [sections 257.21, 257.29, and 298.2](#) and [section 442.15](#), Code 1989, shall be deposited in the school district income surtax fund to the credit of each school district. A separate accounting of each surtax, by school district, shall be maintained.

3. The director of the department of administrative services shall draw warrants in payment of the surtaxes collected in each school district. Warrants shall be payable in two installments to be paid on approximately the first day of December and the first day of February following collection of the taxes and shall be delivered to the respective school districts.

[89 Acts, ch 135, §112](#); [92 Acts, ch 1226, §1](#); [2000 Acts, ch 1072, §2](#); [2003 Acts, ch 145, §234](#); [2017 Acts, ch 54, §76](#)

Referred to in [§257.19, 257.24, 257.26, 257.29, 298.2](#)

298.15 Payment of judgment.

When a judgment shall be obtained against a school corporation, its board shall order the payment thereof out of the proper fund by an order on the treasurer, not in excess, however, of the funds available for that purpose.

[R60, §2095; C73, §1787; C97, §2811; C24, 27, 31, 35, 39, §4400; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.15]

298.16 Judgment tax.

If the proper fund is not sufficient, then, unless its board has provided by the issuance of bonds for raising the amount necessary to pay a judgment, the cost of the judgment shall be included in the district management levy.

[R60, §2095; C73, §1787; C97, §2811; C24, 27, 31, 35, 39, §4401; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.16]

[89 Acts, ch 135, §113](#)

Referred to in [§298.4](#)

298.17 Reserved.**298.18 Bond tax — election — leasing buildings.**

1. a. The board of each school corporation shall, when estimating and certifying the amount of money required for general purposes, estimate and certify to the board of supervisors of the proper county for the debt service fund the amount required to pay interest due or that may become due for the fiscal year beginning July 1, thereafter upon lawful bonded indebtedness, and in addition thereto such amount as the board may deem necessary to apply on the principal.

b. The amount estimated and certified to apply on principal and interest for any one year shall not exceed two dollars and seventy cents per thousand dollars of the assessed valuation of the taxable property of the school corporation except as otherwise provided in [this section](#).

c. For the sole purpose of computing the amount of bonds which may be issued as a result of the application of any limitation referred to in [this section](#), all interest on the bonds in excess of that accruing in the first twelve months may be excluded from the first annual levy of taxes, so that the need for including more than one year's interest in the first annual levy of taxes to pay the bonds and interest shall not operate to further restrict the amount of bonds which may be issued, and in certifying the annual levies to the county auditor or auditors such first annual levy of taxes shall be sufficient to pay all principal of and interest on said bonds becoming due prior to the next succeeding annual levy and the full amount of such first annual levy shall be entered for collection by said auditor or auditors, as provided in [chapter 76](#).

d. The amount estimated and certified to apply on principal and interest for any one year may exceed two dollars and seventy cents per thousand dollars of assessed value by the amount approved by the voters of the school corporation, but not exceeding four dollars and five cents per thousand dollars of the assessed value of the taxable property within any school corporation, provided that the registered voters of such school corporation have first approved such increased amount at an election held on a date specified in [section 39.2, subsection 4, paragraph "c"](#).

2. The proposition submitted to the voters at such election shall be in substantially the following form:

Shall the board of directors of the (insert name of school corporation) in the County of, State of Iowa, be authorized to levy annually a tax exceeding two dollars and seventy cents per thousand dollars, but not exceeding dollars and cents per thousand dollars of the assessed value of the taxable property within said school corporation to pay the principal of and interest on bonded indebtedness of said school corporation, it being understood that the approval of this proposition shall not

limit the source of payment of the bonds and interest but shall only operate to restrict the amount of bonds which may be issued?

3. Notice of the election shall be given by the county commissioner of elections according to [section 49.53](#). The county commissioner of elections shall conduct the election pursuant to the provisions of [chapters 39 through 53](#) and certify the results to the board of directors. The proposition shall not be deemed carried or adopted unless the vote in favor of such proposition is equal to at least sixty percent of the total vote cast for and against the proposition at the election. Whenever such a proposition has been approved by the voters of a school corporation as hereinbefore provided, no further approval of the voters of such school corporation shall be required as a result of any subsequent change in the boundaries of such school corporation.

4. The voted tax levy referred to in [this section](#) shall not limit the source of payment of bonds and interest but shall only restrict the amount of bonds which may be issued.

5. a. The ability of a school corporation to exceed two dollars and seventy cents per thousand dollars of assessed value to service principal and interest payments on bonded indebtedness is limited and conferred only to those school corporations engaged in the administration of elementary and secondary education.

b. If a school corporation leases a building or property, which has been used as a junior college by such corporation, to a community college, the annual amounts certified as herein provided by such leasing school corporation for payment of interest and principal due on lawful bonded indebtedness incurred by such leasing school corporation for purchasing, building, furnishing, reconstructing, repairing, improving, or remodeling the building leased or acquiring or adding to the site of such property leased, to the extent of the respective annual rent the school corporation will receive under such lease, shall not be considered as a part of the total amount estimated and certified for the purposes of determining if such amount exceeds any limitation contained in [this section](#).

[C73, §1823; C97, §2813; S13, §2813; C24, 27, 31, 35, 39, §4403; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.18]

[90 Acts, ch 1253, §109; 94 Acts, ch 1029, §28; 2001 Acts, ch 56, §14; 2008 Acts, ch 1115, §50, 71; 2009 Acts, ch 133, §110; 2010 Acts, ch 1061, §49](#)

Referred to in [§292.1, 292.2, 298.18A, 298.19, 423F.3](#)

298.18A Levy adjustment.

If, in the opinion of the board of a school corporation, after having originally estimated and certified the amount required to pay interest and principal due upon bonded indebtedness incurred before July 1, 1995, an adjustment in the amount certified in excess of that previously levied by the resolution authorizing issuance of the bonds becomes necessary in anticipation of future projected revenue shortfalls resulting from a machinery and equipment-related taxable valuation decrease from the valuation as of January 1, 1994, an adjustment shall be permitted subject to the following limitations:

1. An adjustment shall be permitted only in a district in which machinery and equipment valuation exceeds twenty percent of total taxable valuation as of January 1, 1994.

2. The adjustment shall not result in a total amount levied in excess of the two dollar and seventy cent per thousand dollars of assessed valuation limit provided in [section 298.18](#). An adjustment in excess of the two dollar and seventy cent per thousand dollars of assessed valuation limit shall be subject to the election provisions for increases of up to four dollars and five cents per thousand dollars of assessed valuation provisions of [section 298.18](#).

3. The amount of the adjustment, when added to the amount originally estimated and certified, for any one year, shall not exceed the least of:

a. The amount required to pay interest and principal due upon bonded indebtedness for the three-year period beginning on the date of the adjustment.

b. One hundred twenty-five percent of the amount originally estimated and certified.

c. One hundred ten percent of the total district levies for the fiscal year preceding the fiscal year in which the adjustment is to be added.

4. The amount of the adjustment plus the amount of state replacement moneys received under [section 427B.19A](#) which is attributable to the amount of the adjustment, when added to

the amount originally estimated and certified, shall not result in the levying of an amount over the life of the issue in excess of the amount necessary for principal and interest repayment.

5. Amounts collected pursuant to [this section](#) shall be deposited in a separate debt service account distinct from the account established to hold principal and interest revenues resulting from the original levy.

6. An adjustment shall not be permitted which results in extending a levy beyond the earlier of the following:

a. Ten years from the original date of certification of the amount required to pay interest and principal.

b. June 30, 2007.

[96 Acts, ch 1179, §1; 2008 Acts, ch 1115, §51, 71](#)

Referred to in [§423F.3](#)

298.19 Levy.

The board of supervisors of the county to which the certificate is addressed within the contemplation of [section 298.18](#) shall levy the necessary tax to raise the amount estimated, or so much thereof as may be lawful and within the limitation of said section which levy shall be made as other taxes for school purposes.

[S13, §2813-a; C24, 27, 31, 35, 39, [§4404](#); C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.19]

298.20 Funding or refunding bonds.

For the purpose of providing for the payment of any indebtedness of any school corporation represented by judgments or bonds, the board of directors of such school corporation, at any time or times, may provide by resolution for the issuance of bonds of such school corporation, to be known as funding or refunding bonds. The proceeds derived from the public or private sale of such funding or refunding bonds shall be applied in payment of such indebtedness; or the funding bonds or refunding bonds may be issued in exchange for the evidences of such indebtedness, par for par.

[S13, §2812-c; C24, 27, 31, 35, 39, [§4405](#); C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.20]

[90 Acts, ch 1272, §74](#)

298.21 School bonds.

The board of directors of any school corporation when authorized by the voters at an election held on a date specified in [section 39.2, subsection 4](#), paragraph “d”, may issue the negotiable, interest-bearing school bonds of the corporation for borrowing money for any or all of the following purposes:

1. To acquire sites for school purposes.
2. To erect, complete, or improve buildings authorized for school purposes.
3. To acquire equipment for schools, sites, and buildings.

[S13, §2812-d; C24, 27, 31, 35, 39, [§4406](#); C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.21]

[2008 Acts, ch 1115, §52, 71; 2023 Acts, ch 71, §122, 136](#)

Referred to in [§279.85](#)

Vote required to authorize bonds, [§75.1](#)

2023 amendment to unnumbered paragraph 1 applies July 1, 2023, for elections on propositions relating to the issuing of bonds or other indebtedness occurring on or after that date; 2023 Acts, ch 71, §136

298.22 Form — rate of interest — where registered.

1. All of said bonds shall be substantially in the form provided for county bonds, but subject to changes that will conform them to the action of the board providing therefor; shall run not more than twenty years, and may be sooner paid if so nominated in the bond; bear a rate of interest not exceeding that permitted by [chapter 74A](#), payable semiannually; be signed by the president and countersigned by the secretary of the board of directors; and shall not be disposed of for less than par value, nor issued for other purposes than [this chapter](#) provides.

2. All of said bonds, when issued, shall be delivered to the secretary of the board of

directors, who shall register them in a book to be kept for that purpose, and shall deliver them when they have been properly countersigned.

3. The expenses of engraving and printing of bonds may be paid out of the general fund. [S13, SS15, §2812-e; C24, 27, 31, 35, 39, §4407; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.22]

[2017 Acts, ch 54, §76](#)

Form of county bonds, §331.446

298.23 Redemption.

Whenever the amount in the hands of the treasurer, belonging to the funds set aside to pay bonds, is sufficient to redeem one or more of the bonds which by their terms are subject to redemption, the treasurer shall give the owner of said bonds thirty days' written notice of the readiness of the district to pay and the amount it desires to pay. If not presented for payment or redemption within thirty days after the date of such notice, the interest on such bonds shall cease and the amount due thereon shall be set aside for its payment whenever it is presented.

[S13, §2812-f; C24, 27, 31, 35, 39, §4408; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.23]

298.24 Record of bond buyers.

All redemptions shall be made in the order of their numbers. The treasurer shall keep a record of the parties to whom the bonds are sold, together with their post office addresses, and notice mailed to the address as shown by such record shall be sufficient.

[S13, §2812-f; C24, 27, 31, 35, 39, §4409; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.24]