

# House Amendment 8685

## Amendment Text

PAG LIN

1 1 Amend the amendment, [H-8616](#), to [Senate File 2366](#),  
1 2 as amended, passed, and reprinted by the Senate, as  
1 3 follows:  
1 4 #1. Page 15, by inserting after line 1 the  
1 5 following:  
1 6 "Sec. \_\_\_\_ NEW SECTION. 257.51 SMALLER CLASS  
1 7 SIZE INFRASTRUCTURE PROGRAM.  
1 8 1. A smaller class size infrastructure program  
1 9 that provides additional funding for school districts  
1 10 is established. A board of directors that wishes to  
1 11 consider participating in the smaller class size  
1 12 infrastructure program shall hold a public hearing on  
1 13 the question of participation. The board shall set  
1 14 forth its proposal, including the method that will be  
1 15 used to fund the program, in a resolution and shall  
1 16 publish the notice of the time and place of a public  
1 17 hearing on the resolution. Notice of the time and  
1 18 place of the public hearing shall be published not  
1 19 less than ten nor more than twenty days before the  
1 20 public hearing in a newspaper which is a newspaper of  
1 21 general circulation in the school district. At the  
1 22 hearing, or no later than thirty days after the date  
1 23 of the hearing, the board shall take action to adopt a  
1 24 resolution to participate in the smaller class size  
1 25 infrastructure program for a period not exceeding five  
1 26 years or to direct the county commissioner of  
1 27 elections to submit the question of participation in  
1 28 the program for a period not exceeding ten years to  
1 29 the registered voters of the school district at the  
1 30 next regular school election or at a special election.  
1 31 If the board submits the question at an election and a  
1 32 majority of those voting on the question favors  
1 33 participation in the program, the board shall adopt a  
1 34 resolution to participate and certify the results of  
1 35 the election to the department of management.  
1 36 2. If the board does not provide for an election  
1 37 and adopts a resolution to participate in the smaller  
1 38 class size infrastructure program, the district shall  
1 39 participate in the smaller class size infrastructure  
1 40 program unless within twenty-eight days following the  
1 41 action of the board, the secretary of the board  
1 42 receives a petition containing the required number of  
1 43 signatures, asking that an election be called to  
1 44 approve or disapprove the action of the board in  
1 45 adopting the smaller class size infrastructure  
1 46 program. The petition must be signed by eligible  
1 47 electors equal in number to not less than one hundred  
1 48 or thirty percent of the number of voters at the last  
1 49 preceding regular school election, whichever is  
1 50 greater. The board shall either rescind its action or  
2 1 direct the county commissioner of elections to submit  
2 2 the question to the registered voters of the school  
2 3 district at the next following regular school election  
2 4 or a special election. If a majority of those voting  
2 5 on the question at the election favors disapproval of  
2 6 the action of the board, the district shall not  
2 7 participate in the smaller class size infrastructure

2 8 program. If a majority of those voting on the  
2 9 question favors approval of the action, the board  
2 10 shall certify the results of the election to the  
2 11 department of management and the district shall  
2 12 participate in the program.

2 13 At the expiration of the twenty-eight day period,  
2 14 if no petition is filed, the board shall certify its  
2 15 action to the department of management and the  
2 16 district shall participate in the program.

2 17 3. Participation in a smaller class size  
2 18 infrastructure program is not affected by a change in  
2 19 the boundaries of the school district, except as  
2 20 otherwise provided in this section. If each school  
2 21 district involved in a school reorganization under  
2 22 chapter 275 has approved a smaller class size  
2 23 infrastructure program, and if the voters have not  
2 24 voted upon the question of participation in the  
2 25 program in the reorganized district, the smaller class  
2 26 size infrastructure program shall be in effect for the  
2 27 reorganized district that has been approved for the  
2 28 least amount and the shortest time in any of the  
2 29 districts.

2 30 Sec. \_\_\_\_\_. NEW SECTION. 257.52 SMALLER CLASS SIZE  
2 31 INFRASTRUCTURE FUNDING.

2 32 1. The additional funding for the smaller class  
2 33 size infrastructure program for a budget year is  
2 34 limited to an amount not exceeding ten percent of the  
2 35 total of regular program district cost for the budget  
2 36 year and moneys received under section 257.14 as a  
2 37 budget adjustment for the budget year. Moneys  
2 38 received by a district for the smaller class size  
2 39 infrastructure program are miscellaneous income and  
2 40 may be used for any general fund purpose. However,  
2 41 moneys received by a district for the smaller class  
2 42 size infrastructure program shall be expended solely  
2 43 for smaller class size infrastructure needs.

2 44 2. Certification of a board's intent to  
2 45 participate for a budget year, the method of funding,  
2 46 and the amount to be raised shall be made to the  
2 47 department of management not later than April 15 of  
2 48 the base year. Funding for the smaller class size  
2 49 infrastructure program shall be obtained from smaller  
2 50 class size infrastructure state aid and from local  
3 1 funding using either a smaller class size  
3 2 infrastructure income surtax or a combination of a  
3 3 smaller class size infrastructure property tax and a  
3 4 smaller class size infrastructure income surtax as  
3 5 determined by the board of directors.

3 6 3. The smaller class size infrastructure income  
3 7 surtax shall fund at least sixty percent of the local  
3 8 funding costs of the program. Subject to the  
3 9 limitation specified in section 298.14, for each  
3 10 budget year the board shall determine the percent of  
3 11 income surtax that will be imposed, expressed as full  
3 12 percentage points, not to exceed twenty percent.

3 13 4. For purposes of sections 257.51 through 257.60,  
3 14 "smaller class size infrastructure", means those  
3 15 activities for which a school district is authorized  
3 16 to contract indebtedness and issue general obligation  
3 17 bonds under section 296.1, except those activities  
3 18 related to a teacher's or superintendent's home or  
3 19 homes. The activities include the construction,  
3 20 reconstruction, repair, purchasing, or remodeling of  
3 21 schoolhouses, and the procurement of schoolhouse  
3 22 construction sites and the making of site  
3 23 improvements. Additionally, "school infrastructure"  
3 24 includes the payment or retirement of outstanding

3 25 bonds previously issued for school infrastructure  
3 26 purposes as described in this subsection, and the  
3 27 maintenance of schoolhouses and school district  
3 28 property.

3 29 Sec. \_\_\_\_\_. NEW SECTION. 257.53 SMALLER CLASS SIZE  
3 30 INFRASTRUCTURE STATE AID APPROPRIATION.

3 31 1. In order to determine the amount of smaller  
3 32 class size infrastructure state aid and the amount of  
3 33 local funding for the smaller class size  
3 34 infrastructure program for a district, the department  
3 35 of management shall divide the total assessed  
3 36 valuation in the state by the total budget enrollment  
3 37 for the budget year in the state to determine a state  
3 38 assessed valuation per pupil and shall divide the  
3 39 assessed valuation in each district by the district's  
3 40 budget enrollment for the budget year to determine the  
3 41 district assessed valuation per pupil. The department  
3 42 of management shall multiply the ratio of the state's  
3 43 valuation per pupil to the district's valuation per  
3 44 pupil by twenty-five hundredths and subtract that  
3 45 result from one to determine the portion of the  
3 46 smaller class size infrastructure program budget that  
3 47 is local funding. The remaining portion of the budget  
3 48 shall be funded by smaller class size infrastructure  
3 49 state aid.

3 50 2. There is appropriated for each fiscal year from  
4 1 the rebuild Iowa infrastructure fund to the department  
4 2 of education, the sum of twenty million dollars to pay  
4 3 smaller class size infrastructure state aid as  
4 4 determined under subsection 1.

4 5 3. If the amount appropriated under subsection 2  
4 6 is insufficient to pay the amount of smaller class  
4 7 size infrastructure state aid determined under  
4 8 subsection 1, the department of education shall  
4 9 prorate the amount of the smaller class size  
4 10 infrastructure state aid provided to each district.

4 11 4. Smaller class size infrastructure state aid  
4 12 shall be paid at the same time and in the same manner  
4 13 as foundation aid is paid under section 257.16.

4 14 Sec. \_\_\_\_\_. NEW SECTION. 257.54 COMPUTATION OF  
4 15 SMALLER CLASS SIZE INFRASTRUCTURE AMOUNT.

4 16 1. The department of management shall establish  
4 17 the amount of smaller class size infrastructure  
4 18 property tax to be levied and the amount of smaller  
4 19 class size infrastructure income surtax to be imposed  
4 20 by a district in accordance with the decision of the  
4 21 board under section 257.52 for each school year for  
4 22 which the smaller class size infrastructure program is  
4 23 authorized. The department of management shall  
4 24 determine these amounts based upon the most recent  
4 25 figures available for the district's valuation of  
4 26 taxable property, individual state income tax paid,  
4 27 and budget enrollment in the district, and shall  
4 28 certify to the district's county auditor the amount of  
4 29 smaller class size infrastructure property tax if a  
4 30 smaller class size infrastructure property tax is to  
4 31 be imposed, and to the director of revenue and finance  
4 32 the amount of smaller class size infrastructure income  
4 33 surtax to be imposed.

4 34 2. The smaller class size infrastructure income  
4 35 surtax shall be imposed on the state individual income  
4 36 tax for the calendar year during which the school's  
4 37 budget year begins, or for a taxpayer's fiscal year  
4 38 ending during the second half of that calendar year  
4 39 and after the date the board adopts a resolution to  
4 40 participate in the program or the first half of the  
4 41 succeeding calendar year, and shall be imposed on all

4 42 individuals residing in the school district on the  
4 43 last day of the applicable tax year. As used in this  
4 44 section, "state individual income tax" means the taxes  
4 45 computed under section 422.5, less the credits allowed  
4 46 in sections 422.11A, 422.11B, 422.12, and 422.12B.

4 47 Sec. \_\_\_\_\_. NEW SECTION. 257.55 STATUTES  
4 48 APPLICABLE.

4 49 The director of revenue and finance shall  
4 50 administer the smaller class size infrastructure  
5 1 income surtax imposed under this chapter, and sections  
5 2 422.20, 422.22 to 422.31, 422.68, and 422.72 to 422.75  
5 3 shall apply with respect to administration of the  
5 4 smaller class size infrastructure income surtax.

5 5 Sec. \_\_\_\_\_. NEW SECTION. 257.56 FORM AND TIME OF  
5 6 RETURN.

5 7 The smaller class size infrastructure income surtax  
5 8 shall be made a part of the Iowa individual income tax  
5 9 return subject to the conditions and restrictions set  
5 10 forth in section 422.21.

5 11 Sec. \_\_\_\_\_. NEW SECTION. 257.57 DEPOSIT OF SMALLER  
5 12 CLASS SIZE INFRASTRUCTURE INCOME SURTAX.

5 13 1. The director of revenue and finance shall  
5 14 deposit all moneys received as smaller class size  
5 15 infrastructure income surtax to the credit of each  
5 16 district from which the moneys are received, in the  
5 17 school district income surtax fund which is  
5 18 established in section 298.14.

5 19 2. The director of revenue and finance shall  
5 20 deposit smaller class size infrastructure income  
5 21 surtax moneys received on or before November 1 of the  
5 22 year following the close of the school budget year for  
5 23 which the surtax is imposed to the credit of each  
5 24 district from which the moneys are received in the  
5 25 school district income surtax fund.

5 26 3. Smaller class size infrastructure income surtax  
5 27 moneys received or refunded after November 1 of the  
5 28 year following the close of the school budget year for  
5 29 which the surtax is imposed shall be deposited in or  
5 30 withdrawn from the general fund of the state and shall  
5 31 be considered part of the cost of administering the  
5 32 smaller class size infrastructure income surtax.

5 33 Sec. \_\_\_\_\_. NEW SECTION. 257.58 SMALLER CLASS SIZE  
5 34 INFRASTRUCTURE INCOME SURTAX CERTIFICATION.

5 35 On or before October 20 each year, the director of  
5 36 revenue and finance shall make an accounting of the  
5 37 smaller class size infrastructure income surtax  
5 38 collected under this chapter applicable to tax returns  
5 39 for the last preceding calendar year, or for a  
5 40 taxpayer's fiscal year ending during the second half  
5 41 of that calendar year and after the date the board  
5 42 adopts a resolution to participate in the program, or  
5 43 the first half of the succeeding calendar year, from  
5 44 taxpayers in each school district in the state which  
5 45 has approved the smaller class size infrastructure  
5 46 program, and shall certify to the department of  
5 47 management and the department of education the amount  
5 48 of total smaller class size infrastructure income  
5 49 surtax credited from the taxpayers of each school  
5 50 district.

6 1 Sec. \_\_\_\_\_. NEW SECTION. 257.59 SMALLER CLASS SIZE  
6 2 INFRASTRUCTURE INCOME SURTAX DISTRIBUTION.

6 3 The director of revenue and finance shall draw  
6 4 warrants in payment of the amount of smaller class  
6 5 size infrastructure surtax in the manner provided in  
6 6 section 298.14.

6 7 Sec. \_\_\_\_\_. NEW SECTION. 257.60 CONTINUATION OF  
6 8 SMALLER CLASS SIZE INFRASTRUCTURE PROGRAM.

6 9 1. At the expiration of the period for which the  
6 10 smaller class size infrastructure program was adopted,  
6 11 the program may be extended for a period of not  
6 12 exceeding five or ten years in the manner provided in  
6 13 section 257.51.

6 14 2. If the voters do not approve adoption of the  
6 15 smaller class size infrastructure program, the board  
6 16 shall wait at least one hundred twenty days following  
6 17 the election before taking action to adopt the program  
6 18 or resubmit the proposition."

6 19 #2. By renumbering as necessary.

6 20

6 21

6 22 \_\_\_\_\_

6 23 [WARNSTADT](#) of Woodbury

6 24

6 25

6 26 \_\_\_\_\_

6 27 [BRAND](#) of Tama

6 28

6 29

6 30 \_\_\_\_\_

6 31 [BUKTA](#) of Clinton

6 32

6 33

6 34 \_\_\_\_\_

6 35 [COHOON](#) of Des Moines

6 36

6 37

6 38 \_\_\_\_\_

6 39 [FALCK](#) of Fayette

6 40

6 41

6 42 \_\_\_\_\_

6 43 [FOEGE](#) of Linn

6 44

6 45

6 46 \_\_\_\_\_

6 47 [KINZER](#) of Scott

6 48

6 49

6 50 \_\_\_\_\_

7 1 [MASCHER](#) of Johnson

7 2

7 3

7 4 \_\_\_\_\_

7 5 [THOMAS](#) of Clayton

7 6

7 7

7 8 \_\_\_\_\_

7 9 [WISE](#) of Lee

7 10 [SF 2366.5](#)49 77

7 11 kh/jw/28