

# Senate Amendment 3281

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1 1 Amend Senate File 416 as follows:  
1 2 #1. Page 1, by striking lines 1 through 13, and  
1 3 inserting the following:  
1 4 <DIVISION I  
1 5 EDUCATION FUNDING AND PROPERTY TAXATION  
1 6 Section 1. Section 257.1, subsection 2, unnumbered  
1 7 paragraph 2, Code 2005, is amended to read as follows:  
1 8 For the budget year commencing July 1, ~~1999~~ 2005,  
1 9 and for each succeeding budget year, the regular  
1 10 program foundation base per pupil is ~~eighty-seven and~~  
1 11 ~~five-tenths one hundred~~ percent of the regular program  
1 12 state cost per pupil. For the budget year commencing  
1 13 July 1, ~~1999~~ 2005, and for each succeeding budget  
1 14 year, the special education support services  
1 15 foundation base is ~~seventy-nine one hundred~~ percent of  
1 16 the special education support services state cost per  
1 17 pupil. The combined foundation base is the sum of the  
1 18 regular program foundation base and the special  
1 19 education support services foundation base.  
1 20 Sec. \_\_\_\_\_. Section 257.3, subsection 1, unnumbered  
1 21 paragraph 1, Code 2005, is amended to read as follows:  
1 22 Except as provided in subsections 1A, 2, and 3, a  
1 23 school district shall cause to be levied each year,  
1 24 for the school general fund, a foundation property tax  
1 25 equal to ~~five eight~~ dollars and ~~forty eighty-six~~ cents  
1 26 per thousand dollars of assessed valuation on all  
1 27 taxable property in the district. The county auditor  
1 28 shall spread the foundation levy over all taxable  
1 29 property in the district.  
1 30 Sec. \_\_\_\_\_. Section 257.3, Code 2005, is amended by  
1 31 adding the following new subsection:  
1 32 NEW SUBSECTION. 1A. For the school budget year  
1 33 beginning July 1, 2005, and succeeding budget years,  
1 34 there shall be a credit on all taxable property of ten  
1 35 cents per thousand dollars of assessed valuation  
1 36 applicable against the foundation property tax levy  
1 37 rate specified in subsection 1 or 2, as applicable.  
1 38 Sec. \_\_\_\_\_. Section 257.3, subsection 2, paragraphs  
1 39 a and b, Code 2005, are amended to read as follows:  
1 40 a. Notwithstanding subsection 1, a reorganized  
1 41 school district shall cause a foundation property tax  
1 42 of ~~four seven~~ dollars and ~~forty eighty-six~~ cents per  
1 43 thousand dollars of assessed valuation to be levied on  
1 44 all taxable property which, in the year preceding a  
1 45 reorganization, was within a school district affected  
1 46 by the reorganization as defined in section 275.1, or  
1 47 in the year preceding a dissolution was a part of a  
1 48 school district that dissolved if the dissolution  
1 49 proposal has been approved by the director of the  
1 50 department of education pursuant to section 275.55.  
2 1 b. In succeeding school years, the foundation  
2 2 property tax levy on that portion shall be increased  
2 3 to the rate of ~~four eight~~ dollars and ~~ninety thirty-~~  
2 4 ~~six~~ cents per thousand dollars of assessed valuation  
2 5 the first succeeding year, ~~five eight~~ dollars and  
2 6 ~~fifteen sixty-one~~ cents per thousand dollars of  
2 7 assessed valuation the second succeeding year, and  
2 8 ~~five eight~~ dollars and ~~forty eighty-six~~ cents per  
2 9 thousand dollars of assessed valuation the third  
2 10 succeeding year and each year thereafter.  
2 11 Sec. \_\_\_\_\_. Section 257.16, subsection 1, Code 2005,  
2 12 is amended to read as follows:  
2 13 1. There is appropriated each year from the  
2 14 general fund of the state an amount necessary to pay  
2 15 the foundation aid, supplementary aid pursuant to  
2 16 subsection 5 of this section, and supplementary aid  
2 17 under section 257.4, subsection 2.  
2 18 Sec. \_\_\_\_\_. Section 257.16, Code 2005, is amended by  
2 19 adding the following new subsection:  
2 20 NEW SUBSECTION. 5. a. For the school budget year  
2 21 beginning July 1, 2005, the department of management  
2 22 shall calculate for each district the difference  
2 23 between the sum of the revenues generated by the  
2 24 foundation property tax and the additional property

2 25 tax in the district calculated at the rates applicable  
2 26 for the budget year beginning July 1, 2005, and the  
2 27 revenues that would have been generated by the  
2 28 foundation property tax and the additional property  
2 29 tax in that district at the rates applicable for the  
2 30 budget year beginning July 1, 2004. If the property  
2 31 tax revenues for a district calculated at the rates  
2 32 applicable for the budget year beginning July 1, 2005,  
2 33 exceed the property tax revenues for that district  
2 34 which would have been generated calculated at the  
2 35 rates applicable for the budget year beginning July 1,  
2 36 2004, the department of management shall reduce the  
2 37 revenues raised by the foundation property tax and the  
2 38 additional property tax levy in that district by that  
2 39 difference and the department of education shall pay  
2 40 property tax adjustment aid to the district equal to  
2 41 that difference from moneys appropriated for property  
2 42 tax adjustment aid.

2 43 b. For the budget year beginning July 1, 2006, and  
2 44 succeeding budget years, the department of education  
2 45 shall pay property tax adjustment aid to a school  
2 46 district equal to the amount paid to the district for  
2 47 the base year. The department of management shall  
2 48 adjust the rate of the foundation property tax and the  
2 49 additional property tax accordingly and notify the  
2 50 department of education of the amount of aid to be  
3 1 paid to each district from moneys appropriated for  
3 2 property tax adjustment aid.

3 3 c. There is appropriated from the general fund of  
3 4 the state to the department of education, for each  
3 5 fiscal year, an amount necessary to pay property tax  
3 6 adjustment aid to school districts under this section.  
3 7 Property tax adjustment aid shall be paid to school  
3 8 districts in the manner provided in this section.

3 9 d. For purposes of this subsection, "the rates  
3 10 applicable" means the rates specified in section  
3 11 257.3, subsection 1 or 2, and section 257.4.>

3 12 #2. By striking page 1, line 14 through page 5,  
3 13 line 1 and inserting the following:

3 14 <Sec. \_\_\_\_\_. NEW SECTION. 260C.26 WORKFORCE  
3 15 TRAINING, ECONOMIC DEVELOPMENT, AND TUITION  
3 16 REPLACEMENT == APPROPRIATION == SUPPLEMENTAL FUND  
3 17 ESTABLISHED.

3 18 1. A workforce training, economic development, and  
3 19 tuition replacement supplemental fund is created for  
3 20 each community college. Moneys shall be deposited and  
3 21 expended from the fund as provided under this section.

3 22 2. For the fiscal year beginning July 1, 2006, and  
3 23 succeeding fiscal years, there is appropriated  
3 24 annually from the general fund of the state to the  
3 25 department of education ten million dollars, or so  
3 26 much thereof as is necessary, for the purposes  
3 27 specified in subsection 3. The department shall  
3 28 allocate the moneys appropriated by this section to  
3 29 the community college workforce training, economic  
3 30 development, and tuition replacement supplemental  
3 31 funds utilizing the same distribution formula used for  
3 32 the allocation of state general aid to the community  
3 33 colleges. For the fiscal year beginning July 1, 2007,  
3 34 and succeeding fiscal years, the amount appropriated  
3 35 by this section shall annually increase in an amount  
3 36 equal to the state percent of growth applicable for  
3 37 the fiscal year multiplied by the amount appropriated  
3 38 by this section for the previous fiscal year.

3 39 3. Moneys deposited in the fund are at the>.

3 40 #3. Page 7, by striking lines 1 through 9.

3 41 #4. Page 7, by inserting before line 10 the  
3 42 following:

3 43 <Sec. \_\_\_\_\_. Section 384.4, Code 2005, is amended by  
3 44 adding the following new subsection:

3 45 NEW SUBSECTION. 5. Principal and interest on  
3 46 obligations issued prior to July 1, 2005, for urban  
3 47 renewal project activities under chapter 403, but only  
3 48 to the extent necessary to make up any shortfall in  
3 49 the revenues allocated to the special fund of the city  
3 50 pursuant to section 403.19, subsection 2, which  
4 1 results from the increase in the regular program  
4 2 foundation base pursuant to section 257.1, subsection  
4 3 2, as amended by this Act. Notwithstanding section  
4 4 384.18, a municipality may, before June 1, 2005, amend  
4 5 its budget to provide for certification of the portion

4 6 of the debt service levy allowed under this  
4 7 subsection. This subsection is repealed effective  
4 8 January 1, 2025.

4 9 Sec. \_\_\_\_\_. Section 425A.3, subsection 1, Code 2005,  
4 10 is amended to read as follows:

4 11 1. The family farm tax credit fund shall be  
4 12 apportioned each year in the manner provided in this  
4 13 chapter so as to give a credit against the tax on each  
4 14 eligible tract of agricultural land within the several  
4 15 school districts of the state in which the levy for  
4 16 the general school fund exceeds ~~five eight~~ dollars and  
4 17 ~~forty seventy=six~~ cents per thousand dollars of  
4 18 assessed value. The amount of the credit on each  
4 19 eligible tract of agricultural land shall be the  
4 20 amount the tax levied for the general school fund  
4 21 exceeds the amount of tax which would be levied on  
4 22 each eligible tract of agricultural land were the levy  
4 23 for the general school fund ~~five eight~~ dollars and  
4 24 ~~forty seventy=six~~ cents per thousand dollars of  
4 25 assessed value for the previous year. However, in the  
4 26 case of a deficiency in the family farm tax credit  
4 27 fund to pay the credits in full, the credit on each  
4 28 eligible tract of agricultural land in the state shall  
4 29 be proportionate and applied as provided in this  
4 30 chapter.

4 31 Sec. \_\_\_\_\_. Section 425A.5, Code 2005, is amended to  
4 32 read as follows:

4 33 425A.5 COMPUTATION BY COUNTY AUDITOR.

4 34 The family farm tax credit allowed each year shall  
4 35 be computed as follows: On or before April 1, the  
4 36 county auditor shall list by school districts all  
4 37 tracts of agricultural land which are entitled to  
4 38 credit, the taxable value for the previous year, the  
4 39 budget from each school district for the previous  
4 40 year, and the tax rate determined for the general fund  
4 41 of the school district in the manner prescribed in  
4 42 section 444.3 for the previous year, and if the tax  
4 43 rate is in excess of ~~five eight~~ dollars and ~~forty~~  
4 44 ~~seventy=six~~ cents per thousand dollars of assessed  
4 45 value, the auditor shall multiply the tax levy which  
4 46 is in excess of ~~five eight~~ dollars and ~~forty seventy=~~  
4 47 ~~six~~ cents per thousand dollars of assessed value by  
4 48 the total taxable value of the agricultural land  
4 49 entitled to credit in the school district, and on or  
4 50 before April 1, certify the total amount of credit and  
5 1 the total number of acres entitled to the credit to  
5 2 the department of revenue.

5 3 Sec. \_\_\_\_\_. Section 426.3, Code 2005, is amended to  
5 4 read as follows:

5 5 426.3 WHERE CREDIT GIVEN.

5 6 The agricultural land credit fund shall be  
5 7 apportioned each year in the manner hereinafter  
5 8 provided so as to give a credit against the tax on  
5 9 each tract of agricultural lands within the several  
5 10 school districts of the state in which the levy for  
5 11 the general school fund exceeds ~~five eight~~ dollars and  
5 12 ~~forty seventy=six~~ cents per thousand dollars of  
5 13 assessed value; the amount of such credit on each  
5 14 tract of such lands shall be the amount the tax levied  
5 15 for the general school fund exceeds the amount of tax  
5 16 which would be levied on said tract of such lands were  
5 17 the levy for the general school fund ~~five eight~~  
5 18 dollars and ~~forty seventy=six~~ cents per thousand  
5 19 dollars of assessed value for the previous year,  
5 20 except in the case of a deficiency in the agricultural  
5 21 land credit fund to pay said credits in full, in which  
5 22 case the credit on each eligible tract of such lands  
5 23 in the state shall be proportionate and shall be  
5 24 applied as hereinafter provided.

5 25 Sec. \_\_\_\_\_. Section 426.6, unnumbered paragraph 1,  
5 26 Code 2005, is amended to read as follows:

5 27 The agricultural land tax credit allowed each year  
5 28 shall be computed as follows: On or before April 1,  
5 29 the county auditor shall list by school districts all  
5 30 tracts of agricultural lands which are entitled to  
5 31 credit, together with the taxable value for the  
5 32 previous year, together with the budget from each  
5 33 school district for the previous year, and the tax  
5 34 rate determined for the general fund of the district  
5 35 in the manner prescribed in section 444.3 for the  
5 36 previous year, and if such tax rate is in excess of

5 37 ~~five eight~~ dollars and ~~forty seventy=six~~ cents per  
5 38 thousand dollars of assessed value, the auditor shall  
5 39 multiply the tax levy which is in excess of ~~five eight~~  
5 40 dollars and ~~forty seventy=six~~ cents per thousand  
5 41 dollars of assessed value by the total taxable value  
5 42 of the agricultural lands entitled to credit in the  
5 43 district, and on or before April 1, certify the amount  
5 44 to the department of revenue.>

5 45 #5. By striking page 7, line 25, through page 8,  
5 46 line 3, and inserting the following:

5 47 <1. The sections of this division of this Act  
5 48 increasing the regular program foundation base and the  
5 49 special education support services foundation base,  
5 50 increasing the foundation property tax, and providing  
6 1 for property tax adjustment aid pursuant to section  
6 2 257.16, subsection 5, being deemed of immediate  
6 3 importance, take effect upon enactment and apply to  
6 4 school budget years beginning on or after July 1,  
6 5 2005.>

6 6 #6. Page 8, by striking lines 4 through 7 and  
6 7 inserting the following:

6 8 <2. The section of this division of this Act  
6 9 relating to the appropriation to and creation of a  
6 10 workforce training, economic development, and tuition  
6 11 replacement supplemental fund in each community  
6 12 college takes effect January 1, 2006, and is  
6 13 applicable for the fiscal year beginning July 1,  
6 14 2006.>

6 15 #7. Page 8, line 8, by inserting after the word  
6 16 <sections> the following: <of this division>.

6 17 #8. Page 8, by inserting after line 10, the  
6 18 following:

6 19 <\_\_\_\_. The sections of this division of this Act  
6 20 amending provisions relating to the family farm tax  
6 21 credit under chapter 425A and the agricultural land  
6 22 tax credit under chapter 426 take effect January 1,  
6 23 2007, for taxes due and payable in fiscal years  
6 24 beginning on or after July 1, 2007.>

6 25 #9. Page 8, by inserting after line 10 the  
6 26 following:

6 27 <DIVISION II  
6 28 FOUNDATION PROPERTY TAX == URBAN RENEWAL  
6 29 Sec. \_\_\_\_\_. Section 403.19, subsection 2, Code 2005,  
6 30 is amended to read as follows:

6 31 2. That portion of the taxes each year in excess  
6 32 of such amount shall be allocated to and when  
6 33 collected be paid into a special fund of the  
6 34 municipality to pay the principal of and interest on  
6 35 loans, moneys advanced to, or indebtedness, whether  
6 36 funded, refunded, assumed, or otherwise, including  
6 37 bonds issued under the authority of section 403.9,  
6 38 subsection 1, incurred by the municipality to finance  
6 39 or refinance, in whole or in part, an urban renewal  
6 40 project within the area, and to provide assistance for  
6 41 low and moderate income family housing as provided in  
6 42 section 403.22, ~~except that, However,~~ taxes for the  
6 43 regular and voter-approved physical plant and  
6 44 equipment levy of a school district imposed pursuant  
6 45 to section 298.2, ~~and~~ taxes for the payment of bonds  
6 46 and interest of each taxing district ~~must, and the~~  
6 47 foundation property tax imposed pursuant to section  
6 48 257.3, subsection 1, but only as provided in

6 49 subsection 8, shall be collected against all taxable  
6 50 property within the taxing district without limitation  
7 1 by the provisions of this subsection. ~~However In~~  
7 2 addition, all or a portion of the taxes for the  
7 3 physical plant and equipment levy shall be paid by the  
7 4 school district to the municipality if the auditor  
7 5 certifies to the school district by July 1 the amount  
7 6 of such levy that is necessary to pay the principal  
7 7 and interest on bonds issued by the municipality to  
7 8 finance an urban renewal project, which bonds were  
7 9 issued before July 1, 2001. Indebtedness incurred to  
7 10 refund bonds issued prior to July 1, 2001, shall not  
7 11 be included in the certification. Such school  
7 12 district shall pay over the amount certified by  
7 13 November 1 and May 1 of the fiscal year following  
7 14 certification to the school district. Unless and  
7 15 until the total assessed valuation of the taxable  
7 16 property in an urban renewal area exceeds the total  
7 17 assessed value of the taxable property in such area as

7 18 shown by the last equalized assessment roll referred  
7 19 to in subsection 1, all of the taxes levied and  
7 20 collected upon the taxable property in the urban  
7 21 renewal area shall be paid into the funds for the  
7 22 respective taxing districts as taxes by or for the  
7 23 taxing districts in the same manner as all other  
7 24 property taxes. When such loans, advances,  
7 25 indebtedness, and bonds, if any, and interest thereon,  
7 26 have been paid, all moneys thereafter received from  
7 27 taxes upon the taxable property in such urban renewal  
7 28 area shall be paid into the funds for the respective  
7 29 taxing districts in the same manner as taxes on all  
7 30 other property.

7 31 Sec. \_\_\_\_\_. Section 403.19, Code 2005, is amended by  
7 32 adding the following new subsection:

7 33 NEW SUBSECTION. 8. a. For urban renewal plans  
7 34 adopted on or after the effective date of this Act,  
7 35 taxes collected under subsection 2 shall not include  
7 36 the foundation property tax imposed pursuant to  
7 37 section 257.3, subsection 1.

7 38 b. For urban renewal plans adopted before the  
7 39 effective date of this Act, taxes collected under  
7 40 subsection 2 shall not include the foundation property  
7 41 tax imposed pursuant to section 257.3, subsection 1,  
7 42 for fiscal years beginning on or after July 1, 2025.

7 43 c. On or before January 1, 2006, a municipality  
7 44 shall report to the department of management the  
7 45 status of any loans, advances, indebtedness, or bonds  
7 46 issued or incurred before the effective date of this  
7 47 Act for urban renewal purposes and payable from the  
7 48 special fund in section 403.19, subsection 2. The  
7 49 report shall include a schedule of payments for such  
7 50 loans, advances, indebtedness, or bonds. Based on the  
8 1 information in the reports, the governor shall  
8 2 recommend to the general assembly legislation  
8 3 necessary to address tax increment financing revenue  
8 4 shortfalls that may result from exempting the  
8 5 foundation property tax levy from collection as tax  
8 6 increment financing revenue.

8 7 Sec. \_\_\_\_\_. EFFECTIVE DATE. This division of this  
8 8 Act, being deemed of immediate importance, takes  
8 9 effect upon enactment.

#### 8 10 DIVISION III

#### 8 11 TASK FORCE ON LOCAL ECONOMIC DEVELOPMENT

8 12 Sec. \_\_\_\_.

8 13 1. On or before August 1, 2005, the department of  
8 14 economic development shall initiate and coordinate the  
8 15 establishment of a local economic development task  
8 16 force. The chairperson of the task force shall be the  
8 17 director of the department of economic development or  
8 18 the director's designee. Participants on the task  
8 19 force shall be appointed by the director and shall  
8 20 include representatives of the Iowa state association  
8 21 of counties, representatives of the Iowa league of  
8 22 cities, and other participants deemed appropriate by  
8 23 the director. The department of economic development  
8 24 shall provide staffing assistance to the task force.

8 25 2. The task force shall identify and study the  
8 26 economic development programs currently available to  
8 27 cities and counties. Such programs shall include  
8 28 those operated by the state and those implemented by  
8 29 cities and counties pursuant to statutory authority.  
8 30 The task force shall analyze the effectiveness of  
8 31 these programs.

8 32 3. On or before January 15, 2006, and on or before  
8 33 January 15, 2007, the task force shall report its  
8 34 findings to the general assembly and to the office of  
8 35 the governor.>

8 36 #10. Title page, by striking lines 1 through 7 and  
8 37 inserting the following: <An Act related to property  
8 38 taxation and related aspects of education funding by  
8 39 increasing the state regular program and special  
8 40 education support services foundation base per pupil,  
8 41 by increasing the foundation property tax, by  
8 42 establishing a workforce training, economic  
8 43 development, and tuition replacement supplemental  
8 44 fund, making an appropriation, increasing the state  
8 45 cigarette tax, adjusting the calculations for the  
8 46 family farm and agricultural land tax credits,  
8 47 modifying provisions relating to urban renewal  
8 48 projects, establishing a task force to develop

8 49 recommendations regarding economic development tools  
8 50 for municipalities, and including effective and  
9 1 applicability date provisions.>  
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9 5 BOB BRUNKHORST  
9 6 SF 416.702 81  
9 7 rn/gg/4938