



HF 646 – Physical Plant and Equipment Levy Uses (LSB2247HZ)
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Fiscal Note Version – New

Description

House File 646 expands the authorized use of Physical Plant and Equipment Levy (PPEL) revenues to include expenses incurred in the repair of transportation equipment if the cost of the repair exceeds \$2,500.

Background

Regular PPEL: In FY 2015, 328 school districts (97.0% of the 338 districts) levied for the regular PPEL (approved by the school board) totaling \$49.4 million. Of those 328 districts, 322 levied up to the regular PPEL capacity. The remaining 16 districts have a remaining PPEL capacity totaling \$1.4 million.

Voter-Approved PPEL (VPPEL): In FY 2015, 244 school districts (72.2%) levied for the VPPEL totaling \$119.4 million (includes \$108.5 million in property tax and \$10.9 million in income surtax). Of those 244 districts, 99 levied up to the VPPEL capacity. The remaining 239 districts have a remaining VPPEL capacity totaling \$87.0 million.

Assumptions

- School boards not currently levying their capacity for the regular PPEL (maximum rate of \$0.33/\$1,000 of assessed valuation) may approve an increase in the regular PPEL rate.
- There may be an impact related to the voter-approved PPEL levy rate as well. However, the amount will depend on voter approval within each school district.
- If voters within a school district have approved a revenue purpose statement that grants Secure an Advanced Vision for Education (SAVE) funds to be used for PPEL purposes, those SAVE funds may be used for the purposes specified in **HF 646**.

Fiscal Impact

There is no impact to the State General Fund. The estimated local government fiscal impact is unknown. Based on data for FY 2015, the maximum fiscal impact will be an increase in the regular PPEL of \$1.4 million. Additionally, there may be an increase in the voter-approved PPEL in future fiscal years, but any increases will depend on the voter approval within each district.

Sources

Iowa Department of Management, School Aid file
LSA analysis and calculations

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
