

See reprint

April 18, 1967
Place On Calendar

House File 686

By COMMITTEE ON TAX REVISION

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

An Act to provide a method for general property tax replacement and equalization.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. Definitions of terms used in this Act:

2 1. The "basic school tax unit" is conterminous with the
3 county school system and is a term to define a local tax area
4 to be used for public school support only.

5 2. The "basic school tax" on property is a uniform levy on
6 all taxable property in the basic school tax unit for support
7 of public schools within the unit. This levy will be the
8 millage necessary to raise an amount of money equal to forty
9 (40) percent of the total of the proposed general fund expendi-
10 tures, reduced by anticipated receipts from other sources of
11 all the school districts in the basic school tax unit.

12 3. The "basic school tax equalization fund" is a local
13 fund in the county treasurer's office from which operating
14 revenues are distributed to the school districts within the
15 local basic school tax unit.

1 Sec. 2. There are hereby created in the state ninety-nine
2 (99) basic school tax units. Said units shall be identified by
3 the name of the county comprising the major part of each unit.
4 The boundaries of the basic school tax unit shall be conter-
5 minous with the county school system and in case of joint
6 districts with area in more than one (1) county, each area
7 shall become a part of the basic school tax unit in which

8 there are the greatest number of school electors in the dis-
9 trict and the records of the department of public instruction
10 compiled from the school secretaries' reports shall determine
11 the basic school tax unit of which the area becomes a part.
12 Where county school systems have been merged under section two
13 hundred seventy-three point twenty-two (273.22) of the Code,
14 such district shall be deemed part of the basic tax unit
15 comprising the county system which would exist and of which
16 it would be a part but for such merger.

1 Sec. 3. The county auditor of each county shall, prior to
2 making the levies for school purposes in his county, starting
3 with the 1967-68 school budgets and continuing with each school
4 year thereafter, total the askings for general school purposes
5 of the various school districts in the basic school tax unit.
6 He shall then multiply said yearly total by forty hundredths
7 (.40) and spread the levy to raise the amount thus ascertained
8 at a uniform rate over all the taxable property in the basic
9 school tax unit. In the case of joint districts such levy
10 shall be spread in the same manner as heretofore employed for
11 the purpose of making other school levies in such circumstances.
12 The money collected from said levy shall be placed by the county
13 treasurer in the basic school tax equalization fund.

1 Sec. 4. On or before August 1, 1967, and each year there-
2 after, the state tax commission shall make an accounting of
3 the individual state income tax collected under division two
4 (II) of chapter four hundred twenty-two (422) of the Code
5 applicable to tax returns for the most recent completed tax
6 year, as defined by section four hundred twenty-two point
7 four (422.4), subsection four (4), of the Code, from taxpayers
8 in each of the various school districts in the state and cer-
9 tify to the state comptroller and the state department of
10 public instruction forty (40) percent of the total credited
11 from the taxpayers of each basic school tax unit and the
12 comptroller shall thereupon draw his warrant for said amount

13 and forward same to the county treasurer who shall place the
14 proceeds thereof in the basic school tax equalization fund.
15 There is hereby appropriated from the general fund sufficient
16 moneys to pay such warrants.

1 Sec. 5. The county auditor shall, by August 1, 1967, and
2 each year thereafter, certify to the state department of public
3 instruction the amount of the basic school tax, as provided by
4 section three (3) of this Act, to be placed in the basic school
5 tax equalization fund.

1 Sec. 6. In the event that the moneys to be placed in the
2 basic school tax equalization fund, as provided in sections
3 four (4) and five (5) of this Act, are insufficient to guarantee
4 to each individual school district a dollar amount equal to
5 eighty-five (85) percent of the state average general fund per
6 pupil expenditure, or the actual per pupil expenditure of the
7 district, whichever is less, for each pupil in the district for
8 the prior school year, the state department of public instruc-
9 tion shall compute the amount of state equalization aid due each
10 district. This amount and the average daily per pupil member-
11 ship for the most recent completed school year for each school
12 district shall be certified to each county auditor no later
13 than September 1, 1967, and each year thereafter. There is
14 hereby appropriated annually from the general fund of the state
15 an amount necessary to guarantee such equalization aid to the
16 several school districts.

1 Sec. 7. That portion of any school budget which exceeds the
2 funds thus provided, in the above sections, shall be levied by
3 the county auditor as an additional property tax in said local
4 school district, in addition to the scheduled annual amount
5 for any bonded indebtedness or interest thereon. This addi-
6 tional levy should be paid to each school district as the
7 funds are collected in the same manner as other tax collections
8 are paid over.

1 Sec. 8. The state comptroller shall pay the state income

2 tax collected, as provided in section four (4) of this Act,
3 to each county treasurer in equal semiannual installments
4 on or about April 1 and October 1 of each year, with the
5 first installment to begin April 1, 1968. There is hereby
6 appropriated from the general fund of the state the amounts
7 necessary to make such payments. The county treasurer shall
8 deposit said payments in the basic school tax equalization
9 fund.

1 Sec. 9. The moneys in the basic school tax equalization
2 fund in each basic school tax unit shall be distributed by
3 the county treasurer on the tenth day of the month following
4 the month of collection, to each of the respective districts
5 in the basic school tax unit equally on the basis of the
6 average daily per-pupil membership. A report of the distribu-
7 tions so made shall be certified by each county treasurer
8 to the state department of public instruction.

1 Sec. 10. On or about April 1 and October 1 of each year,
2 the state department of public instruction shall certify to
3 the state comptroller one-half (1/2) of the amount appropriated
4 to be paid for state equalization aid. The state comptroller
5 shall distribute the funds to each school district.

1 Sec. 11. Beginning January 1, 1968, no funds appropriated
2 for state aid distribution under the provisions of chapters
3 two hundred eighty-six (286) and two hundred eighty-six A
4 (286A) of the Code shall be paid to school districts for ele-
5 mentary or secondary education.

1 Sec. 12. Section twenty-four point seventeen (24.17), Code
2 1966, is hereby amended by inserting in line six (6) after
3 the word "year" the words "and school districts the fifteenth
4 day of July each year,".

1 Sec. 13. This Act, being deemed of immediate importance,
2 shall be in full force and effect from and after its passage
3 and publication in The Perry Daily Chief, a newspaper pub-
4 lished at Perry, Iowa, and in The Washington Evening Journal,

5 a newspaper published at Washington, Iowa.

EXPLANATION

The purpose of this bill is to establish a new method of distributing state aid to schools in order to achieve greater educational opportunity and general property tax relief. It provides for a new larger property tax base in the home community known as the "Basic School Tax Unit". It achieves a degree of equalization by requiring a uniform millage levy within this new basic school tax unit in an amount needed to raise forty percent of the combined general fund budgets in this basic tax unit. It also provides for a refund to the county equalization fund of forty percent of the state income taxes paid by the residents of the school districts in the basic school tax unit. It provides state equalization aid to guarantee that each school district will have at least an amount of money equal to eighty-five percent of the state average per-pupil expenditure for general fund purposes. The state equalization aid replaces present general and supplemental aids.

1 Amend House File 686 by striking all after the enacting clause
2 and inserting in lieu thereof the following:

3 "Section 1. When used in this Act, unless the context other-
4 wise requires:

5 "1. 'School district general fund askings' means the proposed
6 general fund expenditures reduced by anticipated receipts from
7 sources other than those provided by this Act.

8 "2. 'Cities and towns budget' means the proposed levy for the
9 functional funds as defined in sections four hundred four point
10 six (404.6) through four hundred four point twelve (404.12) of the
11 Code.

12 "3. 'County budget' means the proposed levies for county
13 government, excluding levies applicable to sections thirty-seven
14 point seven (37.7), one hundred forty point thirteen (140.13),
15 two hundred thirty-two point twenty-two (232.22), two hundred
16 fifty-six point two (256.2), and three hundred forty-six point
17 ten (346.10) of the Code.

18 "4. 'Property tax revision fund' means a local fund in the
19 county treasurer's office from which the thirty-five hundredths
20 (.35) credit established by this Act is distributed.

21 "Sec. 2. The county auditor of each county shall, prior to
22 making the levies for the school district general fund askings
23 beginning with the 1967-68 school budget, and each year there-
24 after, and prior to levying for the cities and towns budget be-
25 ginning with the 1968 budget year, and each year thereafter, and
26 prior to levying for the county budget beginning with the 1968
27 budget year, and each year thereafter, apply the military service
28 tax credits, homestead tax credits, and agricultural land tax
29 credits and multiply the remaining portion of each budget by
30 thirty-five hundredths (.35).

31 "Sec. 3. That portion of any political subdivision budget re-
32 maining after the thirty-five hundredths (.35) credit shall be
33 levied by the county auditor as provided by chapter twenty-four
34 (24) of the Code.

35 "Sec. 4. After the county auditor determines the thirty-five
36 hundredths (.35) credit for each political subdivision, he shall
37 certify the amounts due each political subdivision to the state
38 comptroller.

39 "Sec. 5. The state comptroller shall pay the amounts so certi-
40 fied to each county treasurer in equal semi-annual installments on
41 or about April 1 and October 1 of each year, with the first in-
42 stallment to begin April 1, 1968. There is appropriated from the
43 general fund of the state the amounts necessary to make such pay-
44 ments.

45 "Sec. 6. The money in the property tax revision fund shall be
46 distributed by the county treasurer, on the tenth (10th) of the
47 month following the month of collection, to each of the political
48 subdivisions in proportion to which it was certified to the state
49 comptroller by the county auditor.

50 "Sec. 7. Section two hundred sixty-five point six (265.6), Code
51 1966, is amended by striking all of such section after the word
52 'school' in line four (4), effective January 1, 1968.

53 "Sec. 8. Section two hundred eighty-five point one (285.1),
54 Code 1966, subsection twelve (12), is amended, effective
55 January 1, 1968, by striking lines eight (8) through ten (10)
56 and the words 'portion of the' in line eleven (11).

57 "Sec. 9. Sections two hundred eighty-five point two (285.2)
58 and two hundred eighty-five point three (285.3), Code 1966, are
59 repealed, effective January 1, 1968.

60 "Sec. 10. Section two hundred eighty-five point six (285.6),
61 Code 1966, is amended, effective January 1, 1968, by striking
62 all of lines seven (7) through thirteen (13).

63 "Sec. 11. Section two hundred eighty-five point seven (285.7),
64 Code 1966, is repealed, effective January 1, 1968.

65 "Sec. 12. Section two hundred eighty-five point fifteen
66 (285.15), Code 1966, is amended, effective January 1, 1968, by
67 striking lines ten (10) and eleven (11) and from line twelve (12)
68 the words 'comply existed and the rights to'.

69 "Sec. 13. Chapters two hundred eighty-six (286) and two hun-
70 dred eighty-six A (286A), Code 1966, are repealed, effective
71 January 1, 1968.

72 "Sec. 14. Section three hundred twenty-one point one hundred
73 seventy-seven (321.177), Code 1966, is amended, effective
74 January 1, 1968, by striking lines fifty-nine (59) through
75 seventy-seven (77).

76 "Sec. 15. Section two hundred seventy-two point five (272.5),
77 Code 1966, is amended, effective January 1, 1968, by striking all
78 of subsection one (1).

79 "Sec. 16. Section four hundred twenty-seven point one
80 (427.1), Code 1966, is amended by striking all of paragraph
81 one (1) of subsection sixteen (16) and inserting in lieu
82 thereof the following:

83 "'All tangible personal property customarily located and used
84 in or about the residence or residences of the owner of said
85 property; all wearing apparel and food used or to be used by
86 the owner or his family; and all personal effects, for the year
87 1967 and all subsequent years.'

88 "Sec. 17. Section four hundred twenty-seven point one
89 (427.1), Code 1966, is amended by striking all of subsection
90 thirteen (13) after the word 'all' in line ten (10) and inserting
91 in lieu thereof the words 'swine, cattle, sheep, horses, asses,
92 mules and all other livestock and any fur-bearing animals of
93 any age.'

94 "Sec. 18. Section four hundred twenty-seven point thirteen
95 (427.13), Code 1966, is amended by striking all of subsections
96 two (2), three (3), and ten (10), and by adding the following
97 paragraph at the end of such section:

98 "'The provisions of this section shall be subject to section
99 four hundred twenty-seven point one (427.1) of the Code.'

100 "Sec. 19. Section four hundred forty-one point forty-five
101 (441.45), Code 1966, is amended by striking subsection four (4).

102 "Sec. 20. Section four hundred twenty-six point one (426.1),
103 Code 1966, is amended by striking all of such section after the
104 word 'appropriated' in line nine (9) and inserting in lieu
105 thereof the words 'a sum sufficient to pay claims in full'.

106 "Sec. 21. Section four hundred twenty-six point three
107 (426.3), Code 1966, is amended as follows:

108 "1. By striking from line seven (7) the word 'fifteen' and
9 inserting in lieu thereof the word 'twenty-five (25)'.
110 "2. By striking from line thirteen (13) the word 'fifteen'
111 and inserting in lieu thereof the word 'twenty-five (25)'."

Filed

May 1, 1967

*House as a Committee of the
whole voted not to consider.
Withdrawn 5-5*

FISHER of Greene.
NIELSEN of Shelby.

1 Amend House File 686 as follows:
2 1. Amend section one (1) by adding the following new
3 subsection:
4 "The 'state school aid equalization credit' is the amount
5 of state funds credited to each property owner under the pro-
6 visions of this Act."
7 2. Amend by inserting after section nine (9) the follow-
8 ing new section:
9 "Sec. 10. The county auditor in preparing the tax lists
10 under chapter four hundred forty-three (443) of the Code shall
11 enter the amount of the state school aid equalization credit
12 granted each property owner under the provisions of this Act."
13 3. Amend by renumbering the remaining sections in accord-
14 ance with this amendment.

Filed
April 28, 1967

BAKER of Boone.

1 Amend the Fisher-Nielsen amendment to House File 686,
2 filed May 1, 1967, as follows:
3 1. By striking all of Sections fourteen (14), sixteen
4 (16), seventeen (17), eighteen (18), and nineteen (19).
5 2. By adding thereto the following new section:
6 Section four hundred twenty-seven point one (427.1),
7 Code of 1966, is hereby amended by adding the following new
8 subsection:
9 "Each taxpayer or corporation shall be entitled to an
10 exemption of ten thousand dollars (\$10,000) of actual value
11 on personal property."
12 3. By renumbering the sections in accordance with this
13 amendment.

Filed and Withdrawn
May 2, 1967

DISTELHORST of Des Moines.

1 Amend the Fisher and Nielsen amendment to House File 686,
2 filed May 1, as follows:
3 1. By striking all of Section 17.
4 2. By striking in Section 18, lines ninety-five (95) and
5 ninety-six (96), the words "subsections two (2), three (3),
6 and", and inserting in lieu thereof the word "subsection".
7 3. By deleting all of Section 19 and renumbering all
8 sections following Section 16.

Filed and Lost
May 2, 1967

BAILEY of Wright.
VAN NOSTRAND of Pottawattamie.

1 Amend House File 686 as follows:
2 1. Section 3, line three (3), by inserting after the word
3 "budgets" the following: "or the calendar year 1968, whichever
4 is applicable,".
5 2. Section 4, line nine (9), by inserting after the word
6 the words "to each county auditor and to". "and"
7 3. Section 4 is further amended by inserting in line eleven
8 (11) a period after the word "unit" and by striking the remainder
9 of the section.

Filed
May 2, 1967

PETERSEN of Dallas

1 Amend House File 686, Section 6, by adding thereto the
2 following:

3 "Any district which is operating at a per-pupil cost in
4 excess of 85% of the state average general fund expenditure
5 which shall propose to increase the per-pupil cost over the
6 previous year at a percentage rate in excess of the economic
7 growth of the state, as indicated by the growth of state rev-
8 enue, shall be required to get prior approval of a majority
9 of the following state officials: The state comptroller or
10 his designated staff member, the superintendent of public
11 instruction or his designated staff member, two members of
12 the senate designat 1 by the president of the senate and who
13 differ from each other in political affiliation, and two
14 members of the house of representatives designated by the
15 speaker of the house and who differ from each other in
16 political affiliation. In no case shall the total dollar
17 increase for any district exceed 85% of the state average
18 general fund expenditure per-pupil multiplied by the current
19 year's economic growth as determined by the state comptroller.
20 Failure to receive approval for such an increase or a part
21 thereof from a majority of said officials shall result in
22 state equalization aid being decreased by three times the
23 total dollar amount not having approval that said districts'
24 increase exceeds the allowable percentage of growth.

25 On or after July 1 of each year, but not later than September
26 1, the state comptroller shall compute the state revenue
27 growth rate which, for the purposes of this Act, shall be the
28 percentage, if any, by which the total general fund revenue
29 from special taxes during the fiscal year ending on June 30
30 of the current year exceeds said revenue received during the
31 fiscal year ending June 30 of the preceding calendar year.
32 In making such computations, he shall exclude all increases
33 or decreases in the general fund revenue resulting directly
34 from changes in the state revenue laws having an effective
35 date during either of the two preceding fiscal years. He
36 shall thereupon certify the state revenue growth rate to the
37 state budget review committee each year."

Filed *withdawn 5-5*
May 2, 1967

HARBOR of Fremont-Mills.

1 Amend House File 686 as follows:

2 1. By inserting after section twelve (12) the following new
3 sections:

4 "Sec. 13. Section three hundred ninety-five point
5 twenty-two (395.22), Code 1966, is hereby amended by
6 inserting in line nineteen (19) before the word 'and' the
7 words 'and all moneyed capital subject to the tax imposed
8 by section five (5) of this Act'.

9 "Sec. 14. Section four hundred twenty point two hundred
10 four (420.204), Code 1966, is hereby amended as follows:

11 "1. By inserting in line two (2) after the word 'except'
12 the words 'moneyed capital subject to the tax imposed by
13 section five (5) of this Act and'.

14 "2. By striking lines twenty-one (21) through twenty-four
15 (24) and inserting in lieu thereof the following:

16 'such city the portion of the tax on moneys and credits
17 collected within the city as the aggregate levy'.

18 "3. By adding thereto the following new sentence:

19 'The provisions relating to the distribution of funds
20 shall not apply to the distribution of a city's share of the
21 tax imposed by section five (5) of this Act.'

22 "Sec. 15. Chapter four hundred twenty-two (422), Code 1966,
23 is hereby amended by adding thereto sections four (4) through
24 thirteen (13) of this Act as a new division.

25 DIVISION I

26 "Sec. 16. As used in this division, unless the context
27 otherwise requires:

28 "1. 'Intangible personal property' means property on which
29 dividends or interest is received.

30 "2. 'Person' includes any resident of the state, fiduciary,
31 partnership, association, corporation, and any other group
32 acting as a unit which is organized under the laws of this
33 state or whose principal place of business is located within
34 this state.

35 "3. 'Taxable situs' means the residence of the owner of
36 intangible personal property.

37 "4. 'Receipts' mean dividends or interest received as a
38 result of ownership or beneficial interest in intangible
39 personal property whether received in money, credits, or
40 property.

41 "5. The definitions contained in section four hundred
42 twenty-two point four (422.4), subsections three (3) through
43 twelve (12), of the Code shall apply to this division.

44 "Sec. 17. A four (4) percent tax is hereby imposed on all
45 income received from interest and dividends by persons in this
46 state. Organizations and corporations exempt from paying the
47 business tax or corporations under section four hundred twenty-
48 two point thirty-four (422.34) of the Code shall also be
49 exempt from paying the receipts tax. The receipts tax shall
50 be applicable to interest and dividends taxable as net income
51 for income tax purposes under section four hundred twenty-two
52 point seven (422.7) of the Code.

53 "Any person whose total tax under the provisions of this
54 section is less than one dollar shall not be required to file
55 the return required by this division.

56 "All intangible property of persons residing in other states
57 used in or arising out of business transacted in this state
58 by or on behalf of such nonresident shall be taxed on the
59 annual yield thereof, and the taxable situs shall be the
60 location of the business.

61 "All intangible personal property of persons residing in
62 this state but used in or arising out of business transacted
63 in another state by or on behalf of such persons and taxed
64 in the other state shall not be subject to the receipts
65 tax in this state.

66 "Intangible personal property in the hands of an executor
67 or an administrator shall be subject to the receipts tax at
68 the residence of the decedent at the time of death.

69 "Sec. 18. Every person who receives income from interest and
70 dividends subject to the payment of the tax during the tax
71 year shall file a tax return and shall forward the amount of
72 the tax to the commission. The filing shall be made on the
73 individual or corporate income tax form or separate form
74 made available by the commission. The taxpayer shall make
75 a separate itemized accounting of all stocks, bonds,
76 certificates, notes, securities, debentures, deposits, and
77 other moneyed capital not exempt under the provisions of this
78 division from which dividends and interest were received
79 during the tax year, the market or real value of all such
80 moneyed capital as of January 1 of the year for which the
81 tax return is filed, and the amount of tax due. In listing
82 the value of all moneyed capital, the taxpayer shall list
83 the market value of the capital, or, if there is no readily
84 ascertainable market value, he shall list the book value of
85 the moneyed capital. The amount of the tax shall be paid at
86 the same time and in the same manner provided for final
87 returns of individual and corporate income taxes.

88 "Sec. 19. For each county, municipal corporation, and school
89 district of the state, the commission shall make a separate
90 listing of total market or book value of all moneyed capital
91 from which residents of the respective county, municipal
92 corporation, and school district received dividends and interest
93 subject to the tax. The commission shall make a separate list
94 of the total amount of tax collected from each city and town
95 in each county and the total amount of tax collected in all
96 remaining taxing districts outside of cities and towns in
97 each county. Receipts from the tax shall be returned to the
98 county from which paid.

99 "Sec. 20. On the first day of the second month following
100 the end of each calendar quarter, the commission shall certify
101 to the state comptroller the amount determined to be due each
102 county and the comptroller shall thereupon draw warrants for
103 the said amount and transmit same to the appropriate county
104 treasurer. The amount transmitted shall be apportioned as
105 prescribed in section four hundred twenty-nine point three
106 (429.3) of the Code.

107 "Sec. 21. Upon termination of the tax prescribed in section
108 thirty-five B point eleven (35B.11) of the Code, the commission
109 shall on or before August 1 of each year certify to each county
110 auditor the total value of all moneyed capital subject to the
111 payment of the receipts tax which taxpayers in the county
112 reported on tax returns filed during the current tax year
113 report shall show the total value of such moneyed capital
114 reported by taxpayers in each municipal corporation and school
115 district in the county and the total amount in the county.
116 Such reported value plus the valuation of those moneys and
117 credits taxed under the provisions of sections four hundred
118 thirty point seven (430.7), four hundred thirty A point three
119 (430A.3), four hundred thirty A point seven (430A.7), four
120 hundred thirty-one point ten (431.10), four hundred thirty-one
121 point thirteen (431.13), four hundred thirty-two point five
122 (432.5), four hundred thirty-two point eight (432.8), and
123 five hundred thirty-three point twenty-two (533.22) of the Code
124 shall be included on the tax lists prepared by the county
125 auditor. The valuations shall be used in the computation
126 of the maximum amount of indebtedness a county or other
127 political or municipal corporation shall be allowed as
128 provided in section three (3) of article eleven (XI) of the
129 constitution of the state of Iowa and sections four hundred
130 seven point one (407.1) and four hundred seven point two
131 (407.2) of the Code. If any county or other political or
132 municipal corporation defaults in the payment of bonded
133 indebtedness, such corporation may levy a tax, not to exceed
134 five (5) mills, on all moneyed capital within its taxing
135 area so long as the bonded indebtedness is in default.

136 "Sec. 22. Every person who is liable for any tax pursuant
137 to the provisions of this division and who fails to pay the
138 tax when due shall pay interest penalty on the delinquency at
139 the rate of one (1) percent per month but not to exceed ten
140 (10) percent per annum. The method of collecting the tax and
141 interest penalty shall be the same as provided by sections
142 four hundred twenty-two point twenty-five (422.25), four
143 hundred twenty-two point twenty-eight (422.28), four hundred
144 twenty-two point thirty (422.30), and other related sections
145 of the Code.

146 "Sec. 23. No estate in which there are receipts subject
147 to taxation under this division shall be closed without the
148 payment of the tax levied under this division, both in
149 respect to the liability of the estate and the decedent prior
150 to his death. In all estates in which there are receipts
151 subject to taxation under this division, a return shall be
152 filed by the fiduciary with the filing of the final fiduciary
153 return or with the filing of any annual fiduciary return
154 required by law.

155 "Sec. 24. If any taxpayer fails to make the return required
156 by this division, or makes an insufficient return, the
157 commission shall, at any time within three (3) years after
158 the return of such taxpayer is required by law to be filed,
159 make the assessment or additional assessment of such receipts
160 tax and shall notify the taxpayer of such action and the
161 reason therefor, in conformity with section four hundred
162 twenty-two point twenty-eight (422.28) of the Code.

163 "Sec. 25. In order to ascertain the correct amount of
164 receipts tax due any county or political subdivision of this
165 state, the commission may examine any papers or records,
166 including federal and state income tax records, belonging to
167 any person who owns or controls any intangible property the
168 receipts from which are taxable under the provisions of this
169 division, and utilize such information to carry out the
170 provisions of this division. Such use shall not be deemed a
171 violation of section four hundred twenty-two point twenty
172 (422.20) or four hundred twenty-two point sixty-five (422.65)
173 of the Code.

174 DIVISION II

175 "Sec. 26. Section four hundred twenty-two point one (422.1),
176 Code 1966, is hereby amended by adding a reference to the
177 division created by section three (3) of this Act which shall
178 be designated as follows:

179 "'Dividends and interest or receipts tax.'

180 "Sec. 27. Section four hundred twenty-two point five (422.5),
181 Code 1966, is hereby amended by striking all of lines twenty-
182 nine (29) through forty-four (44) effective for all taxable
183 years beginning on and after January 1, 1967.

184 "Sec. 28. Section four hundred twenty-two point twenty-one
185 (422.21), Code 1966, is hereby amended by striking all of
186 lines twenty-one (21) through twenty-four (24).

187 "Sec. 29. Section four hundred twenty-two point sixty-two
188 (422.62), Code 1966, is hereby amended by striking all of
189 lines eleven (11) through nineteen (19) and inserting in lieu
190 thereof the words "under chapter three hundred six B (306B) of
191 the Code shall be paid. Annually on November 1 of each year".

192 "Sec. 30. Section four hundred twenty-two point seventy-
193 one (422.71), Code 1966, is hereby repealed effective for
194 the taxable year beginning on and after January 1, 1967,
195 except that section four hundred twenty-two point seventy-
196 one (422.71), Code 1966, shall remain in effect for
197 purposes of distribution of funds collected under lines
198 twenty-nine (29) through forty-four (44) of section four
199 hundred twenty-two point five (422.5), Code 1966, until
200 such funds are exhausted.

201 "Sec. 31. Section four hundred twenty-seven point one
202 (427.1), subsection twenty (20), Code 1966, is hereby amended
203 by adding thereto the following:

204 "'Such stock shall not be exempt from the receipts tax
205 imposed by section five (5) of this Act unless such
206 exemption is otherwise provided by law.'

207 "Sec. 32. Section four hundred twenty-eight point three
208 (428.3), Code 1966, is hereby amended by inserting in line
209 five (5) after the word 'property' the words 'subject to a
210 property or moneys and credits tax'.

211 "Sec. 33. Section four hundred twenty-eight point eight
212 (428.8), Code 1966, is hereby amended by inserting in line
213 three (3) after the word 'stocks' the words 'subject to the
214 moneys and credits tax and'.

215 "Sec. 34. Section four hundred twenty-eight point eleven
216 (428.11), Code 1966, is hereby amended by inserting in line
217 four (4) after the word 'credits' the words 'subject to a
218 property or moneys and credits tax'.

219 "Sec. 35. Section four hundred twenty-eight point twenty-
220 three (428.23), Code 1966, is hereby amended as follows:

221 "1. By inserting in line six (6) after the word 'credits'
222 the words 'subject to the moneys and credits tax'.

223 "2. By striking all of such section after the word
224 'individuals' in line seven (7) and inserting in lieu thereof
225 a period.

226 "Sec. 36. Section four hundred twenty-nine point two
227 (429.2), Code 1966, is hereby amended as follows:

228 "1. By striking from line nineteen (19) the words 'five
229 mills' and inserting in lieu thereof the words 'one (1) mill'.

230 "2. By striking all of such section after the word 'resides.'
231 in line twenty-one (21).

232 "3. By adding thereto the following:

233 "'The tax of one (1) mill imposed in this section shall be
234 and is the same as imposed in section thirty-five B point
235 eleven (35B.11) of the Code and shall not be levied in
236 addition thereto. The tax collected shall be remitted to the
237 treasurer of state and applied to the payment of principal and
238 interest of the bonds provided for in chapter thirty-five B
239 (35B) of the Code. The one (1) mill moneys and credits tax
240 herein provided shall not be levied by any county board of
241 supervisors after the payment in full of such bonds.'

242 "Sec. 37. Section four hundred twenty-nine point three
243 (429.3), Code 1966, is hereby amended by striking all of lines
244 one (1) through three (3) and inserting in lieu thereof the
245 following:

246 "'The tax imposed by sections four hundred thirty point seven
247 (430.7), four hundred thirty A point three (430A.3), four
248 hundred thirty A point seven (430A.7), four hundred thirty-one
249 point ten (431.10), four hundred thirty-one point thirteen
250 (431.13), four hundred thirty-two point five (432.5), four
251 hundred thirty-two point eight (432.8), and five hundred
252 thirty-three point twenty-two (533.22) of the Code shall be
253 levied by the board'.

254 "Sec. 38. Section four hundred thirty point seven (430.7),
255 Code 1966, is hereby amended by inserting in line ten (10)
256 after the word 'credits' the words 'at five (5) mills on the
257 dollar in addition to any other tax on moneys and credits
258 provided by law'.

259 "Sec. 39. Section four hundred thirty A point seven (430A.7),
260 Code 1966, is hereby amended as follows:

261 "1. By inserting in line four (4) after the word 'hereof'
262 the following:

263 "'shall be assessed and taxed in the manner prescribed in
264 sections four hundred thirty-one point one (431.1) through
265 four hundred thirty-one point five (431.5) of the Code
266 except such corporations'.

267 "2. By adding thereto the following:

268 "'Any corporation required or electing to be assessed and
269 taxed under this section in the manner prescribed in sections
270 four hundred thirty-one point one (431.1) through four hundred
271 thirty-one point five (431.5) of the Code shall be taxed at
272 the rate of five (5) mills on the dollar of actual valuation,
273 such tax to be considered a tax upon the moneys and credits of
274 such corporations, to be apportioned as prescribed by law, and
275 to be in addition to any other tax on moneys and credits
276 provided by law.'

277 "Sec. 40. Section four hundred thirty-one point one (431.1),
278 Code 1966, is hereby amended by inserting in line seven (7)
279 after the word 'credits' the words 'as prescribed in section
280 four hundred twenty-nine point two (429.2) of the Code'.

281 "Sec. 41. Section four hundred thirty-two point five
282 (432.5), Code 1966, is hereby amended by inserting in line
283 four (4) after the word 'taxation' the words 'as moneys and
284 credits and shall be taxed at five (5) mills on the dollar
285 of actual valuation in addition to any other tax on moneys
286 and credits provided by law. The assessment for taxation
287 shall be'.

288 "Sec. 42. Section four hundred thirty-two point eight
289 (432.8), Code 1966, is hereby amended by adding thereto the
290 following sentence:

291 "'Moneys and credits shall be taxed at five (5) mills on
292 the dollar of actual valuation in addition to any other tax
293 on money and credits provided by law.'

294 "Sec. 43. Section four hundred thirty-three point one
295 (433.1), Code 1966, is hereby amended by striking subsections
296 eight (8) through ten (10).

297 "Sec. 44. Section four hundred thirty-three point four
298 (433.4), Code 1966, is hereby amended by inserting in line
299 twenty-four (24) before the word '; and' the following:

300 "'except moneyed capital subject to the tax imposed by
301 section thirty-eight (38) of this Act'.

302 "Sec. 45. Section four hundred thirty-six point eleven
303 (436.11), Code 1966, is hereby amended by inserting in line
304 nineteen (19) after the word 'taxed' the words 'except capital
305 stock shall be subject to the tax provided for in section five
306 (5) of this Act'.

307 "Sec. 46. Section four hundred forty-one point forty-five
308 (441.45), Code 1966, is hereby amended by striking lines
309 twenty-three (23) through twenty-nine (29).

310 "Sec. 47. Section four hundred forty-four point two (444.2),
311 Code 1966, is hereby amended by inserting in line thirteen
312 (13) after the number '429.2' the words 'nor including moneyed
313 capital subject to the tax provided for in section five (5)
314 of this Act'.

315 "Sec. 48. Section four hundred forty-four point three (444.3),
316 Code 1966, is hereby amended as follows:

317 "1. By striking all of lines fifteen (15) through seventeen
318 (17) and inserting in lieu thereof the words 'provided in
319 section four hundred twenty-nine point two (429.2) of the
320 Code and shall'.

321 "2. By striking all of such section after the word 'made.'
322 in line twenty-one (21).

323 "Sec. 49. Section four hundred forty-four point five (444.5),
324 Code 1966, is hereby amended by inserting in line six (6)
325 after the number '429.2' the words 'or its due proportion of
326 the tax imposed by section five (5) of this Act'.

327 "Sec. 50. Section five hundred thirty-three point twenty-
328 two (533.22), Code 1966, is hereby amended by inserting in
329 line four (4) after the word 'credits.' the following:

330 "'Moneys and credits shall be taxed at five (5) mills on
331 the dollar of actual valuation in addition to any other tax
332 on moneys and credits provided by law.'

333 DIVISION III

334 "Sec. 51. Section four hundred twenty-two point forty-
335 three (422.43), Code 1966, is amended as follows:

336 "1. By striking from lines two (2) and three (3) the
337 words ', beginning the first day of April, 1937, a tax
338 of two' and inserting in lieu thereof the words 'a tax of
339 three'.

340 "2. By striking from lines twenty-two (22) and twenty-three
341 (23) the words 'beginning with the first day of July, 1947,
342 a tax of two' and inserting in lieu thereof the words 'a
343 tax of three'.

344 "Sec. 52. Section four hundred twenty-three point two

345 (423.2), Code 1966, is amended by striking from lines three
346 (3), four (4) and five (5) the words 'on or after April 16,
347 1937, for use in this state, at the rate of two' and
348 inserting in lieu thereof the words 'for use in this state
349 at the rate of three'.

350 "Sec. 53. Section four hundred twenty-three point thirteen
351 (423.13), Code 1966, is amended by striking from line thirty-
352 one (31) the word 'two' and inserting in lieu thereof the
353 word 'three'.

354 DIVISION IV

355 "Sec. 54. Section four hundred twenty-two point five
356 (422.5), Code 1966, is amended as follows:

357 "1. Subsection one (1), lines two (2) and three (3),
358 by striking the words 'three-fourths of one percent' and
359 inserting in lieu thereof the words 'one percent'.

360 "2. Subsection two (2), lines two (2) and three (3), by
361 striking the words 'one and one-half percent' and inserting
362 in lieu the words 'two percent'.

363 "3. Subsection three (3), lines two (2) and three (3), by
364 striking the words 'two and one-fourth percent' and inserting
365 in lieu thereof the words 'three percent'.

366 "4. Subsection four (4), line two (2), by striking the word
367 'three' and inserting in lieu thereof the word 'four'.

368 "5. Subsection five (5), lines two (2) and three (3), by
369 striking the words 'three and three-fourths percent' and
370 inserting in lieu thereof the words 'five percent'.

371 "Further amend said subsection five (5), lines four (4)
372 and five (5), by striking the words 'three and three-fourths
373 percent' and inserting in lieu thereof the words 'five percent'.

374 DIVISION V

375 "Sec. 55. Section four hundred twenty-two point thirty-
376 two (422.32), Code 1966, is hereby amended by adding thereto
377 the following new subsections:

378 "5. The words 'business income' means income arising from
379 transactions and activity in the regular course of the
380 corporation's trade or business and includes income from
381 tangible and intangible property if the acquisition, management,
382 and disposition of the property constitute integral parts of
383 the corporation's regular trade or business operations.

384 "6. The words 'commercial domicile' mean the principal
385 place from which the trade or business of the corporation
386 is directed or managed.

387 "7. The word 'compensation' means wages, salaries, commissions,
388 and any other form of remuneration paid to employees for
389 personal services.

390 "8. The words 'nonbusiness income' means all income other than
391 business income.

392 "9. The word 'sales' means all gross receipts of the corpora-
393 tion not allocated under subsections three (3) through seven
394 (7) of section forty-four (44) of this Act.

395 "10. The word 'state' means any state of the United States,
396 the District of Columbia, the Commonwealth of Puerto Rico,
397 any territory or possession of the United States and any
398 foreign country or political subdivision thereof.

399 "Sec. 56. Section four hundred twenty-two point thirty-
400 three (422.33), Code 1966, is hereby amended by striking all
401 of such section after the word 'year.' in line seven (7) and
402 inserting in lieu thereof the following:

403 "1. Any corporation having income from business activity
404 which is taxable in this state or taxable both within and
405 without this state shall allocate and apportion its net
406 income as provided in this division.

407 "2. For purposes of allocation and apportionment of
408 income under this division, a corporation is taxable in
409 another state if:

410 "a. In that state the corporation is subject to a net
411 income tax, a franchise tax measured by net income, a
412 franchise tax for the privilege of doing business, or a
413 corporate stock tax.

414 "b. That state has jurisdiction to subject the
415 corporation to a net income tax regardless of whether, in
416 fact, that state does or does not.

417 "3. Rents and royalties from real or tangible personal
418 property, capital gains, interest, dividends, or patent or
419 copyright royalties, to the extent that they constitute
420 nonbusiness income, shall be allocated as provided in
421 subsections four (4) through seven (7) of this section.

422 "4. a. Net rents and royalties from real property
423 located in this state are allocable to this state.

424 "b. Net rents and royalties from tangible personal
425 property are allocable to this state:

426 "(1) If and to the extent that the property is utilized
427 in this state.

428 "(2) In their entirety if the corporation's commercial
429 domicile is in this state and the corporation is not organized
430 under the laws of or taxable in the state in which the property
431 is utilized.

432 "c. The extent of utilization of tangible personal property
433 in a state is determined by multiplying the rents and royalties
434 by a fraction, the numerator of which is the number of days of
435 physical location of the property in this state during the
436 rental or royalty period in the taxable year and the denominator
437 of which is the number of days of physical location of the
438 property everywhere during all rental or royalty periods in the
439 taxable year. If the physical location of the property during
440 the rental or royalty period is unknown or unascertainable by
441 the corporation tangible personal property is utilized in the
442 state in which the property was located at the time the rental
443 or royalty payor obtained possession.

444 "5. a. Capital gains and losses from sales of real property
445 located in this state are allocable to this state.

446 "b. Capital gains and losses from sales of tangible personal
447 property are allocable to this state if:

448 "(1) The property had a situs in this state at the time of
449 the sale.

450 "(2) The corporation's commercial domicile is in this state
451 and the corporation is not taxable in the state in which the
452 property had a situs.

453 "c. Capital gains and losses from sales of intangible personal
454 property are allocable to this state if the corporation's
455 commercial domicile is in this state.

456 "6. Interest and dividends are allocable to this state if
457 the corporation's commercial domicile is in this state.

458 "7. a. Patent and copyright royalties are allocable to this
459 state:

460 "(1) If and to the extent that the patent or copyright is
461 utilized by the payor of such patent and copyright royalties
462 in this state.

463 "(2) If and to the extent that the patent or copyright is
464 utilized by the payor in a state in which the corporation is
465 not taxable and the corporation's commercial domicile is in
466 this state.

467 "b. A patent is utilized in a state to the extent that it
468 is employed in production, fabrication, manufacturing, or
469 other processing in the state or to the extent that a patented
470 product is produced in the state. If the basis of receipts
471 from patent royalties does not permit allocation to states
472 or if the accounting procedures do not reflect states of
473 utilization, the patent is utilized in the state in which
474 the corporation's commercial domicile is located.

475 "c. A copyright is utilized in a state to the extent that
476 printing or other publication originates in the state. If
477 the basis of receipts from copyright royalties does not
478 permit allocation to states or if the accounting procedures
479 do not reflect states of utilization, the copyright is
480 utilized in the state in which the corporation's commercial
481 domicile is located.

482 "8. All business income shall be apportioned to this state
483 by multiplying the income by a fraction, the numerator of
484 which is the property factor plus the payroll factor plus the
485 sales factor, and the denominator of which is three.

486 "9. The property factor is a fraction, the numerator of
487 which is the average value of the corporation's real and
488 tangible personal property owned or rented and used in this
489 state during the tax period and the denominator of which is
490 the average value of all the corporation's real and tangible
491 personal property owned or rented and used during the tax
492 period.

493 "10. Property owned by the corporation is valued at its
494 original cost or three point seven (3.7) times the assessed
495 value, whichever is greater. Property rented by the
496 corporation is valued at eight (8) times the net annual rental
497 rate. Net annual rental rate is the annual rate paid by the
498 corporation less any annual rental rate received by the
499 corporation from subrentals of rented property or like or
500 similar property.

501 "11. The average value of property shall be determined by
502 averaging the values at the beginning and ending of the tax
503 period but the tax commission may require the averaging of
504 monthly values during the tax period if reasonably required to
505 reflect properly the average value of the corporation's
506 property.

507 "12. The payroll factor is a fraction, the numerator of
508 which is the total amount paid in this state during the tax
509 period by the corporation for compensation, and the
510 denominator of which is the total compensation paid everywhere
511 during the tax period.

512 "13. Compensation is paid in this state if:

513 "a. The individual's service is performed entirely within
514 the state.

515 "b. The individual's service is performed both within and
516 without the state, but the service performed without the state
517 is incidental to the individual's service within the state.

518 "c. Some of the service is performed in the state and (1)
519 the base of operations, or, if there is no base of operations,
520 the place from which the service is directed or controlled is
521 in the state, or (2) the base of operations or the place from
522 which the service is directed or controlled is not in any state
523 in which some part of the service is performed, but the
524 individual's residence is in this state.

525 "14. The sales factor is a fraction, the numerator of which
526 is the total sales of the corporation in this state during the
527 tax period, and the denominator of which is the total sales of
528 the corporation everywhere during the tax period.

529 "15. Sales of tangible personal property are in this state
530 if:
531 "a. The property is delivered or shipped to a purchaser,
532 other than the United States government, within the state
533 regardless of the f.o.b. point or other conditions of the
534 sale.
535 "b. The property is shipped from an office, state,
536 warehouse, factory, or other place of storage in this state
537 and (1) the purchaser is the United States government or (2)
538 the corporation is not taxable in the state of the purchaser.
539 "16. Sales, other than sales of tangible personal property,
540 are in this state if:
541 "a. The income-producing activity is performed in this
542 state.
543 "b. The income-producing activity is performed both in and
544 outside this state and a greater proportion of the income-
545 producing activity is performed in this state than in any
546 other state, based on costs of performance.
547 "17. If the allocation and apportionment provisions of
548 this division do not fairly represent the extent of the
549 corporation's business activity in this state, the corporation
550 may petition for or the tax commission may require, in
551 respect to all or any part of the corporation's business
552 activity, if reasonable:
553 "a. Separate accounting.
554 "b. The exclusion of any one or more of the factors.
555 "c. The inclusion of one or more additional factors which
556 will fairly represent the corporation's business activity in
557 this state.
558 "d. The employment of any other method to effectuate an
559 equitable allocation and apportionment of the corporation's
560 income."
561 2. Further amend House File 686 by renumbering the remaining
562 section in accordance with this amendment.

Filed *Withdrawn 5-5*
May 2, 1967

GANNON of Jasper.
DODERER of Johnson.

1 Amend House File 686 as follows:
2 1. By adding the following new section after section three
3 (3):
4 "Sec. 4. The county school board shall review budgets
5 submitted by the various school districts within the basic
6 school tax unit. The county school board shall have full
7 power to approve or disapprove the various budgets and
8 recommend changes that they consider to be in the public
9 interest."
10 2. Further amend by renumbering the remaining sections in
11 conformity with this amendment.

Filed *Lost 5-5*
May 3, 1967

GANNON of Jasper.

1 Amend the Harbor amendment of May 2 by striking line thirty-
2 seven (37) and inserting in lieu thereof the following:
3 "several school districts of the state."

Filed *Withdrawn 5-5*
May 3, 1967

HARBOR of Fremont-Mills.

1 Amend the Fisher-Nielsen amendment to House File 686 as follows:
2 1. In Section two (2), line thirty (30), strike the words
3 and numerals "thirty-five hundredths (.35)" and insert "fifty
4 hundredths (.50)".
5 2. In Section three (3), line thirty-two (32), strike the
6 words and numerals "thirty-five hundredths (.35)" and insert
7 "fifty hundredths (.50)".
8 3. In Section four (4), lines thirty-five and thirty-six
9 (35 and 36), strike the words and numerals "thirty-five hundredths
10 (.35)" and insert "fifty hundredths (.50)".

Filed
May 3, 1967

McINTYRE of Linn.

1 Amend Fischer-Nielsen amendment to House File 686 filed
2 May 1, 1967 by adding the following new sections:
3 1. Section four hundred twenty-seven point
4 one (427.1), Code 1966, is hereby amended by adding thereto
5 the following subsection:
6 "Any personal property purchased by any person, firm,
7 or corporation owning or having in his possession or under
8 his control within the state, with the authority to sell the
9 same, with such personal property purchased with a view to
10 its being sold, or which has been consigned to him from any
11 place out of the state to be sold within the same, or to be
12 delivered or shipped by him within or without this state."
13 2. Sections four hundred twenty-eight point
14 sixteen (428.16), four hundred twenty-eight point seventeen
15 (428.17), four hundred twenty-eight point eighteen (428.18),
16 and four hundred twenty-eight point nineteen (428.19), Code
17 1966, are hereby repealed.
18 3. Section four hundred twenty point two
19 hundred seven (420.207), Code 1966, is hereby amended by
20 striking from line three (3) the number "428.16" and insert-
21 ing in lieu thereof the number "four hundred twenty-eight
22 point twenty (428.20)".
23 4. Section four hundred twenty-seven point
24 one (427.1), subsection twenty (20), Code 1966, is hereby
25 amended by striking from line seven (7) the number "428.16"
26 and inserting in lieu thereof the words "one (1) of this
27 Amendment".

Filed
May 3, 1967

RADL of Linn.
VAN DRIE of Story.

1 Amend the Fisher, Nielsen amendment to House File 686, filed
2 May 1, 1967, as follows:
3 1. By striking all of section fourteen (14).
4 2. By renumbering the sections in accordance with this
5 amendment.

Filed
May 3, 1967

DISTELHORST of Des Moines.
MILLER of Des Moines.

1 Amend the Fisher-Nielson amendment to House File 686 as
2 follows:
3 1. By inserting after the word "credit" in line 32 the words
"has been deducted"

Filed
May 3, 1967

GANNON of Jasper.

1 Amend the amendment by Harbor of Fremont-Mills filed May
2 20. Amend by striking the words "three times" in line 22
3 and inserting in lieu thereof the word "double".

Filed - *Withdrawn 5-5*
May 3, 1967

REDFERN of Lee.

1 Amend House File 686 by adding thereto the following
sections:

3 1. Each taxpayer of the state shall receive full credit
4 against the tax on all personal property owned by him un-
5 less the assessed value of the personal property owned by
6 the taxpayer exceeds ten thousand (10,000) dollars. If
7 the assessed value of all personal property owned by any
8 taxpayer exceeds ten thousand (10,000) dollars, the tax-
9 payer shall pay tax on that part of the personal property
10 which exceeds ten thousand (10,000) dollars assessed
11 value.

12 2. The personal property tax credit authorized in
13 section one (1) of this amendment shall not excuse the tax-
14 payer from listing all personal property as required in
15 chapter four hundred twenty-eight (428) of the Code. The
16 valuation of such personal property shall be determined as
17 prescribed in chapter four hundred forty-one (441) of the
18 Code, so that the valuations of all personal property in a
19 taxing district shall be known and shall be made a part of
20 the tax list compiled by the county auditor under chapter
21 four hundred forty-three (443) of the Code.

22 3. No taxpayer in the state shall be allowed a tax
23 credit on personal property in excess of ten thousand
24 (10,000) dollars assessed valuation. Any taxpayer who owns
25 personal property subject to taxation in more than one (1)
26 county of the state shall designate in reporting such pro-
27 perty as required in section two (2) of this amendment which
28 counties of the state the property is located and shall
29 designate in which county the tax credit shall be claimed.
30 A taxpayer may claim such credit for property located in
31 more than one (1) county but the total property so claimed
32 shall not exceed ten thousand (10,000) dollars assessed
33 valuation.

34 4. On or before January 1 of each year, the auditor
35 of each county shall prepare a statement listing for each
36 taxing district in the county all personal property upon
37 which taxes shall not be collected due to the tax credit
38 granted in this amendment. The statement shall show the
39 tax rates of the various taxing districts and the total
40 amount of taxes which shall not be collected in each
41 district because of the tax credit. The auditor shall
42 certify and forward one (1) copy each of the statement to
43 the state comptroller and to the state tax commission on or
44 before January 15 of such year.

45 5. The amounts due each taxing district certified by
46 the county auditor shall be paid in two (2) equal payments
47 by the state comptroller on or before March 15 and
48 September 15 of each year, drawn upon warrants payable to
49 the respective county treasurers. The county treasurer
50 upon receipt of the warrants from the comptroller shall
51 apportion the proceeds among the taxing districts in the
52 county as certified by the county auditor.

led *Withdrawn 5-5*
May 3, 1967

WINKELMAN of Calhoun.
GRAHAM of Ida.
YODER of Johnson.

1 Amend House File 686 by inserting following section twelve
2 (12) the following new sections:

3 1. "The policies of the state of Iowa with respect
4 to the quality and financing of public school education are
5 hereby declared to be as follows:

6 "1. Every person of school age within the state of Iowa
7 shall have the opportunity for an excellent public school
8 education.

9 "2. The achievement of quality education of all public
10 schools within the state of Iowa is a function and responsi-
11 bility of the state.

12 "3. The achievement of quality education within each local
13 school district is the function and responsibility of the
14 local district.

15 "4. Forty (40) percent of the collective cost of education
16 in the several public school districts of the state of Iowa in
17 districts maintaining a high school shall be provided by the
18 state.

19 "5. Sixty (60) percent of the collective cost of education
20 in the several public high school districts of the state of
21 Iowa in districts maintaining a high school shall be derived
22 from local school district and other non-state sources.

23 "6. The local school district's share of the cost of public
24 education in each school district maintaining a public high
25 school shall be determined by the ratio of its property value
26 per pupil in average daily membership to that of the entire
27 state for each pupil in average daily membership in all pub-
28 lic high school districts throughout the state, together
29 with the ratio of its income per pupil in average daily mem-
30 bership to that of the entire state for each pupil in average
31 daily membership in all public high school districts through-
32 out the state."

33 2. "For the purpose of equalizing educational oppor-
34 tunity in the public high school districts throughout the
35 state, the several school districts in the state shall be
36 entitled to and receive financial aid from the state in the
37 manner and amount provided in this Act."

38 3. "For the purpose of computing state financial aid
39 to local school districts under the formula hereinafter pre-
40 scribed, the real value of taxable property and the adjusted
41 gross income within each public high school district shall
42 be determined by the state department of public instruction
43 from data furnished it by the state tax commission. For pur-
44 poses of this Act, a 'high school district' shall mean a dis-
45 trict which maintains at least twelve (12) grades of instruc-
46 tion above the level of kindergarten. On or before June 30
47 of the year nineteen hundred sixty-eight (1968), and annually
48 thereafter, the state tax commission shall report to the
49 state department of public instruction:

50 "1. Compiled and summarized data gathered under the pro-
51 visions of subsection six (6) of section four hundred twenty-
52 one point seventeen (421.17) of the Code, for the preceding
53 year, together with the sales-ratio figure or figures computed
54 by the commission for each county. Upon receipt of said data,
55 the state department of public instruction shall compute the
56 real value of taxable real property in each public high school
57 district in the state. 'Real value' shall mean the quotient
58 found by dividing the assessed value of taxable real property
59 within each high school district by the average sales-ratio

60 figure for each county as reported by the state tax commission,
61 and shall be approximately equal to the market value of such
62 taxable real property within each such district.

63 "2. The total adjusted gross income, as defined by section
64 four hundred twenty-two point seven (422.7) of the Code, re-
65 ported in the manner required by section four hundred twenty-
66 two point twenty-one (422.21) of the Code for the last pre-
67 ceding calendar year or taxable year by residents of each
68 public high school district in the state."

69 4. "The average daily membership for each public high
70 school district shall be determined by dividing the aggregate
71 sum of the pupil membership in all schools of the district for
72 each day school was in session throughout a school year by the
73 number of days school was in session during that school year."

74 5. "State aid payable to each public high school dis-
75 trict shall be computed as follows:

76 "1. Determine the real valuation of property per pupil in
77 average daily membership for each public high school district.

78 "2. Determine the adjusted gross income per pupil in average
79 daily membership for each public high school district.

80 "3. Determine the real valuation of property per pupil in
81 average daily membership in public high schools for the entire
82 state.

83 "4. Determine the adjusted gross income per pupil in average
84 daily membership in public high schools for the entire state.

85 "5. Add the amount in subsection one (1) and subsection two
86 (2) of this section.

87 "6. Add the amount in subsection three (3) and subsection
88 four (4) of this section.

89 "7. Divide the total amount determined in subsection five
90 (5) of this section by the total amount in subsection six (6)
91 of this section.

92 "8. Subtract six tenths (.6) of the quotient obtained under
93 subsection seven (7) from subsection one (1) of this section.

94 "9. Multiply local total expenditures, determined as herein-
95 after provided, by the difference obtained under subsection
96 eight (8) of this section hereof to determine the amount of
97 state aid to each public high school district.

98 "10. No district shall receive less than fifteen (15) per-
99 cent of its local total expenditures, determined as hereinafter
100 provided, from state funds.

101 "11. No school district shall receive more than seventy (70)
102 percent of its local total expenditures, determined as herein-
103 after provided from state funds under this formula."

104 6. "Total reimbursable expenditures shall be deter-
105 mined for the year ending June 30 of the school year in which
106 the report is made, in each public high school district, from
107 items defined in the uniform financial accounting system promul-
108 gated by the state board of public instruction under section
109 two hundred fifty-seven point ten (257.10) of the Code, as
110 follows:

111 "1. Determine general fund costs exclusive of gifts, federal
112 grants and aids by adding together the amounts expended for
113 the school year ending June 30 of the year in which the report
114 is made, for administration, instruction, attendance services,
115 health services, pupil transportation services, fixed charges,
116 operation and maintenance, community services, capital out-
117 lay, debt service, and tuition paid other districts. The
118 cost of food services and student body activities shall not
119 be included in general fund costs.

120 "2. Determine schoolhouse fund costs exclusive of gifts,
121 federal grants and aids by adding together the amounts received
122 from property taxes for the following: bonds and interest,
123 special schoolhouse fund levy, playground levy, and purchase of
124 sites.

125 "3. From the total of the sums determined under subsection
126 one (1) and two (2) hereof deduct the following:

127 "a. Receipts from state appropriations for handicapped chil-
128 dren aid, vocational aid, driver education aid, and junior
129 college aid.

130 "b. General fund receipts from the following: tuition paid
131 by individuals or by the state; transportation; services; rents;
132 income on investment securities; other general fund revenue
133 receipts; general fund non-revenue receipts; and transfers to
134 the general fund other than those resulting from reorganization
135 and the return of principal of invested securities.

136 "c. Schoolhouse fund receipts from the following: income
137 on investment securities, income on investment property, and
138 transfers to the schoolhouse fund.

139 "d. The total amount determined on the per pupil cost basis
140 for children transported who live within statutory walking
141 distance from school.

142 7. "All moneys received by a public high school district
143 from the state under the provisions of this Act shall be de-
144 posited in the general fund. At the option of the local board
145 of education when the voters of the district have approved the
146 issuance of bonds in excess of eighty (80) percent of the
147 legally authorized debt limit an amount not to exceed the local
148 district schoolhouse fund tax levy receipts as determined in
149 section six (6), subsection two (2), of this amendment may be
deposited in the

150 schoolhouse fund and expended to purchase sites and construct
151 and equip school buildings."

152 8. "At the close of each school year but not later than
153 July 15 the local public high school district shall supply to
154 the state department of public instruction the information re-
155 quired by it for calculation of state aid under this Act.
156 Forms for such purpose shall be supplied by the state depart-
157 ment to each public high school district no later than June 1
158 of each school year. After the aid payable has been calculated
159 and validated for accuracy, the state department of public in-
160 struction shall certify to the state comptroller the amount of
161 aid payable to each public high school district and he shall
162 forthwith draw warrants, payable from moneys in the general
163 fund of the state of Iowa not otherwise appropriated, and cause
164 the same to be delivered to the respective public high school
165 districts of the state of Iowa."

166 9. "There is hereby appropriated from moneys in the
167 general fund of the state of Iowa not otherwise appropriated a
168 sum sufficient to pay the proportionate share of the cost of
169 education in public high school districts, payable by the
170 state under the provisions of this Act."

171 10. "The superintendent of public instruction, subject
172 to the approval of the state board of public instruction, is
173 hereby authorized to adopt such rules and regulations and
174 definitions of terms as are necessary and proper for the ad-
175 ministration of this chapter."

176 11. "Section two hundred eighty-six A point one
177 (286A.1), Code 1966, is repealed, effective July 1, 1968, and
178 the following enacted in lieu thereof:
179 "The several merged areas operating area vocational schools
180 or community colleges and the several school districts oper-
181 ating junior colleges or community colleges in the state of
182 Iowa shall be entitled to receive financial aid from the
183 state in the manner and amount as provided in this chapter."
184 12. "Section two hundred eighty-six A point two
185 (286A.2), Code 1966, is repealed, effective July 1, 1968."
186 13. "Section two hundred eighty-six A point four
187 (286A.4), Code 1966, is amended by striking all of subsections
188 one (1), two (2), and four (4), effective July 1, 1968."
189 14. "Section two hundred eighty-six A point seven
190 (286A.7), Code 1966, is repealed, effective July 1, 1968."
191 15. "Chapter two hundred eighty-six (286), Code 1966,
192 is repealed, effective July 1, 1968."
193 16. "Section two hundred eighty-five point one (285.1),
194 Code 1966, is amended by striking all of subsection fifteen
195 (15), effective July 1, 1968."
196 17. "Sections two hundred eighty-five point two (285.2)
197 and two hundred eighty-five point three (285.3), Code 1966, are
198 repealed, effective July 1, 1968."
199 18. "Section two hundred eighty-five point seven
200 (285.7), Code 1966, is hereby repealed."
201 19. "In event that the amount appropriated for reim-
202 bursement of the school districts is insufficient to pay in
203 full the amounts to each of the school districts, then the
204 amount of each payment shall be reduced by the state comptroller
205 in the ratio that the total funds appropriated and available
206 bears to the total amount certified for reimbursement. In no
207 event shall a school district receive less in the aggregate
208 than it received in reimbursement for the 1965-1966 fiscal
209 year for any state funds distributed for general aid, supple-
210 mental aid, and transportation aid."
211 Further amend House File 686 by renumbering the remaining
212 sections in accordance with this amendment.

Filed - *withdrawn 5-5*
May 3, 1967

MALONEY of Polk.

1 Amend the Maloney amendment to House File 686, filed
2 May 3, 1967, as follows:
3 1. By striking from line 93 the words "subsection
4 one (1) of this section" and inserting in lieu thereof
5 the word and figure "one (1)"
6 2. By adding at the end of line 141 the following:
7 "4. Any school district whose reimbursable expendi-
8 tures per pupil are in the upper fifty (50) percent of
9 per pupil reimbursable expenditures in the state shall
10 be limited to a per pupil increase not to exceed ten (10)
11 percent of the previous year's reimbursable expenditures
12 per pupil. The amount of increase in reimbursable ex-
13 penditures per pupil exceeding ten (10) percent per
14 annum shall be deducted from the reimbursable expenditures
15 as provided in this section."

Filed
May 4, 1967

LIPSKY of Linn.

1 Amend House File 686 by inserting following section
2 twelve (12) the following new sections:

3 Section 1. Section four hundred twenty-six point one (426.1),
4 Code 1966, is hereby amended by striking all of such section
5 after the word "year" in line six (6) and inserting in lieu
6 thereof the following:

7 "beginning July 1, 1967, there is appropriated thereto from
8 funds in the general fund not otherwise appropriated such funds
9 as shall be necessary to carry out the provisions of this chap-
10 ter."

11 Sec. 2. Section four hundred twenty-six point three (426.3),
12 Code 1966, is hereby amended as follows:

13 1. By striking from line seven (7) the word "fifteen" and
14 inserting in lieu thereof the word "twenty (20)".

15 2. By striking all of such section after the word "fund" in
16 line thirteen (13) and inserting the following in lieu thereof:

17 "twenty (20) mills for the previous year. The agricultural
18 land credit as provided by this chapter shall not be made to
19 any taxpayer on any portion of his property upon which he may
20 obtain a homestead credit, as provided by chapter four hundred
21 twenty-five (425) of the Code."

22 Sec. 3. Section four hundred twenty-six point six (426.6),
23 Code 1966, is hereby amended as follows:

24 1. By striking from line thirteen (13) the word "fifteen" and
25 inserting in lieu thereof the word "twenty (20)".

26 2. By striking from lines fourteen (14) and fifteen (15) the
27 word "fifteen" and inserting in lieu thereof the word "twenty
28 (20)".

29 Sec. 4. Section four hundred twenty-six point seven (426.7),
30 Code 1966, is hereby amended by striking all of such section after
31 the word "counties" in line eleven (11).

32 Sec. 5. Section four hundred twenty-six point eight (426.8),
33 Code 1966, is hereby repealed and the following new section in-
34 serted in lieu thereof:

35 "Upon receiving the warrant from the state comptroller, the
36 county auditor shall enter upon the tax lists as a credit against
37 the tax levied on each tract of agricultural land on which there
38 has been made an allowance of credit the amount computed previously
39 for each such tract and for which the warrant has been drawn.
40 The county auditor shall then deliver said tax lists and said
41 warrant to the county treasurer. The county treasurer shall show
42 on each tax receipt the amount of tax credit for each tract of
43 agricultural land. In case of change of ownership the credit
44 shall follow the title."

45 Sec. 6. Section four hundred twenty-six point nine (426.9),
46 Code 1966, is hereby repealed.

47 EXPLANATION

48 This Act will provide for payment in full of agricultural land
49 credits after raising the nonexempt school tax millage from 15 tax
50 to 20 mills. An appropriation for agricultural land tax credit mills
51 ments is enacted and all sections providing for prorata payments pay-
52 repealed. are

Filed - *Law 5-5* ~~House Committee of the whole voted to consider 5-7~~

May 4, 1967 *Adopted 5-5*

FISHER of Greene.
NIELSEN of Shelby.

1 Amend the Harbor amendment to House File 686
2 filed May 2, 1967, as follows:
3 1. By striking from lines 4 and 17 the figure and word "85%
4 of".
5 2. By striking from line 25 the word "September" and inserting
6 in lieu thereof the word "August".
7 3. By striking lines 30 thru 35 and inserting "of the next
8 year is expected to exceed said revenue received during the fiscal
9 year ending June 30 of the current calendar year. In making
10 such computations, he shall exclude all increases or decreases in
11 the general revenue resulting or expected to result directly from
12 changes in the state revenue laws having an effective date during
13 either of the two fiscal years. After the first year the basis
14 for comparing the growth rate for the next fiscal year shall be
15 the previous year's estimate of the current year, with the growth
16 rate to be adjusted for any differences between the prior estimate
17 and of the actual. He".

Filed - *W*
May 4, 1967

REDFERN of Lee.

1 Amend the amendment by Harbor of Fremont-Mills filed May
2 20. Amend by striking the words "three times".

Filed
May 4, 1967

REDFERN of Lee.

1 Amend the Harbor amendment to House File 686 as follows:
2 1. In line sixteen (16) by striking the word "total" and
3 inserting in lieu thereof the words "per-pupil".
4 2. In line nineteen (19) by adding after the word "com-
5 ptroller" the following: "without approval of the majority
6 of said officials".

Filed - *Withdrawn 5-5*
May 4, 1967

REDFERN of Lee.
HARBOR of Fremont-Mills.

1 Amend the Winkelman et al amendment, filed May 3, 1967,
2 to House File 686 by striking the words and figures "ten
3 thousand (10,000)" in lines six (6), eight (8), ten (10),
4 twenty-three (23) and twenty-four (24), and thirty-two (32)
5 and inserting in lieu thereof in each of said lines the words
6 and figures "five thousand (5,000)".

Filed and withdrawn
May 5, 1967

BAILEY of Wright.
MILLEN of Jefferson-Van Buren.
GANNON of Jasper.

1 Amend the Gannon amendment, filed May 3, 1967 by *686*
2 inserting in line six (6) after the word "county" the
3 following: "or joint county".

Filed and adopted
May 5, 1967

GANNON of Jasper.

1 Amend the Harbor et al amendment to House File 686, filed _____
2 by striking in line ten (10) the word "double".

Filed and adopted
May 5, 1967

VAN DRIE of Story.

1 Amend House File 686, Section 6, line seven (7) by
2 inserting after the word "each" the words "public school".

Filed and adopted
May 5, 1967

MOFFITT of Appanoose-Davis.

1 Amend House File 686 as follows:
2 1. By striking all of lines one (1) through thirteen (13)
3 and inserting in lieu thereof the following:
4 "Sec. 6. State equalization aid means that amount of
5 money from the state general fund necessary to guarantee
6 to each individual school district a dollar amount equal
7 to either eighty-five (85) per cent of the state average
8 per pupil cost as determined by the comptroller, or the
9 actual per pupil cost of the district, whichever is less.
10 The state department of public instruction shall compute
11 the amount of state equalization aid due each individual
12 school district. This amount and the number of pupils
13 residing in each individual school district during the
14 most recent completed school year shall certified to
15 each county auditor no later than September 1, 1967, and
16 each year thereafter. There is"

Filed and lost
May 5, 1967

GANNON of Jasper.

1 Amend the Committee Amendment to House File 686,
2 Section 6 by deleting the period following the
3 word "amount" in line 10 and adding the following:
4 "Unless such excess expenditure shall have
5 been approved by a state budget review
6 committee or submitted to and approved by a
7 majority of the voters at any regular or
8 special election."

Filed and withdrawn
May 5, 1967

BEARDSLEY of Polk.

1 Amend HF 686 by inserting in section 6, line thirteen (13)
2 following the period after the word "thereafter", the following
3 sentence: "Provided, however, that a school district which
4 has a general fund levy in dollars greater for the 1967 tax year
5 payable in 1968 than the 1966 taxyear payable in 1967, shall
6 receive additional state equalization aid in an amount sufficient
7 to reduce the general fund dollar levy to that for 1966."

Filed and adopted
May 5, 1967

PETERSEN of Dallas.

1 Amend House File 686 as follows:
2 1. By striking from line six (6) of section nine (9)
3 the words "average daily per pupil membership" and
4 inserting in lieu thereof the following "number of pupils
5 living within the district."

Filed and lost
May 5, 1967

GANNON of Jasper.

1 Amend House File 686, Section 6, by adding thereto the
2 following:

3 "Any district which is operating at a general fund per-pupil
4 cost in excess of the state average general fund per-pupil
5 expenditure which shall increase its per-pupil cost over the
6 previous year by an amount greater than the dollar amount
7 obtained by multiplying the state average general fund per pupil
8 expenditure by the percentage of allowable growth as computed by the
9 state comptroller, shall have its equalization aid reduced by
10 an amount equal to the amount by which such increase exceeds
11 such dollar amount.

12 During the month of July each year the state comptroller
13 shall total the general fund revenue from all special taxes
14 for the next previous fiscal year of the state ending in the
15 current calendar year and divide said total by the average daily
16 per-pupil membership in all the public school districts of the
17 state. The percentage by which the quotient thus obtained
18 exceeds, if any, the quotient obtained in like manner for the
19 preceding fiscal year shall be the percentage of allowable
20 growth for computations under this section. In making such
21 computations, he shall exclude all increases or decreases in
22 the general fund revenue resulting directly from changes in
23 the state revenue laws having an effective date during either
24 of the two preceding fiscal years. He shall thereupon certify
25 the state revenue growth rate to the several school districts
26 of the state."

Filed and adopted
May 5, 1967

McINTYRE of Linn.

1 Amend House File 686, Section 6, by adding thereto the
2 following:

3 "Any district which is operating at a general fund per pupil cost
4 excess of the state average general fund per pupil expenditure
5 shall increase its per-pupil cost over the previous year by
6 an amount greater than the dollar amount obtained by multi-
7 plying the state average general fund expenditure by the
8 percentage of the economic growth of the state for the year,
9 as determined by the growth of state revenue, shall have its
10 state equalization aid reduced by an amount equal to double
11 the amount by which such increase exceeds such dollar amount.

12 On or after July 1 of each year, but not later than August
13 1, the state comptroller shall compute the state revenue
14 growth rate which, for the purposes of this Act, shall be the
15 percentage, if any, by which the total general fund revenue
16 from special taxes during the fiscal year ending on June 30
17 of the current year exceeds said revenue received during the
18 fiscal year ending June 30 of the preceding calendar year.
19 In making such computations, he shall exclude all increases
20 or decreases in the general fund revenue resulting directly
21 from changes in the state revenue laws having an effective
22 date during either of the two preceding fiscal years. He
23 shall thereupon certify the state revenue growth rate to the
24 several school districts of the state."

Filed and withdrawn
May 5, 1967

HARBOR of Fremont-Mills.
REDFERN of Lee.
BAILEY of Wright.

1 MR. SPEAKER: The committee of the whole has had
2 under consideration House File 686, a bill for an act
3 to provide a method for general property tax replacement
4 and equalization, and has directed me to report the
5 same with the recommendation that it be amended as
6 follows and, when so amended, that the bill do pass:

7 1. Section 1, by adding the following new sub-
8 section:

9 "The 'state school aid equalization credit' is the
10 amount of state funds credited to each property owner
11 under the provisions of this Act."

12 2. Section 3, line three (3), by inserting after
13 the word "budgets" the following "or the calendar
14 year 1968, whichever is applicable,".

15 3. Section 4, line nine (9), by inserting after
16 the word "and" the words "to each county auditor and
17 to".

18 4. Section 4 is further amended by inserting in
19 line eleven (11) a period after the word "unit" and
20 by striking the remainder of the section.

21 5. Section 6, line seven (7), by inserting after
22 the word "each" the words "public school".

23 6. Section 6, by adding thereto the following:

24 "Any district which is operating at a general fund
25 per-pupil cost in excess of the state average general
26 fund per-pupil expenditure which shall increase its
27 per-pupil cost over the previous year by an amount
28 greater than the dollar amount obtained by multiplying
29 the state average general fund expenditure by the
30 percentage of allowable growth as computed by the state
31 comptroller, shall have its equalization aid reduced
32 by an amount equal to the amount by which such increase
33 exceeds such dollar amount.

34 On or after July 1 of each year, but not later
35 than August 1, the state comptroller shall compute
36 the percentage of allowable growth in per-pupil ex-
37 penditures which for purposes of this Act shall be
38 the amount, if any, by which the total general fund
39 revenue from special taxes during the fiscal year,
40 ending on June 30 of the current year divided by the
41 average daily per-pupil membership in all public
42 school districts in the state for the current year
43 exceeds said revenues received during the fiscal year
44 ending June 30 of the preceding year divided by the
45 average daily per-pupil membership in all public
46 school districts in the state in the preceding
47 calendar year. In making such computations, he shall
48 exclude all increases or decreases in the general fund
49 revenue resulting directly from changes in the state
50 revenue laws having an effective date during either
51 of the two preceding fiscal years. He shall thereupon
52 certify the state revenue growth rate to the several
53 school districts of the state."

54 7. By inserting after Section 9 the following

55 new section:
56 "Sec. 10. The county auditor in preparing the
57 tax lists under chapter four hundred forty-three (443)
58 of the Code shall enter the amount of the state
59 school aid equalization credit granted each property
60 owner under the provisions of this Act."
61 8. Amend by renumbering the remaining sections
62 in accordance with this amendment.

Filed
May 5, 1967

COMMITTEE OF THE WHOLE.

1 Amend the Harbor, Redfern and Bailey amendment filed
2 May 5, 1967, to House File 686 by striking from line
3 seven (7) the word "the" after the word "by" and
4 inserting in lieu thereof the word "fifty".

Filed and withdrawn
May 5, 1967

MILLER of Page.

1 Amend House File 686 by inserting preceding the publication
2 clause the following new section:
3 "If any provision of this Act or the application thereof shall
4 be invalid, such invalidity shall not affect the provisions of
5 this Act which can be given effect without the invalid provisions
6 or application, and to this end the provisions of the Act are
7 declared severable."

Filed and adopted
May 5, 1967

GANNON of Jasper.

1 Amend House File 686 as follows:
2 1. By adding the following new section:
3 "The provisions of this Act shall not have any force or
4 effect until the general assembly has enacted and the governor
5 has signed into law legislation levying taxes to yield
6 revenue in the amount equal to or greater than the appropriation
7 from the state treasury required by this Act."

Filed and ruled not germane
May 5, 1967

ALIEN of Pottawattamie

1 Petersen of Dallas offered the following amendment
2 to the title of House File 686 and moved its adoption:
3 Amend the title to House File 686 by striking all
4 after the word "Act" and inserting in lieu thereof the
5 following: "relating to a method for general property
6 tax replacement and equalization; and relating to the
7 payment of agricultural land tax credits and making an
8 appropriation therefor."

Filed and adopted
May 8, 1967

PETERSEN of Dallas.

See reprint

April 18, 1967
Place On Calendar

House File 686

Keays and Means 5-11 ^{*without*} *Recommendation* (As Amended and Passed by the House)
5/

By COMMITTEE ON TAX REVISION

Passed House, Date 5-5-67 Passed Senate, Date _____

Vote: Ayes 108 Nays 9 Vote: Ayes _____ Nays _____

*motion
to reconsider
filed 5-5-67
withdrawn
5-16-67*

Approved _____

A BILL FOR

An Act relating to a method for general property tax replacement and equalization; and relating to the payment of agricultural land tax credits and making an appropriation therefor.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. Definitions of terms used in this Act:

2 1. The "basic school tax unit" is conterminous with the
3 county school system and is a term to define a local tax area
4 to be used for public school support only.

5 2. The "basic school tax" on property is a uniform levy on
6 all taxable property in the basic school tax unit for support
7 of public schools within the unit. This levy will be the
8 millage necessary to raise an amount of money equal to forty
9 (40) percent of the total of the proposed general fund expendi-
10 tures, reduced by anticipated receipts from other sources of
11 all the school districts in the basic school tax unit.

12 3. The "basic school tax equalization fund" is a local
13 fund in the county treasurer's office from which operating
14 revenues are distributed to the school districts within the
15 local basic school tax unit.

16 4. The "state school aid equalization credit" is the
17 amount of state funds credited to each property owner
18 under the provisions of this Act.

1 Sec. 2. There are hereby created in the state ninety-nine
2 (99) basic school tax units. Said units shall be identified by

3 the name of the county comprising the major part of each unit.
4 The boundaries of the basic school tax unit shall be con-
5 minous with the county school system and in case of joint
6 districts with area in more than one (1) county, each area
7 shall become a part of the basic school tax unit in which
8 there are the greatest number of school electors in the dis-
9 trict and the records of the department of public instruction
10 compiled from the school secretaries' reports shall determine
11 the basic school tax unit of which the area becomes a part.
12 Where county school systems have been merged under section two
13 hundred seventy-three point twenty-two (273.22) of the Code,
14 such district shall be deemed part of the basic tax unit
15 comprising the county system which would exist and of which
16 it would be a part but for such merger.

1 Sec. 3. The county auditor of each county shall, prior to
2 making the levies for school purposes in his county, starting
3 with the 1967-68 school budgets or the calendar year 1968,
4 whichever is applicable, and continuing with each school
5 year thereafter, total the askings for general school purposes
6 of the various school districts in the basic school tax unit.
7 He shall then multiply said yearly total by forty hundredths
8 (.40) and spread the levy to raise the amount thus ascertained
9 at a uniform rate over all the taxable property in the basic
10 school tax unit. In the case of joint districts such levy
11 shall be spread in the same manner as heretofore employed for
12 the purpose of making other school levies in such circumstances.
13 The money collected from said levy shall be placed by the county
14 treasurer in the basic school tax equalization fund.

1 Sec. 4. On or before August 1, 1967, and each year there-
2 after, the state tax commission shall make an accounting of
3 the individual state income tax collected under division two
4 (II) of chapter four hundred twenty-two (422) of the Code
5 applicable to tax returns for the most recent completed tax
6 year, as defined by section four hundred twenty-two point

7 four (422.4), subsection four (4), of the Code, from taxpayers
8 in each of the various school districts in the state and cer-
9 tify to the state comptroller and to each county auditor and
10 to the state department of
11 public instruction forty (40) percent of the total credited
12 from the taxpayers of each basic school tax unit.

1 Sec. 5. The county auditor shall, by August 1, 1967, and
2 each year thereafter, certify to the state department of public
3 instruction the amount of the basic school tax, as provided by
4 section three (3) of this Act, to be placed in the basic school
5 tax equalization fund.

1 Sec. 6. In the event that the moneys to be placed in the
2 basic school tax equalization fund, as provided in sections
3 four (4) and five (5) of this Act, are insufficient to guarantee
4 to each individual school district a dollar amount equal to
5 eighty-five (85) percent of the state average general fund per
6 pupil expenditure, or the actual per pupil expenditure of the
7 district, whichever is less, for each public-school
8 pupil in the district for
9 the prior school year, the state department of public instruc-
10 tion shall compute the amount of state equalization aid due each
11 district. This amount and the average daily per pupil member-
12 ship for the most recent completed school year for each school
13 district shall be certified to each county auditor no later
14 than September 1, 1967, and each year thereafter. Provided,
15 however, that a school district which has a general fund
16 levy in dollars greater for the 1967 tax year payable
17 in 1968 than the 1966 tax year payable in 1967, shall
18 receive additional state equalization aid in an amount
19 sufficient to reduce the general fund dollar levy to
20 that for 1966. There is
21 hereby appropriated annually from the general fund of the state
22 an amount necessary to guarantee such equalization aid to the
23 several school districts.

24 Any district which is operating at a general fund per-
25 pupil cost in excess of the state average general fund
26 per-pupil expenditure which shall increase its per-pupil
27 cost over the previous year by an amount greater than the
28 dollar amount obtained by multiplying the state average
29 general fund per-pupil expenditure by the percentage of
30 allowable growth as computed by the state comptroller, shall
31 have its equalization aid reduced by an amount equal to the
32 amount by which such increase exceeds such dollar amount.

33 During the month of July each year the state comptroller
34 shall total the general fund revenue from all special taxes
35 for the next previous fiscal year of the state ending in
36 the current calendar year and divide said total by the
37 average daily per-pupil membership in all the public school
38 districts of the state. The percentage by which the
39 quotient thus obtained exceeds, if any, the quotient obtained
40 in like manner for the preceding fiscal year shall be the
41 percentage of allowable growth for computations under this
42 section. In making such computations, he shall exclude all
43 increases or decreases in the general fund revenue resulting
44 directly from changes in the state revenue laws having an
45 effective date during either of the two preceding fiscal
46 years. He shall thereupon certify the state revenue
47 growth rate to the several school districts of the state.

1 Sec. 7. That portion of any school budget which exceeds the
2 funds thus provided, in the above sections, shall be levied by
3 the county auditor as an additional property tax in said local
4 school district, in addition to the scheduled annual amount
5 for any bonded indebtedness or interest thereon. This addi-
6 tional levy should be paid to each school district as the
7 funds are collected in the same manner as other tax collections
8 are paid over.

1 Sec. 8. The state comptroller shall pay the state income
2 tax collected, as provided in section four (4) of this Act,

3 to each county treasurer in equal semiannual installments
4 on or about April 1 and October 1 of each year, with the
5 first installment to begin April 1, 1968. There is hereby
6 appropriated from the general fund of the state the amounts
7 necessary to make such payments. The county treasurer shall
8 deposit said payments in the basic school tax equalization
9 fund.

1 Sec. 9. The moneys in the basic school tax equalization
2 fund in each basic school tax unit shall be distributed by
3 the county treasurer on the tenth day of the month following
4 the month of collection, to each of the respective districts
5 in the basic school tax unit equally on the basis of the
6 average daily per-pupil membership. A report of the distribu-
7 tions so made shall be certified by each county treasurer
8 to the state department of public instruction.

1 Sec. 10. The county auditor in preparing the tax lists
2 under chapter four hundred forty-three (443) of the Code
3 shall enter the amount of the state school aid
4 equalization credit granted each property owner under the
5 provisions of this Act.

1 Sec. 11. On or about April 1 and October 1 of each year,
2 the state department of public instruction shall certify to
3 the state comptroller one-half (1/2) of the amount appropriated
4 to be paid for state equalization aid. The state comptroller
5 shall distribute the funds to each school district.

1 Sec. 12. Beginning January 1, 1968, no funds appropriated
2 for state aid distribution under the provisions of chapters
3 two hundred eighty-six (286) and two hundred eighty-six A
4 (286A) of the Code shall be paid to school districts for ele-
5 mentary or secondary education.

1 Sec. 13. Section twenty-four point seventeen (24.17), Code
2 1966, is hereby amended by inserting in line six (6) after
3 the word "year" the words "and school districts the fifteenth
4 day of July each year,".

1 Sec. 14. Section four hundred twenty-six point one (426.1),
2 Code 1966, is hereby amended by striking all of such section
3 after the word "year" in line six (6) and inserting in lieu
4 thereof the following:

5 "beginning July 1, 1968, there is appropriated thereto
6 from funds in the general fund not otherwise appropriated
7 such funds as shall be necessary to carry out the provisions
8 of this chapter."

1 Sec. 15. Section four hundred twenty-six point three
2 (426.3), Code 1966, is hereby amended as follows:

3 1. By striking from line seven (7) the word "fifteen"
4 and inserting in lieu thereof the word "twenty (20)".

5 2. By striking all of such section after the word "fund"
6 in line thirteen (13) and inserting the following in lieu
7 thereof:

8 "twenty (20) mills for the previous year. The agricultural
9 land credit as provided by this chapter shall not be made to
10 any taxpayer on any portion of his property upon which he may
11 obtain a homestead credit, as provided by chapter four
12 hundred twenty-five (425) of the Code."

1 Sec. 16. Section four hundred twenty-six point six (426.6),
2 Code 1966, is hereby amended as follows:

3 1. By striking from line thirteen (13) the word "fifteen"
4 and inserting in lieu thereof the word "twenty (20)".

5 2. By striking from lines fourteen (14) and fifteen (15)
6 the word "fifteen" and inserting in lieu thereof the word
7 "twenty (20)".

1 Sec. 17. Section four hundred twenty-six point seven (426.7),
2 Code 1966, is hereby amended by striking all of such section
3 after the word "counties" in line eleven (11).

1 Sec. 18. Section four hundred twenty-six point eight
2 (426.8), Code 1966, is hereby repealed and the following
3 new section inserted in lieu thereof:

4 "Upon receiving the warrant from the state comptroller, the

5 county auditor shall enter upon the tax lists as a credit against
6 the tax levied on each tract of agricultural land on which there
7 has been made an allowance of credit the amount computed
8 previously for each such tract and for which the warrant has
9 been drawn. The county auditor shall then deliver said tax
10 lists and said warrant to the county treasurer. The county
11 treasurer shall show on each tax receipt the amount of tax
12 credit for each tract of agricultural land. In case of change
13 of ownership the credit shall follow the title."

1 Sec. 19. Section four hundred twenty-six point nine (426.9),
2 Code 1966, is hereby repealed.

1 Sec. 20. If any provision of this Act or the application
2 thereof shall be invalid, such invalidity shall not affect the
3 provisions of this Act which can be given effect without the
4 invalid provisions or application, and to this end the provisions
5 of the Act are declared severable.

1 Sec. 21. This Act, being deemed of immediate importance,
2 shall be in full force and effect from and after its passage
3 and publication in The Perry Daily Chief, a newspaper pub-
4 lished at Perry, Iowa, and in The Washington Evening Journal,
5 a newspaper published at Washington, Iowa.

EXPLANATION

The purpose of this bill is to establish a new method of distributing state aid to schools in order to achieve greater educational opportunity and general property tax relief. It provides for a new larger property tax base in the home community known as the "Basic School Tax Unit". It achieves a degree of equalization by requiring a uniform millage levy within this new basic school tax unit in an amount needed to raise forty percent of the combined general fund budgets in this basic tax unit. It also provides for a refund to the county equalization fund of forty percent of the state income taxes paid by the residents of the school districts in the basic school tax unit. It provides state equalization aid to guarantee that each school district will have at least an amount of money equal to eighty-five percent of the state average per-pupil expenditure for general fund purposes. The state equalization aid replaces present general and supplemental aids.

1 Amend House File 686 by adding to section one (1), subsec-
2 tion one (1), the following new sentence:

3 "Except, in the Pottawattamie county school system, the
4 term shall define a local tax area designated as the East
5 Pottawattamie Basic School Tax Unit, conterminous with the
6 four high school districts in the eastern part of the county
7 and in the western part of the county, the term shall define
8 a local tax area designated as the West Pottawattamie Basic
9 School Tax Unit, conterminous with the five high school
10 districts in the western part of the county."

11 Further amend said House File 686 by striking from section
12 two (2), lines one (1) and two (2) the words and figures
13 "ninety-nine (99)" and inserting the following: "one-hundred";
14 also by inserting after the word "system" in line five (5) the
15 words and figures "except in Pottawattamie county as provided
16 in subsection one (1) of section one (1) of this Act".

Filed
May 25, 1967

By MILLS and LODWICK

1 House File 686 is hereby amended by striking all after the
2 enacting clause and inserting in lieu thereof the following:
3 "Section 1. The policies of the state of Iowa with respect
4 to the quality and financing of public school education are
5 hereby declared to be as follows:
6 "1. Every person of school age within the state of Iowa
7 shall
8 have the opportunity for an excellent public school education.
9 "2. The achievement of quality education of all public
10 schools within the state of Iowa is a function and responsi-
11 bility of the state.
12 "3. The achievement of quality education within each local
13 school district is the function and responsibility of the
14 local district.
15 "4. Forty (40) percent of the collective cost of education
16 in
17 the several public high school districts of the state of Iowa
18 shall be provided by the state.
19 "5. Sixty (60) percent of the collective cost of education
20 in
21 the several public high school districts of the state of Iowa
22 shall be derived from local school district and other non-
23 state sources:
24 "6. The local district's share of the cost of public educa-
25 tion
26 in each school district maintaining a public high school
27 shall be determined by the ratio of the district's property
28 value and income value per census child, ages five (5) years
to twenty-one (21) years to the property value and income
value of the entire state for each census child, ages five (5)
years to twenty-one (21) years in all public high school dis-
tricts throughout the state.

29 "Sec. 2. When used in this Act, unless the context other-
30 wise requires:

31 "1. 'High school district' means a school district which
32 maintains at least twelve (12) grades of instruction above
33 the level of kindergarten.

34 "2. 'Real value' means the quotient determined by dividing
35 the assessed value of taxable real property within each high
36 school district, as reported to the department of public
37 instruction by the school district, by the average sales-
38 ratio figure for each county, as reported by the state tax
39 commission. Real value shall be approximately equal to the
40 market value of taxable real property within the district.

41 "3. 'Adjusted gross income' means adjusted gross income
42 as defined in section four hundred twenty-two point seven
43 (422.7) of the Code.

44 "Sec. 3. For the purpose of equalizing educational oppor-
45 tunity in the public high school districts throughout the
46 state, the several school districts in the state shall be
47 entitled to and receive financial aid from the state in the
48 manner and amount provided by this Act.

49 "Sec. 4. For the purpose of computing state financial aid
50 to local school districts under the formula prescribed by
51 this Act, the real value of taxable property within each
52 public high school district and the adjusted gross income for
53 each public high school district shall be determined by the
54 state department of public instruction from data furnished
55 by the state tax commission.

56 "On or before June 30, 1968, the state tax commission shall
57 report to the state department of public instruction data
58 compiled and summarized by the commission under the provisions
59 of section four hundred twenty-one point seventeen (421.17),
60 subsection twelve (12), of the Code, for the most recent year
61 available together with the sales-ratio figure or figures
62 computed by the commission for each county. Annually there-
63 after, the state tax commission shall report such data and
64 sales-ratio figures to the state department of public instruc-
65 tion.

66 "On or before June 30, 1968, the state tax commission shall
67 report to the state department of public instruction data
68 compiled and summarized by the commission for the most recent
69 year for which the summary information is available under the
70 provisions of section four hundred twenty-two point sixty-
71 eight (422.68) of the Code. Annually thereafter, the state
72 tax commission shall report such income tax data to the state
73 department of public instruction.

74 "Upon receipt of the property and income data, the state
75 department of public instruction shall compute the real value
76 of taxable real property and the adjusted gross income for
77 each public high school district in the state.

78 "Sec. 5. State aid payable to each public high school dis-
79 trict under this Act shall be based on school census figures
80 as determined in section two hundred seventy-nine point twenty-
81 two (279.22) of the Code.

82 "Sec. 6. State aid payable to each public high school dis-
83 trict shall be computed by the department of public instruction
84 as follows:

85 "1. Determine the real valuation of property per census
child,
86 ages five (5) years to twenty-one (21) years, for each public
87 high school district.

88 "2. Determine the adjusted gross income per census child,
89 ages five (5) years to twenty-one (21) years, for each public
90 high school district.

91 "3. Determine the real valuation of property per census
child,
92 ages five (5) years to twenty-one (21) years, in public high
93 schools for the entire state.

94 "4. Determine the adjusted gross income per census child,
95 ages five (5) years to twenty-one (21) years, in public high
96 schools for the entire state.

97 "5. Add the amount in subsection one (1) to the amount in
98 subsection two (2).

99 "6. Add the amount in subsection three (3) to the amount in
100 subsection four (4).

101 "7. Divide the total amount determined in subsection five
102 (5) by the total amount in subsection six (6).

103 "8. Subtract six (6) percent of the quotient obtained under
104 subsection seven (7) from one (1).

105 "9. Multiply local total expenditures, as determined under
106 section seven (7) of this Act, by the difference obtained under
107 subsection eight (8) to determine the amount of state aid to
108 each public high school district.

109 "10. No district shall receive less than fifteen (15) nor
110 more than seventy (70) percent of the district's local total
111 expenditures from state funds.

112 "Sec. 7. Total local expenditures in each public high school
113 district shall be determined for the school year in which the
114 report is made ending June 30, from items defined in the uniform
115 financial accounting system adopted by the state board of public
116 instruction under section two hundred fifty-seven point ten
117 (257.10) of the Code as follows:

118 "1. Determine general fund costs exclusive of gifts, federal
119 grants and aids by totaling the amounts expended for the school
120 year in which the report is made ending June 30 for administra-
121 tion, instruction, attendance services, health services, pupil
122 transportation services, fixed charges, operation and maintenance,
123 community services, capital outlay, debt service, and tuition
124 paid other districts. The cost of food services and student
body

125 activities shall not be included in general fund costs.

126 "2. Determine schoolhouse fund costs exclusive of gifts,
127 federal grants and aids by adding together the amounts received
128 from property taxes for bonds and interest, special schoolhouse
129 fund levy, playground levy, and purchase of schoolhouse sites.

130 "3. From the total of the sums determined under subsections

131 one (1) and two (2) deduct the following:

132 "a. Receipts from state appropriations for handicapped
133 children aid, vocational aid, driver education aid, and junior
134 college aid.

135 "b. General fund receipts from tuition paid by individuals
136 or by the state, transportation, services, rents, income on
137 investment securities, other general fund revenue receipts,
138 general fund nonrevenue receipts, and transfers to the general
139 fund other than those resulting from reorganization and the
140 return of principal of invested securities.

141 "c. Schoolhouse fund receipts from income on investment
142 securities, income on investment property, and transfers to
143 the schoolhouse fund.

144 "d. The total amount determined on the per pupil cost basis
145 for children transported who live within statutory walking
146 distance from school.

147 "Sec. 8. All moneys received by a public high school

148 from the state under the provisions of this Act shall be de-
149 posited in the general fund. At the option of the local board
150 of education when the voters of the district have approved
151 the issuance of bonds in excess of eighty (80) percent of the
152 legally authorized debt limit an amount not to exceed the local
153 district schoolhouse fund tax levy receipts as determined in
154 section six (6), subsection two (2), of this Act may be
155 deposited in the schoolhouse fund and expended to purchase
156 sites and construct and equip school buildings.

157 "Sec. 9. At the close of each school year but not later than
158 July 15 the local public high school district shall supply to
159 the state department of public instruction the information
160 required by the department for calculation of state aid under
161 this Act. Forms for such purpose shall be supplied by the

162 department to each public high school district no later than
163 1 of each school year. After the aid payable has been calcu-
164 lated

165 and validated for accuracy, the state department of public
166 instruction shall certify to the state comptroller the amount
167 of aid payable to each public high school district and the
168 comptroller shall forthwith draw warrants, payable from moneys
169 in the general fund of the state of Iowa not otherwise appro-
170 priated, and cause the same to be delivered to the respective
171 public high school districts of the state of Iowa.

172 "Sec. 10. There is hereby appropriated from moneys in the
173 general fund of the state of Iowa not otherwise appropriated
174 a sum sufficient to pay the proportionate share of the cost
175 of education in public high school districts, payable by
176 the state under the provisions of this Act.

177 "Sec. 11. The superintendent of public instruction, subject
178 to the approval of the state board of public instruction, is
179 hereby authorized to adopt such rules and regulations and
180 definitions of terms as are necessary and proper for the

180 administration of this Act.

181 "Sec. 12. Section two hundred eighty-six A point one
(286A.1)

182 Code 1966, is hereby repealed, effective July 1, 1968, and the
183 following enacted in lieu thereof:

184 "'The several merged areas operating area vocational schools
185 or community colleges and the several school districts operat-
ing
186 junior colleges or community colleges in the state of Iowa shall
187 be entitled to receive financial aid from the state in the
188 manner and amount as provided in this chapter.'"

189 "Sec. 13. Section two hundred eighty-six A point two
(286A.2),

190 Code 1966, is hereby repealed, effective July 1, 1968.

191 "Sec. 14. Section two hundred eighty-six A point four
(286A.4),

192 Code 1966, is hereby amended, effective July 1, 1968, by strik-
ing

193 all of subsections one (1), two (2), and four (4).

194 "Sec. 15. Section two hundred eighty-six A point seven
(286A.7),

195 Code 1966, is hereby repealed, effective July 1, 1968.

196 "Sec. 16. Chapter two hundred eighty-six (286), Code 1966,
is

197 hereby repealed, effective July 1, 1968.

198 "Sec. 17. Section two hundred eighty-five point one (285.1),
199 Code 1966, is hereby amended, effective July 1, 1968, by strik-
ing

200 subsection fifteen (15).

201 "Sec. 18. Section two hundred eighty-five point two (285.2),
202 Code 1966, is hereby repealed, effective July 1, 1968.

203 "Sec. 19. Section two hundred eighty-five point three
(285.3),

204 Code 1966, is hereby repealed, effective July 1, 1968.

205 "Sec. 20. Section two hundred eighty-five point seven
(285.7),

206 Code 1966, is hereby repealed.

207 "Sec. 21. In the event that the amount appropriated for
208 reimbursement of the school districts is insufficient to pay
209 in full the amounts to each of the school districts, the

amount
210 of each payment shall be reduced by the state comptroller in
211 the ratio that the total funds appropriated and available
212 bears to the total amount certified for reimbursement. In no
213 event shall a school district receive less in the aggregate
214 than was received by the district in reimbursement for the
215 1965-1966 fiscal year for any state funds distributed for
216 general aid, supplemental aid, and transportation aid."

Filed - *a depted as amended 6-10*
June 1, 1967

By COMMITTEE ON EDUCATION

1 Amend the Committee on Education amendment to House File
2 686 filed June 1, 1967 as follows:
3 1. By inserting after section nine (9) the following new
4 section:
5 "All real property owned by the state of Iowa or any of
6 its boards, commissions, departments, agencies or any instal-
7 lation thereof that operates a radio or television station and
8 transmitter which transmits commercials for any consideration,
9 shall be placed upon the tax rolls of the taxing districts
10 wherein such property is located. Any other real property or
11 the proportionate part thereof used to sell, for any considera-
12 tion, textbooks, supplies, or any other items of personal
13 property or liquor through a state owned liquor store shall
14 also be placed upon the tax rolls of the taxing district wherein
15 such property is located. Such property shall be given an
16 assessed valuation and taxed to the extent that part thereof
17 used as herein stated, bears to the total assessed valuation
18 of such real property. Notice, as provided by law, of the tax
19 due upon such property shall be given to the state comptroller
20 who shall immediately transmit such notice to the appropriate
21 state board, agency, or installation thereof. The state board,
22 agency, or installation shall have the right to appeal such
23 assessment in the same manner as a private individual. The state
24 board, agency, or installation thereof having control of such
25 property shall pay the tax when due."
26 2. By renumbering the remaining sections in accordance
27 with this amendment.

Filed - *Revised nongerman 6-7*
June 6, 1967

By GAUDINEER

1 Amend the education committee amendment, filed June 1,
2 1967, to House File 686 as follows:
3 1. By striking from line twenty-four (24) the words
4 "census child" and by inserting in lieu thereof the word
5 "pupil".
6 2. Further amend by striking from line twenty-six (26)
7 the words "census child" and by inserting in lieu thereof
8 the word "pupil".
9 3. Further amend by striking from line eighty-five (85)
10 the words "census child" and by inserting in lieu thereof the
11 word "pupil".
12 4. Further amend by striking from line eighty-eight (88)
13 the words "census child" and by inserting in lieu thereof the
14 word "pupil".
15 5. Further amend by striking from line ninety-one (91)
16 the words "census child" and by inserting in lieu thereof the
17 word "pupil".
18 6. Further amend by striking from line ninety-four (94)
19 the words "census child" and by inserting in lieu thereof the
20 word "pupil".

Filed - *Withdrawn 6-7*
June 6, 1967

By NURSE and HAGEDORN

1 Amend House File 686 as follows:

2 1. By adding the following sentence at the end of sub-
3 section three (3) of section one (1):

4 "Whenever the term 'school district' or 'district' is
5 used it shall mean public school district."

6 2. By adding the following new section after section
7 five (5): The state department of public instruction shall
8 total the amount for each basic school tax unit reported in
9 section three (3) and section four (4) of this act and di-
10 vide the sum thus obtained by the total number of pupils en-
11 rolled in public and private schools as of September 15 of
12 the previous school year. The amount per pupil thus ob-
13 tained shall be multiplied by the number of pupils enrolled
14 in public and private schools in each district within the
15 basic school tax unit to determine the total amount of the
16 basic school equalization funds each district within the
17 basic school tax unit is to receive. The state department
18 of public instruction shall certify said amounts to the
19 county treasurer. Enrollment in private schools shall only
20 be considered if the private schools meet the minimum stan-
21 dards as provided in section 257.25.

22 3. By striking the words "public-school pupil" in lines
23 seven (7) and eight (8) of section six (6) and inserting
24 in lieu thereof the words "pupil in public or private
25 schools".

26 4. By adding the words "in both public and private schools"
27 after the word "ship" in line twelve (12) of section six
28 (6).

29 5. By adding the words "in public schools" after the
30 word "membership" in line six (6) of section nine (9).

31 6. By adding the word "public" in line five (5) of
32 section eleven (11) following the word "each".

Filed

June 6, 1967

By NEU, RIGLER, WALSH,
and LODWICK

1 Amend the Committee on Education amendment to House File
2 686 filed June 1, 1967 by adding thereto the following new
3 section:

4 "As long as the state or any of its boards, commissions,
5 departments, agencies or any installation thereof owns the
6 real property legally described as the East two-thirds
7 (E. 2/3) of lots five (5) and six (6), block twenty-two (22),
8 town of Fort Des Moines, now included in and forming a part
9 of the City of Des Moines, Polk County, Iowa, and all improve-
10 ments thereon and appurtenances thereto, and receives any
11 rents or income therefrom, such property shall be placed upon
12 the tax rolls of the taxing district wherein such property
13 is located. Such property shall be given an assessed valua-
14 tion and taxes as provided by law to the extent that
15 part thereof from which rents or income is received bears to
16 the total assessed valuation of such property. Notice, as pro-
17 vided by law, of the tax due upon such property shall be given to
18 the state comptroller. The state shall have the right to
19 appeal such assessment in the same manner as a private indivi-
20 dual. The tax due shall be paid by the comptroller from the
21 general fund out of any funds not otherwise appropriated."

Filed - *Paul Nongerman 6-7*
June 6, 1967

By GAUDINEER

1 Amend the Committee on Education amendment to House File
2 686 filed June 1, 1967 as follows:

3 1. By inserting in line fifty-eight (58) after the word
4 "summarized" the words "or estimated".

5 2. By striking lines one hundred three (103) and one hun-
6 dred four (104) and inserting in lieu thereof the following:

7 "8. Subtract six-tenths (.6) of the quotient obtained
8 under subsection seven (7) of this section from the number
9 one (1.00)."

10 3. By inserting in line one hundred eleven (111) after
11 the word "funds" the words ", except as provided in section
12 twenty-one (21) of this Act".

13 4. By inserting in line one hundred seventy-three (173)
14 after the word "to" the following:

15 "guarantee no less than thirty-five (35) percent of the
16 average of the sum of the total reimbursable expenditures
17 claimed, based on the prior year, and to".

18 5. By inserting in line two hundred twelve (212) after
19 the word "In" the following:

20 "no event shall the appropriation be less than thirty-five
21 (35) percent of the average of reimbursable expenditures as
22 provided in section ten (10) of this Act and in".

23 6. By adding thereto the following new section:

24 "Any district whose per pupil reimbursable expenditures
25 is in excess of the average per pupil reimbursable expendi-
26 tures in the state shall be limited in an amount of state funds
27 per pupil average daily membership to the economic growth rate
28 of the state. For purposes of this section, 'per pupil' shall
29 be defined as per pupil in average daily membership.

30 "The economic growth rate of the state shall be determined
31 by the state comptroller. The state comptroller shall de-
32 termine the economic growth rate by the percentage of change
33 of the averages computed based on the personal income tax and
34 state sales-use taxes.

35 "In making such computations, they shall exclude all in-
36 creases or decreases in the general fund revenue resulting
37 directly from changes in the state revenue laws having an
38 effective date during either of the two (2) preceding fiscal
39 years.

40 "The average daily membership for each public high school
41 district shall be determined by dividing the aggregate sum
42 of the pupil membership in all schools of the district for
43 each day school was in session throughout a school year by
44 the number of days school was in session during the school
45 year."

Filed
June 6, 1967

Div. I - adopted 6-7
Div. II - Withdrawn 6-8

By CASSIDY, KIBBIE, DENMAN,
O'MALLEY, HAGEDORN, ELY,
FROMMELT, REPERT, GLENN,
BURNS, MCGILL, and
GAUDINEER.

1 Amend the education committee amendment, filed June 1,
2 1967, to House File 686 as follows:
3 1. By inserting as new sections at the end thereof the
4 following:
5 "Sec. 22. Section four hundred twenty-six point one (426.1),
6 Code 1966, is hereby amended by striking all of such section
7 after the word 'year' in line six (6) and inserting in lieu
8 thereof the following:
9 'beginning July 1, 1968, there is appropriated thereto from
10 funds in the general fund not otherwise appropriated such
11 funds as shall be necessary to carry out the provisions of
12 this chapter.'
13 "Sec. 23. Section four hundred twenty-six point three
14 (426.3), Code 1966, is hereby amended as follows:
15 1. By striking from line seven (7) the word 'fifteen'
16 and inserting in lieu thereof the word 'twenty (20)'.
17 2. By striking all of such section after the word 'fund'
18 in line thirteen (13) and inserting the following in lieu
19 thereof:
20 'twenty (20) mills for the previous year. The agricultural
21 land credit as provided by this chapter shall not be made to
22 any taxpayer on any portion of his property upon which he may
23 obtain a homestead credit, as provided by chapter four hundred
24 twenty-five (425) of the Code.'
25 "Sec. 24. Section four hundred twenty-six point six
26 (426.26), Code 1966, is hereby amended as follows:
27 1. By striking from line thirteen (13) the word 'fifteen'
28 and inserting in lieu thereof the word 'twenty (20)'.
29 2. By striking from lines fourteen (14) and fifteen (15)
30 the word 'fifteen' and inserting in lieu thereof the word
31 'twenty (20)'.
32 "Sec. 25. Section four hundred twenty-six point eight
33 (426.8), Code 1966, is hereby repealed and the following new
34 section inserted in lieu thereof:
35 'Upon receiving the warrant from the state comptroller,
36 the county auditor shall enter upon the tax lists as a credit
37 against the tax levied on each tract of agricultural land on
38 which there has been made an allowance of credit the amount
39 computed previously for each such tract and for which the
40 warrant has been drawn. The county auditor shall then
41 deliver said tax lists and said warrant to the county trea-
42 surer. The county treasurer shall show on each tax receipt
43 the amount of tax credit for each tract of agricultural land.
44 In case of change of ownership the credit shall follow the
45 title.'
46 "Sec. 26. Section four hundred twenty-six point nine
47 (426.9), Code 1966, is hereby repealed."

Filed - *Withdrawn 6-8*
June 6, 1967

By NURSE, HAGEDORN, and
VAN GILST

1 Amend the Committee on Education amendment to House File
2 686 filed June 1, 1967 as follows:

3 1. By inserting after section eleven (11) the following
4 new sections:

5 1. "Section four hundred twenty-two point four (422.4),
6 Code 1966, is hereby amended by adding thereto the following
7 new subsections:

8 "18. The term 'home residence' shall mean a homestead or
9 a rental property as further defined in this section.

10 "19. The term 'homestead' shall mean the same as in sub-
11 section one (1) of section four hundred twenty-five point
12 eleven (425.11) of the Code, except that if within a city or
13 town plot, the land shall not exceed nine and nine-tenths
14 (9.9) acres in extent, rather than one-half (1/2) acre in
15 extent as provided in section four hundred twenty-five point
16 eleven (425.11), subsection one (1), paragraph c, of the Code.

17 "20. The term 'homestead credit' shall mean the credit
18 available to certain taxpayers computed under the provisions
19 of chapter four hundred twenty-five (425) of the Code.

20 "21. The term 'household income' shall mean the total of
21 all taxable income, as defined in section four hundred twenty-
22 two point four (422.4) of the Code, for all related persons
23 residing in the home residence at the end of the taxable year.

24 "22. The term 'rental property' shall mean:

25 "a. The rented property must embrace the dwelling in which
26 the renter is living at the time of the application for this
27 credit.

28 "b. Such rented property shall include rented portions of
29 homes for the elderly, nursing homes, and similar rented
30 property, but shall not include rented portions of such homes
31 if real property taxes are not by law assessed against the
32 property.

33 "c. The rented property may contain one (1) or more
34 contiguous lots or tracts of land with the buildings or other
35 appurtenances thereon habitually, and in good faith, used as
36 a part of the rented property.

37 "d. If within a city or town plot, the rented property
38 must not exceed nine and nine-tenths (9.9) acres in extent.

39 "e. If outside of a city or town, the rented property
40 must not contain more than forty (40) acres.

41 "f. The rented property must not embrace more than one
42 (1) dwelling house, but where a rented property outside of
43 a city or town has more than one (1) dwelling house situated
44 thereon, the credit provided for in this subsection shall
45 apply to the home and building used by the renter, but shall
46 not apply to any other dwelling house and building situated
47 upon said forty (40) acres.

48 "g. The term 'dwelling house' shall embrace any rented
49 property occupied wholly or in part by the claimant as a
50 home."

51 2. "Section four hundred twenty-two point twelve (422.12),
52 Code 1966, is hereby amended as follows:

53 "1. By striking from line four (4) the words 'a personal
54 exemption' and inserting in lieu thereof the words 'exemptions
55 and credits'.

56 "2. By adding following subsection five (5) the following
57 new subsection:

58 "6. An elderly home residence credit as computed under
59 this subsection shall be allowed as a credit under this sec-
60 tion for any person who has attained the age of sixty-five
61 (65) years before the close of the tax year, and who has a
62 homestead or who files a sworn statement to the effect that
63 he has occupied rental property as a dwelling in good faith
64 as a home for six (6) months or more in the tax year.
65 "The elderly home residence credit shall be computed in

66 one (1) of the following two (2) methods at the option of
67 the taxpayer:

68 "a. If the home residence property is a homestead, the
69 home residence credit shall be computed as follows:

70 "(1). If the household income is three thousand (3,000)
71 dollars or less and the assessed value of the homestead is:

72 "(a). Two thousand five hundred (2,500) dollars or less,
73 the credit shall be sixty-two dollars and fifty cents
74 (\$62.50).

75 "(b). Over two thousand five hundred (2,500) dollars
76 but three thousand (3,000) dollars or less, the credit shall
77 be fifty (50) dollars.

78 "(c). Over three thousand (3,000) dollars but three
79 thousand five hundred (3,500) dollars or less, the credit
80 shall be thirty-seven dollars and fifty cents (\$37.50).

81 "(d). Over three thousand five hundred (3,500) dollars,
82 the credit shall be twenty-five (25) dollars.

83 "(2). If the household income is over three thousand
84 (3,000) dollars but three thousand five hundred (3,500) dol-
85 lars or less and the assessed value of the homestead is:

86 "(a). Two thousand five hundred (2,500) dollars or less,
87 the credit shall be fifty (50) dollars.

88 "(b). Over two thousand five hundred (2,500) dollars but
89 three thousand (3,000) dollars or less, the credit shall be
90 thirty-seven dollars and fifty cents (\$37.50).

91 "(c). Over three thousand (3,000) dollars but three thousand
92 five hundred (3,500) dollars or less, the credit shall be
93 twenty-five (25) dollars.

94 "(d). Over three thousand five hundred (3,500) dollars,
95 the credit shall be twenty (20) dollars.

96 "(3). If the household income is over three thousand five
97 hundred (3,500) dollars but four thousand (4,000) dollars or
98 less and the assessed value of the homestead is:

99 "(a). Two thousand hundred (2,500) dollars or less,
100 the credit shall be thirty-seven dollars and fifty cents
101 (\$37.50).

102 "(b). Over two thousand five hundred (2,500) dollars but
103 three thousand (3,000) dollars or less, the credit shall
104 be twenty-five (25) dollars.

105 "(c). Over three thousand (3,000) dollars but three
106 thousand five hundred (3,500) dollars or less, the credit
107 shall be twenty (20) dollars.

108 "(d). Over three thousand five hundred (3,500) dollars,
109 the credit shall be fifteen (15) dollars.

110 "(4). If the household income is over four thousand
111 (4,000) dollars and the assessed value of the homestead is:

112 "(a). Two thousand five hundred (2,500) dollars or less,
113 the credit shall be twenty-five (25) dollars.

114 "(b). Over two thousand five hundred (2,500) but three
115 thousand (3,000) dollars or less, the credit shall be twenty
116 (20) dollars.

117 "(c). Over three thousand (3,500) dollars but three thou-
118 sand five hundred (3,500) dollars or less, the credit shall
119 be fifteen (15) dollars.

120 "(d). Over three thousand five hundred (3,500) dollars,
121 no credit shall be allowed.

122 "b. If the home residence property is rental property, the
123 home residence credit shall be computed as follows:

124 "(1). If the household income is three thousand (3,000)
125 dollars or less and the total rents paid during the taxable
126 year were:

127 "(a). One thousand (1,000) dollars or less, the credit
128 shall be sixty-two dollars and fifty cents (\$62.50).

130 two hundred fifty (1,250) dollars or less, the credit shall
131 be fifty (50) dollars.

132 "(c). Over one thousand two hundred fifty (1,250) dollars
133 but one thousand five hundred (1,500) dollars or less, the
134 credit shall be thirty-seven dollars and fifty cents (\$37.50).

135 "(d). Over one thousand five hundred (1,500) dollars,
136 the credit shall be twenty-five (25) dollars.

137 "(2). If the household income is over three thousand
138 (3,000) dollars but three thousand five hundred (3,500) dollars
139 or less and the total rents paid during the taxable year were:

140 "(a). One thousand (1,000) dollars or less, the credit
141 shall be fifty (50) dollars.

142 "(b). Over one thousand (1,000) dollars but one thousand
143 two hundred fifty (1,250) dollars or less, the credit shall be
144 thirty-seven dollars and fifty cents (\$37.50).

145 "(c). Over one thousand two hundred fifty (1,250) dollars
146 but one thousand five hundred (1,500) dollars or less, the
147 credit shall be twenty-five (25) dollars.

148 "(d). Over one thousand five hundred (1,500) dollars, the
149 credit shall be twenty (20) dollars.

150 "(3). If the household income is over three thousand five
151 hundred (3,500) dollars but four thousand (4,000) dollars or
152 less and the total rents paid during the taxable year were:

153 "(a). One thousand (1,000) dollars or less, the credit
154 shall be thirty-seven dollars and fifty cents (\$37.50).

155 "(b). Over one thousand (1,000) dollars but one thousand
156 two hundred fifty (1,250) dollars or less, the credit shall
157 be twenty-five (25) dollars.

158 "(c). Over one thousand two hundred fifty (1,250) dollars
159 but one thousand five hundred (1,500) dollars or less, the
160 credit shall be twenty (20) dollars.

161 "(d). Over one thousand five hundred (1,500) dollars the
162 credit shall be fifteen (15) dollars.

163 "(4). If the household income is over four thousand
164 (4,000) dollars and the total rents paid during the taxable
165 year were:

166 "(a). One thousand (1,000) dollars or less, the credit
167 shall be twenty-five (25) dollars.

168 "(b). Over one thousand (1,000) dollars but one thousand
169 two hundred fifty (1,250) dollars or less, the credit shall
170 be twenty (20) dollars.

171 "(c). Over one thousand two hundred fifty (1,250) dollars
172 but one thousand five hundred (1,500) dollars or less, the
173 credit shall be fifteen (15) dollars.

174 "(d). Over one thousand five hundred (1,500) dollars, no
175 credit shall be allowed.

176 "Should the elderly home residence credit computed under
177 this subsection result in the elderly home residence credit's
178 exceeding the amount due as computed under these provisions,
179 the credit amount so computed shall constitute a claim against
180 the state and it shall be paid to the taxpayer in the same
181 manner as withholding refunds are paid under section four
182 hundred twenty-two point sixteen (422.16), subsection nine
183 (9), of the Code.

184 "Not more than one (1) total credit amount shall be obtained
185 under the provisions of this subsection for each home resi-
186 dence."

187 2. By renumbering the remaining sections in accordance
188 with this amendment.

Filed - *Adopted 6-7*
June 6, 1967

By GAUDINEER, KIBBIE, MURRAY,
CASSIDY, REPERT, KLEFSTAD,
GLENN, FROMMELT, COLEMAN

1 Amend House File 686, section fourteen (14), line
2 one (1), as follows:
3 1. Strike the word "Section" and insert in lieu
4 thereof the words "Effective July 1, 1968, section".

Filed
June 7, 1967

By DeKOSTER

1 Amend the Committee on Education amendment to House
2 File 686 filed June 1, 1967 by
3 adding the substance of Senate File 91.

Filed and ruled out of order
June 7, 1967

By HOUGEN, MESSERLY, and
STANLEY

1 Amend the education committee amendment to House File 686,
2 filed June 1, 1967, as follows:
3 1. By striking lines ninety-seven (97) through one hundred
4 four (104), inclusive, and by inserting in lieu thereof the
5 following:
6 "5. Divide the amount determined in subsection one (1) by
7 the amount determined in subsection three (3).
8 "6. Divide the amount determined in subsection two (2) by
9 the amount determined in subsection four (4).
10 "7. Add the quotients obtained in subsection five (5) and
11 subsection six (6), and divide the sum by two (2).
12 "8. Subtract six-tenths (6/10) of the quotient obtained
13 under subsection seven (7) from the number one (1)."

Filed - *Adopted 6-8*
June 7, 1967

By NURSE, VAN GILST, and
LODWICK

1 Amend the Education Committee amendment filed June
2 1, 1967 to House File 686 as follows:
3 1. By striking in line ninety-three (93) the word,
4 "schools" and by inserting in lieu thereof the words,
5 "school districts".
6 2. By striking in line ninety-six (96) the word,
7 "school" and by inserting in lieu thereof the words,
8 "school districts".

Filed
June 7, 1967

By KIBBIE and CASSIDY

1 Amend House File 686 by striking all of section
2 eighteen (18).

Filed
June 7, 1967

By DeKOSTER

1 Amend the education committee amendment to House File 686,
2 filed June 1, 1967 as follows:
3 1. By striking from lines twenty-four (24), twenty-six (26),
4 eighty-five (85), eighty-eight (88), ninety-one (91) and ninety-
5 four (94) the words "census child" and by inserting in lieu
6 thereof the words "public school pupil in average daily member-
7 ship".

Filed and ruled out of order
June 7, 1967

By NURSE

1 Amend the Education Committee amendment filed June 1, 1967
2 to House File 686 as follows:
3 1. By striking from lines twenty-four (24) and twenty-
4 five (25) the words "census child, ages five (5) years to twenty-
5 one (21) years" and by inserting in lieu thereof the words "pupils
6 enrolled in public and private secondary and elementary schools
7 within the district".
8 2. Further amend by striking from lines twenty-six (26)
9 and twenty-seven (27) the words "census child, ages five (5)
10 years to twenty-one (21) years" and by inserting in lieu there-
11 of the words "pupils enrolled in public and private secondary
12 and elementary schools".
13 3. Further amend by striking from lines eighty-five (85)
14 and eighty-six (86) the words "census child, ages five (5) years
15 to twenty-one (21) years" and by inserting in lieu thereof the
16 words "pupils enrolled in public and private secondary and ele-
17 mentary schools,".
18 4. Further amend by striking from lines eighty-eight (88)
19 and eighty-nine (89) the words "census child, ages five (5) years
20 to twenty-one (21) years and by inserting in lieu thereof the
21 words "pupils enrolled in public and private secondary and ele-
22 mentary schools,".
23 5. Further amend by striking from lines ninety-one (91)
24 through ninety-three (93) the words "census child, ages five (5)
25 years to twenty-one (21) years in public high schools" and in-
26 serting in lieu thereof the words "pupils enrolled in public and
27 private secondary and elementary schools".
28 6. Further amend by striking from lines ninety-four (94)
29 through ninety-six (96) the words "census child, ages five
30 (5) years to twenty-one (21) years in public high schools"
31 and inserting in lieu thereof the words "pupils enrolled in
32 public and private secondary and elementary schools".

Filed and adopted
June 7, 1967

By KIBBIE and CASSIDY

1 Amend House File 686 as follows:
2 1. Amend section one (1) by adding the following sub-
3 section thereto:
4 "The "percent of allowable growth" is the percent of
5 increase in revenue for the sales and use taxes and the
6 individual and corporate income taxes as well as the percent
7 of increase in assessments for property tax for each year
8 of the last three years. The sum of the individual per-
9 centages thus obtained shall be divided by nine to arrive
10 at the percent of allowable growth. In making such compu-
11 tations the comptroller shall adjust for changes in rates
12 or basis of the income tax or sales and use tax and for
13 statewide changes in assessment practices as well as for
14 changes in the statewide average daily membership in pub-
15 lic school districts. He shall thereupon certify the per-
16 cent of allowable growth rate to the several school dis-
17 tricts of the state."
18 2. Amend section six (6) by striking the last para-
19 graph thereof beginning on line thirty-three (33) with the
20 word "During" and ending on line forty-seven (47) with the
21 word "state."

Filed
June 7, 1967

By NEU and DeKOSTER

1 Amend the Committee on Education amendment to
2 House File 686 filed June 1, 1967 as follows:
3 1. By adding the following:
4 Chapter four hundred twenty-five (425), Code
5 1966, is hereby amended by adding thereto the following new
6 section:
7 "In addition to the homestead tax credit provided in this
8 chapter, the homestead, not to exceed three thousand five
9 hundred (3,500) dollars in taxable value, of every retired
10 person shall be exempt from all taxes levied for any school
11 budget, schoolhouse or to repay any bonds issued by any
12 school district. Every person desiring to claim this
13 exemption shall make application with the assessor and shall
14 furnish such evidence as may be required by the assessor that
15 the applicant is eligible for the exemption provided by this
16 Act. As used in this Act, 'retired person' means a person
17 who is sixty-five (65) years or more of age and who has
18 Adjusted Gross income, as computed for federal income tax
19 purposes, of one thousand five hundred (1,500) dollars or
20 less per year."

Filed and ruled out of order
June 7, 1967

By JEPSEN

1 Amend House File 686 as follows:
2 1. Amend section fifteen (15) as follows:
3 a. By striking lines three (3) and four (4) and inserting
4 in lieu thereof the following:
5 "1. By striking from line seven (7) the words 'fifteen
6 mills' and inserting in lieu thereof the words 'twenty (20)
7 mills for the year beginning January 1, 1968 and the adjusted
8 millage levy as provided in this section for each year there-
9 after'."
10 b. By inserting in line eight (8) after the word "mills"
11 the words "or the adjusted millage levy".
12 c. By adding thereto the following paragraph:
13 "For the year beginning January 1, 1969 and each year
14 thereafter, the millage levy above which the agricultural land
15 tax credit is paid shall be computed by multiplying the mill-
16 age levy above which the credit was paid the previous year
17 by the state revenue growth percentage computed by the comp-
18 troller under section six (6) of this Act and adding the pro-
19 duct thus obtained to the millage levy above which the credit
20 was paid the previous year."
21 2. Amend section sixteen (16) by striking lines three (3)
22 through seven (7) and inserting in lieu thereof the following:
23 "1. By inserting in lieu two (2) after the word "year"
24 the words "beginning January 1, 1969 and each year thereafter".
25 "2. By striking from line thirteen (13) the words
26 'fifteen mills' and inserting in lieu thereof the words
27 'the millage levy computed under section four hundred twenty-
28 six point three (426.3) of the Code'.
29 "3. By striking from lines fourteen (14) and fifteen
30 (15) the words 'fifteen mills' and inserting in lieu
31 thereof the words 'such millage levy'."

Filed
June 7, 1967

By LAMBORN

1 Amend the Education Committee Amendment to House File
2 686, dated June 1, 1967, as follows:

3 1. Add thereto the following new section:

4 "If the per pupil reimbursable expenditures of a district
5 in any school year exceed the adjusted state average per pupil
6 reimbursable expenditures for such year, the payment of state
7 funds to such district shall be computed as if the per pupil
8 reimbursable expenditures of such district were equal to the
9 adjusted state average per pupil reimbursable expenditures.

10 It is the intent of this section that state funds under this
11 Act shall not be used to pay that part of a district's per
12 pupil reimbursable expenditures which exceeds the adjusted
13 state average per pupil reimbursable expenditures.

14 "The adjusted state average per pupil reimbursable
15 expenditures for any school year shall be determined by
16 increasing the state average per pupil reimbursable expenditures
17 for such year by the growth percentage for such year.

18 "The growth percentage for each year ending June 30 shall
19 be the percentage increase in the general fund revenue from
20 all state income taxes and state sales and use taxes during
21 such year as compared with the preceding year. If there is a
22 decrease in such general fund revenue during a year, the growth
23 percentage for such year shall be zero. However, increases or
24 decreases in the general fund resulting directly from changes
25 in state revenue laws having an effective date in either of
26 the two preceding fiscal years shall be excluded. The state
27 comptroller shall determine the growth percentage within
28 thirty (30) days after the end of each year.

29 "For the purposes of this section, 'per pupil' means per
30 public school pupil in average daily membership.

31 "The average daily membership for each public high school
32 district shall be determined by dividing the aggregate sum of
33 the pupil membership in all schools of the district for all
34 days school was in session throughout a school year by the
35 number of days school was in session during the school year."

36 2. In line 105, strike the words "local total
37 expenditures" and insert in lieu thereof the words "the
38 reimbursable expenditures of the district".

39 3. In line 112, strike the words "Total local expenditures
40 in" and insert in lieu thereof the words "Reimbursable
41 expenditures of".

42 4. In lines 113 and 120, strike the word "in" and insert
43 in lieu thereof the word "for".

Filed - *adopted 6-8*
June 7, 1967

By STANLEY and CASSIDY

1 Amend the committee on education amendment to House
2 File 686 filed June 1, 1967, section 4, by striking
3 in line 56 the figure "1968" and inserting in lieu
4 thereof the figure "1967".

5 Further amend the committee amendment by striking in
6 line 66 the figure "1968" and inserting in lieu thereof
7 the figure "1967".

Filed - *adopted*
~~June 7, 1967~~ *6-8*
June 7, 1967

By CASSIDY and KIBBIE

1 Amend the education committee amendment to House File 686,
2 filed June 1, 1967, as follows:

3 1. By adding the following as a new section:

4 Section four hundred twenty-six point one (426.1), Code
5 1966, is hereby amended by striking all of such section after
6 the word "year" in line six (6) and by inserting in lieu
7 thereof the words "beginning July 1, 1968, there is hereby
8 appropriated thereto from funds in the general fund not
9 otherwise appropriated such funds as shall be necessary to
10 carry out the provisions of this chapter."

11 2. By adding the following as a new section:

12 Section four hundred twenty-six point three (426.3), Code
13 1966, is hereby amended as follows:

14 a. By striking from line seven (7) the words "fifteen
15 mills" and by inserting in lieu thereof the words "twenty (20)
16 mills or the adjusted millage levy as computed by this sec-
17 tion".

18 b. By striking all of such section after the word "fund"
19 in line thirteen (13) and by inserting in lieu thereof the
20 following:

21 "twenty (20) mills or the adjusted millage levy for the
22 previous year. During the month of July of each year, begin-
23 ning with July 1, 1968, the state tax commission or the
24 succeeding authority shall determine the total assessed
25 valuation for the state regarding rural lands and rural
26 buildings for the current calendar year. The total thus
27 determined shall be compared to the total assessed valuation
28 for the state rural lands and rural buildings for the calen-
29 dar year 1967. The ratio of increase or decrease thus
30 determined shall be the rate of increase or decrease by
31 which the twenty (20) mill base used to compute the agricul-
32 tural land tax credit in 1968, payable on or before March 1,
33 1969, will be increased or decreased for the current year.
34 The agricultural land credit as provided by this chapter
35 shall not be made to any taxpayer on any portion of his pro-
36 perty upon which he may obtain a homestead credit, as provi-
37 ded by chapter four hundred twenty-five (425) of the Code."

38 3. By adding the following as a new section:

39 Section four hundred twenty-six point six (426.6), Code
40 1966, is hereby amended as follows:

41 a. By inserting in line two (2) after the word "year" the
42 words "beginning July 1, 1968, and each year thereafter".

43 b. By striking from line thirteen (13) the words "fifteen
44 mills" and by inserting in lieu thereof the words "the millage
45 levy computed under section four hundred twenty-six point three
46 (426.3) of the Code".

47 c. By striking from lines fourteen (14) and fifteen (15)
48 the words "fifteen mills" and by inserting in lieu thereof the
49 words "such millage levy".

50 4. By adding the following as a new section:

51 Section four hundred twenty-six point eight (426.8), Code
52 1966, is hereby repealed and the following enacted in lieu
53 thereof:

54 "Upon receiving the warrant from the state comptroller,
55 the county auditor shall enter upon the tax list as a credit
56 against the tax levy on each tract of agricultural land on
57 which there has been made an allowance of credit the amount
58 computed previously for each such tract for which the warrant
59 has been drawn. The county auditor shall then deliver said
60 tax list and said warrant to the county treasurer. The county
61 treasurer shall show on each tax receipt the amount of tax
62 credit for each tract of agricultural land. In case of
63 change of ownership the credit shall follow the title."

64 5. By adding the following as a new section:
65 Section four hundred twenty-six point nine (426.9), Code
66 1966, is hereby repealed.

Filed and adopted *Motion to reconsider filed 6-8*
June 8, 1967

By NURSE, HAGEDORN, and
VAN GILST

1 Amend the committee on education amendment to House File 686
2 filed on June one (1) as follows:
3 1. Strike all after subsection three (3) of section one (1)
4 and place in lieu thereof the following new sections:
5 Sec. 2. Section two hundred eighty-six A point three (286A.3),
6 Code 1966, is amended by inserting before the period (.) in line
7 two (2) the words "and by section two (2) of this Act".
8 "Sec. 2. In addition to any other state aid now being reim-
9 bursed to local school districts, every school district within
10 the state shall receive additional reimbursement on the following
11 basis; the number of pupils attending private and public ele-
12 mentary and high schools within the district, based on average
13 daily attendance, shall be multiplied by the sum of eighty
14 (80) dollars. The product of this computation shall be the
15 amount of additional aid which shall be directly reimbursed to
16 each school district.
17 Sec. 3. Section two hundred eighty-six A point five (286A.5),
18 Code 1966, is amended by adding the following at the end
19 thereof:
20 "Each local school district shall also supply the state de-
21 partment of public instruction information setting forth the
22 number of pupils attending private elementary and high schools
23 within the district based on average daily attendance."

Filed and withdrawn
June 8, 1967

By HEYING, REICHARDT, and BUREN

1 Amend the education committee amendment to House File 686,
2 filed June 1, 1967, as follows:
3 1. By striking line ninety-seven (97) through one hundred
4 eight (108), inclusive, and by inserting in lieu thereof the
5 following:
6 "5. Divide the amount in subsection one (1) by the amount
7 in subsection three (3).
8 "6. Multiply the quotient in subsection five (5) by six-
9 tenths (6/10).
10 "7. Divide the amount in subsection two (2) by the amount
11 in subsection four (4).
12 "8. Multiply the quotient in subsection seven (7) by four-
13 tenths (4/10).
14 "9. Add the product in subsection six (6) and the product
15 in subsection eight (8).
16 "10. Multiply the sum in subsection nine (9) by six-tenths
17 (6/10).
18 "11. Subtract the product in subsection ten (10) from the
19 number one (1).
20 "12. Multiply the difference obtained in subsection eleven
21 (11) by the local total expenditures as determined under section
22 seven (7) of this Act to determine the amount of state aid to
23 each public high school district."

Filed - *adopted 6-10*
June 9, 1967

By CASSIDY

1 Amend House File 686 by adding the following sections thereto:
2 This Act shall operate retroactively and retro-
3 spectively, with full force and effect, to and from Jly 1, 1967.
4 This Act, being deemed of immediate importance,
5 shall take effect after its passage, approval and publication in
6 The Times Plain Dealer, a newspaper published at
7 Cresco, Iowa, and in the Neola Gazette Reporter,
8 a newspaper published at Neola, Iowa.

Filed and adopted
July 1, 1967

By FREY

1 Amend the education committee amendment, filed June 1, 1967,
2 to House File 686 as follows:

3 1. By inserting as new sections at the end thereof the
4 following:

5 Sec. 22. Section four hundred twenty-six point three (426.3),
6 Code 1966, is hereby amended as follows:

7 1. By striking from line seven (7) the word 'fifteen' and
8 inserting in lieu thereof the word 'twenty (20)' also in line
9 thirteen (13) strike the word 'fifteen (15)' and insert in lieu
10 thereof the word 'twenty (20)'.

11 Sec. 23. Section four hundred twenty-six point six (426.6)
12 Code 1966, is hereby amended as follows:

13 1. By striking from line thirteen (13) the word 'fifteen (15)'
14 and inserting in lieu thereof the word 'twenty (20)' also by
15 striking from lines fourteen (14) and fifteen (15) the word
16 'fifteen (15)' and inserting in lieu thereof the word 'twenty
17 (20)'.

18 Sec. 24. Further amend Section four hundred twenty-six point
19 three (426.3), Code 1966, by striking all of said section after
the period (.) in line twenty-three (23).

Filed *Adopted 6-10*
June 9, 1967

By HAGEDORN

April 18, 1967
Place On Calendar

House File 686

By COMMITTEE ON TAX REVISION
(As Amended and Passed by the Senate)

Passed House, Date 6-28-67 Passed Senate, Date 6-10-67
Vote: Ayes 99 Nays 18 Vote: Ayes 41 Nays 13

Approved

*Passed per Conference Committee
report 6-28-67
99-18
Passed per Report as amended 7-1, 94-14*

*House refused to concur 6-12
Senate insisted 6-14
Passed per Conference Committee
Report 7-1-67, 50-5*

A BILL FOR

An Act relating to a method for general property tax replacement and equalization; and relating to the payment of agricultural land tax credits and making an appropriation therefor.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. The policies of the state of Iowa with respect
2 to the quality and financing of public school education are
3 hereby declared to be as follows:

4 1. Every person of school age within the state of Iowa
5 shall have the opportunity for an excellent public school
6 education.

7 2. The achievement of quality education of all public
8 schools within the state of Iowa is a function and responsi-
9 bility of the state.

10 3. The achievement of quality education within each
11 local school district is the function and responsibility of
12 the local school district.

13 4. Forty (40) percent of the collective cost of educa-
14 tion in the several public high school districts of the state
15 of Iowa shall be provided by the state.

16 5. Sixty (60) percent of the collective cost of educa-
17 tion in the several public high school districts of the state
18 of Iowa shall be derived from local school district and other
19 non-state sources.

20 6. The local district's share of the cost of public

Conference Committee
*Cassidy
McGill
Nance
New
Peterson
Vetter
Cochran
Dunton*

21 education in each school district maintaining a public high
22 school shall be determined by the ratio of the district's
23 property value and income value per pupil enrolled in public
24 and private secondary and elementary schools within the dis-
25 trict to the property value and income value of the entire
26 state for each pupil enrolled in public and private secon-
27 dary and elementary schools in all public high school districts
28 throughout the state.

1 Sec. 2. When used in this Act, unless the context other-
2 wise requires:

3 1. "High school district" means a school district which
4 maintains at least twelve (12) grades of instruction above
5 the level of kindergarten.

6 2. "Real value" means the quotient determined by divi-
7 ding the assessed value of taxable real property within each
8 high school district, as reported to the department of public
9 instruction by the school district, by the average sales-ratio
10 figure for each county, as reported by the state tax commis-
11 sion. Real value shall be approximately equal to the market
12 value of taxable real property within the district.

13 3. "Adjusted gross income" means adjusted gross income
14 as defined in section four hundred twenty-two point seven
15 (422.7) of the Code.

1 Sec. 3. For the purpose of equalizing educational oppor-
2 tunity in the public high school districts throughout the
3 state, the several school districts in the state shall be
4 entitled to and receive financial aid from the state in the
5 manner and amount provided by this Act.

1 Sec. 4. For the purpose of computing state financial aid
2 to local school districts under the formula prescribed by this
3 Act, the real value of taxable property within each public
4 high school district and the adjusted gross income for each
5 public high school district shall be determined by the state
6 department of public instruction from data furnished by the

7 state tax commission.

8 On or before June 30, 1967, the state tax commission
9 shall report to the state department of public instruction
10 data compiled and summarized or estimated by the commission
11 under the provisions of section four hundred twenty-one
12 point seventeen (421.17), subsection twelve (12), of the Code,
13 for the most recent year available together with the sales-
14 ratio figure or figures computed by the commission for each
15 county. Annually thereafter, the state tax commission shall
16 report such data and sales-ratio figures to the state depart-
17 ment of public instruction.

18 On or before June 30, 1967, the state tax commission
19 shall report to the state department of public instruction
20 data compiled and summarized by the commission for the most
21 recent year for which the summary information is available
22 under the provisions of section four hundred twenty-two point
23 sixty-eight (422.68) of the Code. Annually thereafter, the
24 state tax commission shall report such income tax data to the
25 state department of public instruction.

26 Upon receipt of the property and income data, the state
27 department of public instruction shall compute the real value
28 of taxable real property and the adjusted gross income for
29 each public high school district in the state.

1 Sec. 5. State aid payable to each public high school
2 district under this Act shall be based on school census
3 figures as determined in section two hundred seventy-nine
4 point twenty-two (279.22) of the Code.

1 Sec. 6. State aid payable to each public high school
2 district shall be computed by the department of public instruc-
3 tion as follows:

4 1. Determine the real valuation of property per pupils
5 enrolled in public and private secondary and elementary
6 schools, for each public high school district.

7 2. Determine the adjusted gross income per pupils enrol-

8 led in public and private secondary and elementary schools,
9 for each public high school district.

10 3. Determine the real valuation of property per pupils
11 enrolled in public and private secondary and elementary
12 schools for the entire state.

13 4. Determine the adjusted gross income per pupils enrol-
14 led in public and private secondary and elementary schools
15 for the entire state.

16 5. Divide the amount in subsection one (1) by the amount
17 in subsection three (3).

18 6. Multiply the quotient in subsection five (5) by six-
19 tenths ($6/10$).

20 7. Divide the amount in subsection two (2) by the amount
21 in subsection four (4).

22 8. Multiply the quotient in subsection seven (7) by four-
23 tenths ($4/10$).

24 9. Add the product in subsection six (6) and the product
25 in subsection eight (8).

26 10. Multiply the sum in subsection nine (9) by six-tenths
27 ($6/10$).

28 11. Subtract the product in subsection ten (10) from the
29 number one (1).

30 12. Multiply the difference obtained in subsection eleven
31 (11) by the local total expenditures as determined under sec-
32 tion seven (7) of this Act to determine the amount of state
33 aid to each public high school district.

34 13. No district shall receive less than fifteen (15) nor
35 more than seventy (70) percent of the district's local total
36 expenditures from state funds, except as provided in section
37 twenty-three (23) of this Act.

1 Sec. 7. Reimbursable expenditures of each public high
2 school district shall be determined for the school year for
3 which the report is made ending June 30, from items defined
4 in the uniform financial accounting system adopted by the

5 state board of public instruction under section two hundred
6 fifty-seven point ten (257.10) of the Code as follows:

7 1. Determine general fund costs exclusive of gifts,
8 federal grants and aids by totaling the amounts expended for
9 the school year for which the report is made ending June 30
10 for administration, instruction, attendance services, health
11 services, pupil transportation services, fixed charges, oper-
12 ation and maintenance, community services, capital outlay,
13 debt service, and tuition paid other districts. The cost of
14 food services and student body activities shall not be inclu-
15 ded in general fund costs.

16 2. Determine schoolhouse fund costs exclusive of gifts,
17 federal grants and aids by adding together the amounts receiv-
18 ed from property taxes for bonds and interest, special school-
19 house fund levy, playground levy, and purchase of schoolhouse
20 sites.

21 3. From the total of the sums determined under subsec-
22 tions one (1) and two (2) deduct the following:

23 a. Receipts from state appropriations for handicapped
24 children aid, vocational aid, driver education, and junior
25 college aid.

26 b. General fund receipts from tuition paid by individuals
27 or by the state, transportation, services, rents, income on
28 investment securities, other general fund revenue receipts,
29 general fund nonrevenue receipts, and transfers to the gen-
30 eral fund other than those resulting from reorganization and
31 the return of principal of invested securities.

32 c. Schoolhouse fund receipts from income on investment
33 securities, income on investment property, and transfers to
34 the schoolhouse fund.

35 d. The total amount determined on the per pupil cost
36 basis for children transported who live within statutory
37 walking distance from school.

1 Sec. 8. All moneys received by a public high school dis-

2 trict from the state under the provisions of this Act shall
3 be deposited in the general fund. At the option of the local
4 board of education when the voters of the district have
5 approved the issuance of bonds in excess of eighty (80) per-
6 cent of the legally authorized debt limit an amount not to
7 exceed the local district schoolhouse fund tax levy receipts
8 as determined in section six (6), subsection two (2), of this
9 Act may be deposited in the schoolhouse fund and expended to
10 purchase sites and construct and equip school buildings.

1 Sec. 9. At the close of each school year but not later
2 than July 15 the local public high school district shall
3 supply to the state department of public instruction the
4 information required by the department for calculation of
5 state aid under this Act. Forms for such purpose shall be
6 supplied by the state department to each public high school
7 district no later than June 1 of each school year. After the
8 aid payable has been calculated and validated for accuracy,
9 the state department of public instruction shall certify to
10 the state comptroller the amount of aid payable to each public
11 high school district and the comptroller shall forthwith draw
12 warrants, payable from moneys in the general fund of the state
13 of Iowa not otherwise appropriated, and cause the same to be
14 delivered to the respective public high school districts of
15 the state of Iowa.

1 Sec. 10. There is hereby appropriated from moneys in the
2 general fund of the state of Iowa not otherwise appropriated
3 a sum sufficient to guarantee no less than thirty-five (35)
4 percent of the average of the sum of the total reimbursable
5 expenditures claimed, based on the prior year, and to pay the
6 proportionate share of the cost of education in public high
7 school districts, payable by the state under the provisions
8 of this Act.

1 Sec. 11. The superintendent of public instruction, sub-
2 ject to the approval of the state board of public instruction,

3 is hereby authorized to adopt such rules and regulations and
4 definitions of terms as are necessary and proper for the
5 administration of this Act.

1 Sec. 12. Section four hundred twenty-two point four (422.4),
2 Code 1966, is hereby amended by adding thereto the following
3 new subsections:

4 "18. The term 'home residence' shall mean a homestead or
5 a rental property as further defined in this section.

6 "19. The term 'homestead' shall mean the same as in sub-
7 section one (1) of section four hundred twenty-five point
8 eleven (425.11) of the Code, except that if within a city or
9 town plot, the land shall not exceed nine and nine-tenths
10 (9 9/10) acres in extent, rather than one-half (1/2) acre in
11 extent as provided in section four hundred twenty-five point
12 eleven (425.11), subsection one (1), paragraph c, of the Code.

13 "20. The term 'homestead credit' shall mean the credit
14 available to certain taxpayers computed under the provisions
15 of chapter four hundred twenty-five (425) of the Code.

16 "21. The term 'household income' shall mean the total of
17 all taxable income, as defined in section four hundred twenty-
18 two point four (422.4) of the Code, for all related persons
19 residing in the home residence at the end of the taxable year.

20 "22. The term 'rental property' shall mean:

21 "a. The rented property must embrace the dwelling in
22 which the renter is living at the time of the application for
23 this credit.

24 "b. Such rented property shall include rented portions of
25 homes for the elderly, nursing homes, and similar rented pro-
26 perty, but shall not include rented portions of such homes if
27 real property taxes are not by law assessed against the pro-
28 perty.

29 "c. The rented property may contain one (1) or more con-
30 tiguous lots or tracts of land with the buildings or other
31 appurtenances thereon habitually, and in good faith, used as

32 a part of the rented property.

33 "d. If within a city or town plot, the rented property
34 must not exceed nine and nine-tenths (9 9/10) acres in extent.

35 "e. If outside of a city or town, the rented property
36 must not contain more than forty (40) acres.

37 "f. The rented property must not embrace more than one
38 (1) dwelling house, but where a rented property outside of
39 a city or town has more than one (1) dwelling house situated
40 thereon, the credit provided for in this subsection shall
41 apply to the home and building used by the renter, but shall
42 not apply to any other dwelling house and building situated
43 upon said forty (40) acres.

44 "g. The term 'dwelling house' shall embrace any rented
45 property occupied wholly or in part by the claimant as a
46 home. "

1 Sec. 13. Section four hundred twenty-two point twelve
2 (422.12), Code 1966, is hereby amended as follows:

3 1. By striking from line four (4) the words "a personal
4 exemption" and by inserting in lieu thereof the words "exemp-
5 tions and credits".

6 2. By adding following subsection five (5) the following
7 new subsection:

8 "6. An elderly home residence credit as computed under
9 this subsection shall be allowed as a credit under this sec-
10 tion for any person who has attained the age of sixty-five
11 (65) years before the close of the tax year, and who has a
12 homestead or who files a sworn statement to the effect that
13 he has occupied rental property as a dwelling in good faith
14 as a home for six (6) months or more in the tax year.

15 "The elderly home residence credit shall be computed in
16 one (1) of the following two (2) methods at the option of the
17 taxpayer:

18 "a. If the home residence property is a homestead, the
19 home residence credit shall be computed as follows:

20 "(1). If the household income is three thousand (3,000)
21 dollars or less and the assessed value of the homestead is:

22 "(a). Two thousand five hundred (2,500) dollars or less,
23 the credit shall be sixty-two dollars and fifty cents (\$62.50).

24 "(b). Over two thousand five hundred (2,500) dollars but
25 three thousand (3,000) dollars or less, the credit shall be
26 fifty (50) dollars.

27 "(c). Over three thousand (3,000) dollars but three thou-
28 sand five hundred (3,500) dollars or less, the credit shall
29 be thirty-seven dollars and fifty cents (\$37.50).

30 "(d). Over three thousand five hundred (3,500) dollars,
31 the credit shall be twenty-five (25) dollars.

32 "(2). If the household income is over three thousand
33 (3,000) dollars but three thousand five hundred (3,500) dol-
34 lars or less and the assessed value of the homestead is:

35 "(a). Two thousand five hundred (2,500) dollars or less,
36 the credit shall be fifty (50) dollars.

37 "(b). Over two thousand five hundred (2,500) dollars but
38 three thousand (3,000) dollars or less, the credit shall be
39 thirty-seven dollars and fifty cents (\$37.50).

40 "(c). Over three thousand (3,000) dollars but three thou-
41 sand five hundred (3,500) dollars or less, the credit shall
42 be twenty-five (25) dollars.

43 "(d). Over three thousand five hundred (3,500) dollars,
44 the credit shall be twenty (20) dollars.

45 "(3). If the household income is over three thousand five
46 hundred (3,500) dollars but four thousand (4,000) dollars or
47 less and the assessed value of the homestead is:

48 "(a). Two thousand five hundred (2,500) dollars or less,
49 the credit shall be thirty-seven dollars and fifty cents
50 (\$37.50).

51 "(b). Over two thousand five hundred (2,500) dollars but
52 three thousand (3,000) dollars or less, the credit shall be
53 twenty-five (25) dollars.

54 "(c). Over three thousand (3,000) dollars but three thou-
55 sand five hundred (3,500) dollars or less, the credit shall be
56 twenty (20) dollars.

57 "(d). Over three thousand five hundred (3,500) dollars,
58 the credit shall be fifteen (15) dollars.

59 "(4). If the household income is over four thousand
60 (4,000) dollars and the assessed value of the homestead is:

61 "(a). Two thousand five hundred (2,500) dollars or less,
62 the credit shall be twenty-five dollars.

63 "(b). Over two thousand five hundred (2,500) but three
64 thousand (3,000) dollars or less, the credit shall be twenty
65 (20) dollars.

66 "(c). Over three thousand (3,000) dollars but three thou-
67 sand five hundred (3,500) dollars or less, the credit shall
68 be fifteen (15) dollars.

69 "(d). Over three thousand five hundred (3,500) dollars,
70 no credit shall be allowed.

71 "b. If the home residence property is rental property,
72 the home residence credit shall be computed as follows:

73 "(1). If the household income is three thousand (3,000)
74 dollars or less and the total rents paid during the taxable
75 year were:

76 "(a). One thousand (1,000) dollars or less, the credit
77 shall be sixty-two dollars and fifty cents (\$62.50).

78 "(b). Over one thousand (1,000) dollars but one thousand
79 two hundred fifty (1,250) dollars or less, the credit shall
80 be fifty (50) dollars.

81 "(c). Over one thousand two hundred fifty (1,250) dollars
82 but one thousand five hundred (1,500) dollars or less, the
83 credit shall be thirty-seven dollars and fifty cents (\$37.50).

84 "(d). Over one thousand five hundred (1,500) dollars, the
85 credit shall be twenty-five (25) dollars.

86 "(2). If the household income is over three thousand
87 (3,000) dollars but three thousand five hundred (3,500) dol-

88 lars or less and the total rents paid during the taxable year
89 were:

90 "(a). One thousand (1,000) dollars or less, the credit
91 shall be fifty (50) dollars.

92 "(b). Over one thousand (1,000) dollars but one thousand
93 two hundred fifty (1,250) dollars or less, the credit shall
94 be thirty-seven dollars and fifty cents (\$37.50).

95 "(c). Over one thousand two hundred fifty (1,250) dollars
96 but one thousand five hundred (1,500) dollars or less, the
97 credit shall be twenty-five (25) dollars.

98 "(d). Over one thousand five hundred (1,500) dollars, the
99 credit shall be twenty (20) dollars.

100 "(3). If the household income is over three thousand five
101 hundred (3,500) dollars but four thousand (4,000) dollars or
102 less and the total rents paid during the taxable year were:

103 "(a). One thousand (1,000) dollars or less, the credit
104 shall be thirty-seven dollars and fifty cents (\$37.50).

105 "(b). Over one thousand (1,000) dollars but one thousand
106 two hundred fifty (1,250) dollars or less, the credit shall
107 be twenty-five (25) dollars.

108 "(c). Over one thousand two hundred fifty (1,250) dollars
109 but one thousand five hundred (1,500) dollars or less, the
110 credit shall be twenty (20) dollars.

111 "(d). Over one thousand five hundred (1,500) dollars the
112 credit shall be fifteen (15) dollars.

113 "(4). If the household income is over four thousand
114 (4,000) dollars and the total rents paid during the taxable
115 year were:

116 "(a). One thousand (1,000) dollars or less, the credit
117 shall be twenty-five (25) dollars.

118 "(b). Over one thousand (1,000) dollars but one thousand
119 two hundred fifty (1,250) dollars or less, the credit shall
120 be twenty (20) dollars.

121 "(c). Over one thousand two hundred fifty (1,250) dollars

122 but one thousand five hundred (1,500) dollars or less, the
123 credit shall be fifteen (15) dollars.

124 "(d). Over one thousand five hundred (1,500) dollars, no
125 credit shall be allowed.

126 "Should the elderly home residence credit computed under
127 this subsection result in the elderly home residence credit's
128 exceeding the amount due as computed under these provisions,
129 the credit amount so computed shall constitute a claim against
130 the state and it shall be paid to the taxpayer in the same
131 manner as withholding refunds are paid under section four
132 hundred twenty-two point sixteen (422.16), subsection nine
133 (9), of the Code.

134 "Not more than one (1) total credit amount shall be obtained
135 under the provisions of this subsection for each home resi-
136 dence."

1 Sec. 14. Section two hundred eighty-six A point one
2 (286A.1), Code 1966, is hereby repealed, effective June 1,
3 1968, and the following enacted in lieu thereof:

4 "The several merged areas operating area vocational schools
5 or community colleges and the several school districts opera-
6 ting junior colleges or community colleges in the state of
7 Iowa shall be entitled to receive financial aid from the
8 state in the manner and amount as provided in this chapter."

1 Sec. 15. Section two hundred eighty-six A point two
2 (286A.2), Code 1966, is hereby repealed, effective July 1,
3 1968.

1 Sec. 16. Section two hundred eighty-six A point four
2 (286A.4), Code 1966, is hereby amended, effective July 1,
3 1968, by striking all of subsections one (1), two (2), and
4 four (4).

1 Sec. 17. Section two hundred eighty-six A point seven
2 (286A.7), Code 1966, is hereby repealed, effective July 1,
3 1968.

1 Sec. 18. Chapter two hundred eighty-six (286), Code 1966,

2 is hereby repealed, effective July 1, 1968.

1 Sec. 19. Section two hundred eighty-five point one
2 (285.1), Code 1966, is hereby amended, effective July 1,
3 1968, by striking subsection fifteen (15).

1 Sec. 20. Section two hundred eighty-five point two
2 (285.2), Code 1966, is hereby repealed, effective July 1,
3 1968.

1 Sec. 21. Section two hundred eighty-five point three
2 (285.3), Code 1966, is hereby repealed, effective July 1,
3 1968.

1 Sec. 22. Section two hundred eighty-five point seven
2 (285.7), Code 1966, is hereby repealed.

1 Sec. 23. In the event that the amount appropriated for
2 reimbursement of the school districts is insufficient to pay
3 in full the amounts to each of the school districts, the
4 amount of each payment shall be reduced by the state comp-
5 troller in the ratio that the total funds appropriated and
6 available bears to the total amount certified for reimburse-
7 ment. In no event shall the appropriation be less than
8 thirty-five (35) percent of the average of reimbursable ex-
9 penditures as provided in section ten (10) of this Act and
10 in no event shall a school district receive less in the
11 aggregate than was received by the district in reimbursement
12 for the 1965-1966 fiscal year for any state funds distributed
13 for general aid, supplemental aid, and transportation aid.

1 Sec. 24. Section four hundred twenty-six point three
2 (426.3), Code 1966, is hereby amended as follows:

3 1. By striking from lines seven (7) and thirteen (13) the
4 word "fifteen" and by inserting in lieu thereof the word
5 "twenty (20)".

6 2. By striking all of said section after the period in
7 line twenty-three (23).

1 Sec. 25. Section four hundred twenty-six point six
2 (426.6), Code 1966, is hereby amended by striking from lines

3 thirteen (13), fourteen (14), and fifteen (15) the word
4 "fifteen" and by inserting in lieu thereof the word "twenty
5 (20)".

1 Sec. 26. If the per pupil reimbursable expenditures of a
2 district in any school year exceed the adjusted state average
3 per pupil reimbursable expenditures for such year, the payment
4 of state funds to such district shall be computed as if the
5 per pupil reimbursable expenditures of such district were
6 equal to the adjusted state average per pupil reimbursable
7 expenditures. It is the intent of this section that state
8 funds under this Act shall not be used to pay that part of a
9 district's per pupil reimbursable expenditures which exceeds
10 the adjusted state average per pupil reimbursable expendi-
11 tures.

12 The adjusted state average per pupil reimbursable expen-
13 ditures for any school year shall be determined by increasing
14 the state average per pupil reimbursable expenditures for
15 such year by the growth percentage for such year.

16 The growth percentage for each year ending June 30 shall
17 be the percentage increase in the general fund revenue from
18 all state income taxes and state sales and use taxes during
19 such year as compared with the preceding year. If there is
20 a decrease in such general fund revenue during a year, the
21 growth percentage for such year shall be zero. However,
22 increases or decreases in the general fund resulting directly
23 from changes in state revenue laws having an effective date
24 in either of the two (2) preceding fiscal years shall be
25 excluded. The state comptroller shall determine the growth
26 percentage within thirty (30) days after the end of each
27 year.

28 For the purposes of this section, "per pupil" means per
29 public school pupil in average daily membership.

30 The average daily membership for each public high school
31 district shall be determined by dividing the aggregate sum of

32 the pupil membership in all schools of the district for all
33 days school was in session throughout a school year by the
34 number of days school was in session during the school year.

1 Amend House File 686 as follows:

2 By striking all after the enacting clause and by inserting
3 in lieu thereof the following:

4 Section 1. "The policies of the state of Iowa with respect
5 to the quality and financing of public school education are
6 hereby declared to be as follows:

7 "1. Every person of school age within the state of Iowa
8 shall have the opportunity for an excellent public school
9 education.

10 "2. The achievement of quality education of all public
11 schools within the state of Iowa is a function and responsi-
12 bility of the state.

13 "3. The achievement of quality education within each
14 local school district is the function and responsibility of
15 the local school district.

16 "4. Forty (40) percent of the collective cost of educa-
17 tion in the several public high school districts of the state
18 of Iowa shall be provided by the state.

19 "5. Sixty (60) percent of the collective cost of educa-
20 tion in the several public high school districts of the state
21 of Iowa shall be derived from local school district and other
22 non-state sources.

23 "6. The local district's share of the cost of public
24 education in each school district maintaining a public high
25 school shall be determined by the ratio of the district's
26 property value and income value per pupil enrolled in public
27 and private secondary and elementary schools within the dis-
28 trict to the property value and income value of the entire
29 state for each pupil enrolled in public and private sec-
30 ndary and elementary schools in all public high school districts
31 throughout the state."

32 Sec. 2. "When used in this Act, unless the context other-
33 wise requires:

34 "1. 'High school district' means a school district which
35 maintains at least twelve (12) grades of instruction above
36 the level of kindergarten.

37 "2. 'Real value' means the quotient determined by divi-
38 ding the assessed value of taxable real property within each
39 high school district, as reported to the department of public
40 instruction by the school district, by the average sales-ratio
41 figure for each county, as reported by the state tax commis-
42 sion. Real value shall be approximately equal to the market
43 value of taxable real property within the district.

44 "3. 'Adjusted gross income' means adjusted gross income
45 as defined in section four hundred twenty-two point seven
46 (422.7) of the Code."

47 Sec. 3. "For the purpose of equalizing educational oppor-
48 tunity in the public high school districts throughout the
49 state, the several school districts in the state shall be
50 entitled to the receive financial aid from the state in the
51 manner and amount provided by this Act."

52 Sec. 4. "For the purpose of computing state financial aid
53 to local school districts under the formula prescribed by this
54 Act, the real value of taxable property within each public
55 high school district and the adjusted gross income for each
56 public high school districts shall be determined by the state
57 department of public instruction from data furnished by the
58 state tax commission.

59 "On or before June 30, 1967, the state tax commission
60 shall report to the state department of public instruction
61 data compiled and summarized or estimated by the commission
62 under the provisions of section four hundred twenty-one
63 point seventeen (421.17), subsection twelve (12), of the Code,
64 for the most recent year available together with the sales-
65 ratio figure or figures computed by the commission for each
66 county. Annually thereafter, the state tax commission shall
67 report such data and sales-ratio figures to the state depart-
68 ment of public instruction.

69 "On or before June 30, 1967, the state tax commission
70 shall report to the state department of public instruction
71 data compiled and summarized by the commission for the most
72 recent year for which the summary information is available
73 under the provisions of section four hundred twenty-two point
74 sixty-eight (422.68) of the Code. Annually thereafter, the
75 state tax commission shall report such income tax data to the
76 state department of public instruction.

77 "Upon receipt of the property and income data, the state
78 department of public instruction shall compute the real value
79 of taxable real property and the adjusted gross income for
80 each public high school district in the state."

81 Sec. 5. "State aid payable to each public high school
82 district under this Act shall be based on school census
83 figures as determined in section two hundred seventy-nine
84 point twenty-two (279.22) of the Code."

85 Sec. 6. "State aid payable to each public high school
86 district shall be computed by the department of public instruc-
87 tion as follows:

88 "1. Determine the real valuation of property per pupils
89 enrolled in public and private secondary and elementary
90 schools, for each public high schools district.

91 "2. Determine the adjusted gross income per pupils enrol-
92 led in public and private secondary and elementary schools,
93 for each public high school district.

94 "3. Determine the real valuation of property per pupils
95 enrolled in public and private secondary and elementary
96 schools for the entire state.

97 "4. Determine the adjusted gross income per pupils enrol-
98 led in public and private secondary and elementary schools
99 for the entire state.

100 "5. Divide the amount in subsection one (1) by the amount
101 in subsection three (3).

102 "6. Multiply the quotient in subsection five (5) by six-
103 tenths (6/10).

104 "7. Divide the amount in subsection two (2) by the amount
105 in subsection four (4).

106 "8. Multiply the quotient in subsection seven (7) by four-
107 tenths (4/10).

108 "9. Add the product in subsection six (6) and the product
109 in subsection eight (8).

110 "10. Multiply the sum in subsection nine (9) by six-tenths
111 (6/10).

112 "11. Subtract the product in subsection ten (10) from the
113 number one (1).

114 "12. Multiply the difference obtained in subsection eleven
115 (11) by the local total expenditures as determined under sec-
116 tion seven (7) of this Act to determine the amount of state
117 aid to each public high school district.

118 "13. No district shall receive less than fifteen (15) nor
119 more than seventy (70) percent of the district's local total
120 expenditures from state funds, except as provided in section
121 twenty-three (23) of this Act."

122 Sec. 7. "Reimbursable expenditures of each public high
123 school district shall be determined for the school year for
124 which the report is made ending June 30, from items defined
125 in the uniform financial accounting system adopted by the
126 state board of public instruction under section two hundred
127 fifty-seven point ten (257.10) of the Code as follows:

128 "1. Determine general fund costs exclusive of gifts,
129 federal grants and aids by totaling the amounts expended for
130 the school year for which the report is made ending June 30
131 for administration, instruction, attendance services, health
132 services, pupil transportation services, fixed charges, oper-
133 ation and maintenance, community services, capital outlay,
134 debt service, and tuition paid other districts. The cost of
135 food services and student body activities shall not be inclu-
136 ded in general fund costs.

137 "2. Determine schoolhouse fund costs exclusive of gifts,
138 federal grants and aids by adding together the amounts receiv-
139 ed from property taxes for bonds and interest, special school-
140 house fund levy, playground levy, and purchase of schoolhouse
141 sites.

142 "3. From the total of the sums determined under subsec-
143 tions one (1) and two (2) deduct the following:

144 "a. Receipts from state appropriations for handicapped
145 children aid, vocational aid, driver education, and junior
146 college aid.

147 "b. General fund receipts from tuition paid by individuals
148 or by state, transportation, services, rents, income on
149 investment securities, other general fund revenue receipts,
150 general fund nonrevenue receipts, and transfers to the gen-
151 eral fund other than those resulting from reorganization and
152 the return of principal of invested securities.

153 "c. School fund receipts from income on investment
154 securities, income on investment property, and transfers to
155 the schoolhouse fund.

156 "d. The total amount determined on the per pupil cost
157 basis for children transported who live within statutory
158 walking distance from school."

159 Sec. 8. "All moneys received by a public high school dis-
160 trict from the state under the provisions of this Act shall
161 be deposited in the general fund. At the option of the local
162 board of education when the voters of the district have
163 approved the issuance of bonds in excess of eighty (80) per-
164 cent of the legally authorized debt limit an amount not to
165 exceed the local district schoolhouse fund tax levy receipts
166 as determined in section six (6), subsection two (2), of this
167 Act may be deposited in the schoolhouse fund and expended to
168 purchase sites and construct and equip school buildings."

169 Sec. 9. "At the close of each school year but not later
170 than July 15 the local public high school district shall
171 supply to the state department of public instruction the
172 information required by the department for calculation of
173 state aid under this Act. Forms for such purpose shall be
174 supplied by the state department to each public high school
175 district no later than June 1 of each school year. After the
176 aid payable has been calculated and validated for accuracy,
177 the state department of public instruction shall certify to
178 the state comptroller the amount of aid payable to each public
179 high school district and the comptroller shall forthwith draw
180 warrants, payable from moneys in the general fund of the state
181 of Iowa not otherwise appropriated, and cause the same to be
182 delivered to the respective public high school districts of
183 the state of Iowa."

184 Sec. 10. "There is hereby appropriated from moneys in the
185 general fund of the state of Iowa not otherwise appropriated
186 a sum sufficient to guarantee no less than thirty-five (35)
187 percent of the average of the sum of the total reimbursable
188 expenditures claimed, based on the prior year, and to pay the
189 proportionate share of the cost of education in public high
190 school districts, payable by the state under the provisions
191 of this Act."

192 Sec. 11. "The superintendent of public instruction, sub-
193 ject to the approval of the state board of public instruction,
194 is hereby authorized to adopt such rules and regulations and
195 definitions of terms as are necessary and proper for the
196 administration of this Act."

197 Sec. 12. Section four hundred twenty-two point four (422.4),
198 Code 1966, is hereby amended by adding thereto the following
199 new subsections:

200 "18. The term 'home residence' shall mean a homestead or
201 a rental property as further defined in this section.

202 "19. The term 'homestead' shall mean the same as in sub-
203 section one (1) of section four hundred twenty-five point
204 eleven (425.11) of the Code, except that if within a city or
205 town plot, the land shall not exceed nine and nine-tenths
206 (9 9/10) acres in extent, rather than one-half (1/2) acre in
207 extent as provided in section four hundred twenty-five point
208 eleven (425.11), subsection one (1), paragraph c, of the Code.

209 "20. The term 'homestead credit' shall mean the credit
210 available to certain taxpayers computed under the provisions
211 of chapter four hundred twenty-five (425) of the Code.

212 "21. The term 'household income' shall mean the total of
213 all taxable income, as defined in section four hundred twenty-
214 two point four (422.4) of the Code, for all related persons
215 residing in the home residence at the end of the taxable year.

216 "22. The term 'rental property' shall mean:

217 "a. The rented property must embrace the dwelling in
218 which the renter is living at the time of the application for
219 this credit.

220 "b. Such rented property shall include rented portions of
221 homes for the elderly, nursing homes, and similar rented pro-
222 perty, but shall not include rented portions of such homes if
223 real property taxes are not by law assessed against the pro-
224 perty.

225 "c. The rented property may contain one (1) or more con-
226 tiguous lots or tracts of land with the buildings or other
227 appurtenances thereon habitually, and in good faith, used as
228 a part of the rented property.

229 "d. If within a city or town plot, the rented property
230 must not exceed nine and nine-tenths (9 9/10) acres in extent.

231 "e. If outside of a city or town, the rented property
232 must not contain more than forty (40) acres.

233 "f. The rented property must not embrace more than one
234 (1) dwelling house, but where a rented property outside of
235 a city or town has more than one (1) dwelling house situated
236 thereon, the credit provided for in this subsection shall
237 apply to the home and building used by the renter, but shall
238 not apply to any other dwelling house and building situated
239 upon said forty (40) acres.

240 "g. The term 'dwelling house' shall embrace any rented
241 property occupied wholly or in part by the claimant as a
242 home."

243 Sec. 13. Section four hundred twenty-two point twelve
244 (422.12), Code 1966, is hereby amended as follows:

245 1. By striking from line four (4) the words "a personal
246 exemption" and by inserting in lieu thereof the words "exemp-
247 tions and credits".

248 2. By adding following subsection five (5) the following
249 new subsection:

250 "6. An elderly home residence credit as computed under
251 this subsection shall be allowed as a credit under this sec-
252 tion for any person who has attained the age of sixty-five
253 (65) years before the close of the tax year, and who has a
254 homestead or who files a sworn statement to the effect that
255 he has occupied rental property as a dwelling in good faith
256 as a home for six (6) months or more in the tax year.

257 "The elderly home residence credit shall be computed in
258 one (1) of the following two (2) methods at the option of the
259 taxpayer:

260 "a. If the home residence property is a homestead, the
261 home residence credit shall be computed as follows:

262 "(1). If the household income is three thousand (3,000)
263 dollars or less and the assessed value of the homestead is:

264 "(a). Two thousand five hundred (2,500) dollars or less,
265 the credit shall be sixty-two dollars and fifty cents (\$62.50).

266 "(b). Over two thousand five hundred (2,500) dollars but
267 three thousand (3,000) dollars or less, the credit shall be
268 fifty (50) dollars.

269 "(c). Over three thousand (3,000) dollars but three thou-
270 sand five hundred (3,500) dollars or less, the credit shall
271 be thirty-seven dollars and fifty cents (\$37.50).

272 "(d). Over three thousand five hundred (3,500) dollars,
273 the credit shall be twenty-five (25) dollars.

274 "(2). If the household income is over three thousand
275 (3,000) dollars but three thousand five hundred (3,500) dol-
276 lars or less and the assessed value of the homestead is:

277 "(a). Two thousand five hundred (2,500) dollars or less,
278 the credit shall be fifty (50) dollars.

279 "(b). Over two thousand five hundred (2,500) dollars but
280 three thousand (3,000) dollars or less, the credit shall be
281 thirty-seven dollars and fifty cents (\$37.50).

282 "(c). Over three thousand (3,000) dollars but three thou-
283 sand five hundred (3,500) dollars or less, the credit shall
284 be twenty-five (25) dollars.

285 "(d). Over three thousand five hundred (3,500) dollars,
286 the credit shall be twenty (20) dollars.

287 "(3). If the household income is over three thousand five
288 hundred (3,500) dollars but four thousand (4,000) dollars or
289 less and the assessed value of the homestead is:

290 "(a). Two thousand five hundred (2,500) dollars or less,
291 the credit shall be thirty-seven dollars and fifty cents
292 (\$37.50).

293 "(b). Over two thousand five hundred (2,500) dollars but
294 three thousand (3,000) dollars or less, the credit shall be
295 twenty-five (25) dollars.
296 "(c). Over three thousand (3,000) dollars but three thou-
297 sand five hundred (3,500) dollars or less, the credit shall be
298 twenty (20) dollars.
299 "(d). Over three thousand five hundred (3,500) dollars,
300 the credit shall be fifteen (15) dollars.
301 "(4). If the household income is over four thousand

302 (4,000) dollars and the assessed value of the homestead is:
303 "(a). Two thousand five hundred (2,500) dollars or less,
304 the credit shall be twenty-five (25) dollars.
305 "(b). Over two thousand five hundred (2,500) but three
306 thousand (3,000) dollars or less, the credit shall be twenty
307 (20) dollars.
308 "(c). Over three thousand (3,000) dollars but three thou-
309 sand five hundred (3,500) dollars or less, the credit shall
310 be fifteen (15) dollars.
311 "(d). Over three thousand five hundred (3,500) dollars,
312 no credit shall be allowed.
313 "b. If the home residence property is rental property,
314 the home residence credit shall be computed as follows:
315 "(1). If the household income is three thousand (3,000)
316 dollars or less and the total rents paid during the taxable
317 year were:
318 "(a). One thousand (1,000) dollars or less, the credit
319 shall be sixty-two dollars and fifty cents (\$62.50).
320 "(b). Over thousand (1,000) dollars but one thousand
321 two hundred fifty (1,250) dollars or less, the credit shall
322 be fifty (50) dollars.
323 "(c). Over one thousand two hundred fifty (1,250) dollars
324 but one thousand five hundred (1,500) dollars or less, the
325 credit shall be thirty-seven dollars and fifty cents (\$37.50).
326 "(d). Over one thousand five hundred (1,500) dollars, the
327 credit shall be twenty-five (25) dollars.
328 "(2). If the household income is over three thousand
329 (3,000) dollars but three thousand five hundred (3,500) dol-
330 lars or less and the total rents paid during the taxable year
331 were:
332 "(a). One thousand (1,000) dollars or less, the credit
333 shall be fifty (50) dollars.
334 "(b). Over one thousand (1,000) dollars but one thousand
335 two hundred fifty (1,250) dollars or less, the credit shall
336 be thirty-seven dollars and fifty cents (\$37.50).
337 "(c). Over one thousand two hundred fifty (1,250) dollars
338 but one thousand five hundred (1,500) dollars or less, the
339 credit shall be twenty-five (25) dollars.
340 "(d). Over one thousand five hundred (1,500) dollars, the
341 credit shall be twenty (20) dollars.
342 "(3). If the household income is over three thousand five
343 hundred (3,500) dollars but four thousand (4,000) dollars or
344 less and the total rents paid during the taxable year were:
345 "(a). One thousand (1,000) dollars or less, the credit
346 shall be thirty-seven dollars and fifty cents (\$37.50).
347 "(b). Over one thousand (1,000) dollars but one thousand
348 two hundred fifty (1,250) dollars or less, the credit shall
349 be twenty-five (25) dollars.
350 "(c). Over one thousand two hundred fifty (1,250) dollars
351 but one thousand five hundred (1,500) dollars or less, the
352 credit shall be twenty (20) dollars.
353 "(d). Over one thousand five hundred (1,500) dollars the
354 credit shall be fifteen (15) dollars.

355 "(4). If the household income is over four thousand
356 (4,000) dollars and the total rents paid during the taxable
357 year were:

358 "(a). One thousand (1,000) dollars or less, the credit
359 shall be twenty-five (25) dollars.

360 "(b). Over one thousand (1,000) dollars but one thousand
361 two hundred fifty (1,250) dollars or less, the credit shall
362 be twenty (20) dollars.

363 "(c). Over one thousand two hundred (1,250) dollars
364 but one thousand five hundred (1,500) dollars or less, the
365 credit shall be fifteen (15) dollars.

366 "(d). Over one thousand five hundred (1,500) dollars, no
367 credit shall be allowed.

368 "Should the elderly home residence credit computed under
369 this subsection result in the elderly home residence credit's
370 exceeding the amount due as computed under these provisions,
371 the credit amount so computed shall constitute a claim against
372 the state and it shall be paid to the taxpayer in the same
373 manner as withholding refunds are paid under section four
374 hundred twenty-two point sixteen (422.16), subsection nine
375 (9), of the Code.

376 "Not more than one (1) total credit amount shall be obtained
377 under the provisions of this subsection for each home resi-
378 dence."

380 Sec. 14. Section two hundred eighty-six A point one
381 (286A.1), Code 1966, is hereby repealed, effective July 1,
382 1968, and the following enacted in lieu thereof:

383 "The several merged areas operating area vocational schools
384 or community colleges and the several school districts opera-
385 ting junior colleges or community colleges in the state of
386 Iowa shall be entitled to receive financial aid from the
387 state in the manner and amount as provided in this chapter."

388 Sec. 15. Section two hundred eighty-six A point two
389 (286A.2), Code 1966, is hereby repealed, effective July 1,
390 1968.

391 Sec. 16. Section two hundred eighty-six A point four
392 (286A.4), Code 1966, is hereby amended, effective July 1,
393 1968, by striking all of subsections one (1), two (2), and
394 four (4).

395 Sec. 17. Section two hundred eighty-six A point seven
396 (286A.7), Code 1966, is hereby repealed, effective July 1,
397 1968.

398 Sec. 18. Chapter two hundred eighty-six (286), Code 1966,
399 is hereby repealed, effective July 1, 1968.

400 Sec. 19. Section two hundred eighty-five point one
401 (285.1), Code 1966, is hereby amended, effective July 1,
402 1968, by striking subsection fifteen (15).

403 Sec. 20. Section two hundred eighty-five point two
404 (285.2), Code 1966, is hereby repealed, effective July 1,
405 1968.

406 Sec. 21. Section two hundred eighty-five point three
407 (285.3), Code 1966, is hereby repealed, effective July 1,
408 1968.

409 Sec. 22. Section two hundred eighty-five point seven
410 (285.7), Code 1966, is hereby repealed.

411 Sec. 23. "In the event that the amount appropriated for
412 reimbursement of the school districts is insufficient to pay
413 in full the amounts to each of the school districts, the
414 amount of each payment shall be reduced by the state comp-
415 troller in the ratio that the total funds appropriated and
416 available bears to the total amount certified for reimburse-
417 ment. In no event shall the appropriation be less than
418 thirty-five (35) percent of the average of reimbursable ex-
419 penditures as provided in section ten (10) of this Act and
420 in no event shall a school district receive less in the
421 aggregate than was received by the district in reimbursement
422 for the 1965-1966 fiscal year for any state funds distributed
423 for general aid, supplemental aid, and transportation aid."

424 Sec. 24. Section four hundred twenty-six point three
425 (426.3), Code 1966, is hereby amended as follows:

426 1. By striking from lines seven (7) and thirteen (13) the
427 word "fifteen" and by inserting in lieu thereof the word
428 "twenty (20)".

429 2. By striking all of said section after the period in
430 line twenty-three (23).

431 Sec. 25. Section four hundred twenty-six point six
432 (426.6), Code 1966, is hereby amended by striking from lines
433 thirteen (13), fourteen (14), and fifteen (15) the word
434 "fifteen" and by inserting in lieu thereof the word "twenty
435 (20)".

436 Sec. 26. "If the per pupil reimbursable expenditures of a
437 district in any school year exceed the adjusted state average
438 per pupil reimbursable expenditures for such year, the payment
439 of state funds to such district shall be computed as if the
440 per pupil reimbursable expenditures of such district were
441 equal to the adjusted state average per pupil reimbursable
442 expenditures. It is the intent of this section that state
443 funds under this Act shall not be used to pay that part of a
444 district's per pupil reimbursable expenditures which exceeds
445 the adjusted state average per pupil reimbursable expendi-
446 tures.

447 "The adjusted state average per pupil reimbursable expen-
448 ditures for any school year shall be determined by increasing
449 the state average per pupil reimbursable expenditures for
450 such year by the growth percentage for such year.

451 "The growth percentage for each year ending June 30 shall
452 be the percentage increase in the general fund revenue from
453 all state income taxes and state sales and use taxes during
454 such year as compared with the preceding year. If there is
455 a decrease in such general fund revenue during a year, the
456 growth percentage for such year shall be zero. However,
457 increases or decreases in the general fund resulting directly
458 from changes in state revenue laws having an effective date
459 in either of the two (2) preceding fiscal years shall be
460 excluded. The state comptroller shall determine the growth
461 percentage within thirty (30) days after the end of each
462 year.

463 "For the purposes of this section, 'per pupil' means per
464 public school pupil in average daily membership.

465 "The average daily membership for each public high school
466 district shall be determined by dividing the aggregate sum of
467 the pupil membership in all schools of the district for all
468 days school was in session throughout a school year by the
469 number of days school was in session during the school year."

As Adopted by the Senate. *Have refused to concur 6-14, Senate insisted 6-14.*

House Adopted

6-28-67

99-16

Senate Adopted

6-28-67

149 THE PROCEEDINGS OF THE SENATE AND THE REPRESENTATIVE HOUSE.
We the undersigned members of the Conference Committee, appointed to consider the differences between the Senate and the House on House File 686 "A Bill for An Act relating to a method for general property tax replacement and equalization; and relating to the payment of agricultural land tax credits and making an appropriation therefore."; beg leave to report and make the following recommendations:

That everything after the enacting clause is hereby stricken and the following substituted in lieu thereof.

Section 1. The purpose of this act shall be to provide a method for general property tax replacement and equalization; and relating to the payment of agricultural land tax credits and making an appropriation therefor. This Act shall be liberally construed to that end.

Sec. 2. Definitions of terms used in this Act:

1. The "basic school tax unit" is conterminous with the county school system and is a term to define a local tax area to be used for public school support only.

2. The "basic school tax" on property is a uniform levy on all taxable property in the basic school tax unit for support of public schools within the unit. This levy will be the millage necessary to raise an amount of money equal to forty (40) percent of the total of the proposed general fund expenditures, reduced by anticipated receipts from other sources of all the school districts in the basic school tax unit.

3. The "basic school tax equalization fund" is a local fund in the county treasurer's office from which operating revenues are distributed to the school districts within the local basic school tax unit.

4. The "percent of allowable growth" is the percent of increase in revenue computed on a state wide basis for the sales and use taxes and the individual and corporate income taxes as well as the percent of increase in assessments for property tax for each year of the last three years. The sum of the individual percentages thus obtained shall be divided by six to arrive at the percent of allowable growth. In making such computations the comptroller shall adjust for changes in rates or basis of the income tax of sales and use tax and for statewide changes in assessment practices. He shall thereupon certify the percent of allowable growth per pupil to the several school districts of the state on or before June 30 of each year.

5. The "adjusted state average reimbursable expenditure" is the preceding year's average state reimbursable expenditure per pupil in average daily membership increased by the percent of allowable growth.

Sec. 3. There are hereby created in the state ninety-nine (99) basic school tax units. Said units shall be identified by the name of the county comprising the major part of each unit. The boundaries of the basic school tax unit shall be coterminous with the county school system and in case of joint districts with area in more than one (1) county, each area shall become a part of the basic school tax unit in which there are the greatest number of school electors in the district and the records of the department of public instruction compiled from the school secretaries' reports shall determine the basic school tax unit of which the area becomes a part. Where county school systems have been merged under section two hundred seventy-three point twenty-two (273.22) Code of Iowa, such district shall be deemed part of the basic tax unit comprising the county system which would exist and of which it would be a part but for such merger.

Sec. 4. The county auditor of each county shall, prior to making the levies for school purposes in his county, starting with the 1967-68 school budgets and continuing with each school year thereafter, total the askings for general school purposes of the various school districts in the basic school tax unit. He shall then multiply said yearly total by forty hundredths (.40) and spread the levy to raise the amount thus ascertained at a uniform rate over all the taxable property in the basic school tax unit. In the case of joint districts such levy shall be spread in the same manner as heretofore employed for the purpose of making other school levies in such circumstances. The money collected from said levy shall be placed by the county treasurer in the basic school tax equalization fund.

Sec. 5. On or before August 15, 1967, and each year thereafter, the state tax commission shall make an accounting of the individual state income tax collected under division two (II) of chapter four hundred twenty-two (422) Code of Iowa, applicable to tax returns for the most recent completed tax year, as defined by section four hundred twenty-four point four (422.4), subsection four (4), Code of Iowa, from taxpayers in each of the various school districts in the state and certify to the state comptroller and the state department of public instruction forty (40) percent of the total credited from the taxpayers of each basic school tax unit.

Sec. 6. The county auditor shall, by August 15, 1967, and each year thereafter, certify to the state department of public instruction the amount of the basic school tax, as provided by section four (4) of this Act, to be placed in the basic school tax equalization fund.

Sec. 7. The state comptroller shall pay the state income tax collected, as provided in section five (5) of this Act, to each county treasurer in equal semiannual installments on or about April 1 and October 1 of each year, with the first installment to begin April 1, 1968. There is hereby appropriated from the general fund of the state the amounts necessary to make such payments. The county treasurer shall deposit said payments in the basic school tax equalization fund.

Sec. 8. The moneys in the basic school tax equalization fund in each basic school tax unit shall be distributed by the county treasurer on the tenth day of the month following the month of collection, to each of the respective districts in the basic school tax unit equally on the basis of the per pupil in average daily membership. A report of the distributions so made shall be certified by each county treasurer to the state department of public instruction.

Sec. 9. Section twenty-four point seventeen (24.17), Code of Iowa, is hereby amended by inserting in line six (6) after the word "year" the words "and school districts the fifteenth day of July each year."

Sec. 10. For the purpose of equalizing educational opportunity in the public high school districts throughout the state, the several school districts in the state shall be entitled to and receive financial aid from the state in the manner and amount provided in this Act.

Sec. 11. The local school district's state share of the cost of public education in each school district maintaining a public high school shall be determined by the ratio of its property value to that of the entire state, together with the ratio of its income to that of the entire state.

Sec. 12. For the purpose of computing state financial aid to local school districts under the formula hereinafter prescribed, the real value of taxable property and the adjusted gross income within each public high school district shall be determined by the state department of public instruction from data furnished it by the department of revenue. For purposes of this Act, a "high school district" shall mean a district which maintains at least twelve (12) grades of instruction above the level of kindergarten. On or before June 30 of the year nineteen hundred sixty-eight (1968), and annually thereafter, the department of revenue shall report to the state department of public instruction:

1. Compiled and summarized data gathered under the provisions of subsection six (6) of section four hundred twenty-one point seventeen (421.17) Code of Iowa, for the preceding year, together with the sales-ratio figure or figures computed by the commission for each county. Upon receipt of said data, the state department of public instruction shall compute the real value of taxable real property in each public high school district in the state. "Real value" shall mean the quotient found by dividing the assessed value of taxable real property within each high school district by the average sales-ratio figure for each county as reported by the department of revenue, and shall be approximately equal to the market value of such taxable real property within each such district.

2. The total adjusted gross income, as defined by section four hundred twenty-two point seven (422.7) Code of Iowa, reported in the manner required by section four hundred twenty-two point twenty-one (422.21) Code of Iowa, for the last preceding calendar year or taxable year by residents of each public high school district in the state for which data or estimates are available.

Sec. 13. The average daily membership for each public high school district shall be determined by dividing the aggregate sum of the pupil membership in all schools of the district for each day school was in session throughout a school year by the number of days school was in session during that school year.

The school census for each public high school district shall be determined as specified in subsection one (1) of section two hundred seventy-nine point twenty-two (279.22) Code of Iowa.

Sec. 14. State aid payable to each public high school district shall be computed as follows:

1. Determine the market value of property for each high school district.
2. Multiply the amount in subsection one (1) by seven-tenths (.7).
3. Determine the adjusted gross income for each high school district.
4. Multiply the amount in subsection three (3) by three-tenths (.3).
5. Add the product from subsection two (2) to the product from subsection four (4).
6. In each high school district add the average daily membership to the school census.
7. Divide the sum from subsection six (6) by the number two (2).

8. Divide the sum from subsection five (5) by the amount determined in subsection seven (7).
9. Determine the market value of property in the state.
10. Multiply the amount in subsection nine (9) by seven-tenths (.7).
11. Determine the adjusted gross income in the state.
12. Multiply the amount in subsection eleven (11) by three-tenths (.3).
13. Add the product in subsection ten (10) to the product in subsection twelve (12).
14. In the state add the total state average daily membership to the total school census.
15. Divide the sum from subsection fourteen (14) by the number two (2).
16. Divide the sum from subsection thirteen (13) by the amount determined in subsection fifteen (15).
17. Divide the amount from subsection eight (8) by the amount from subsection sixteen (16).
18. Multiply the amount from subsection seventeen (17) by twenty-five one-hundredths (0.25).
19. Subtract the amount from subsection eighteen (18) from the number one (1).
20. From the local total general fund reimbursable expenditures, determined as hereinafter provided, subtract the amount of the basic school tax equalization fund allocated to each district as provided in sections four (4) and five (5).
21. Multiply the difference obtained in subsection twenty (20) by the difference obtained in subsection nineteen (19).

Sec. 15. Total general fund reimbursable expenditures shall be determined for the year ending June 30 of the school year in which the report is made, in each public high school district, from items defined in the uniform financial accounting system promulgated by the state board of public instruction under section two hundred fifty-seven point ten (257.10) Code of Iowa, as follows:

1. Determine general fund expenditures exclusive of gifts, and federal grants and aids, by adding together the amounts expended for the school year ending June 30 of the year in which the report is made, for administration, instruction, attendance services, health services, pupil transportation services, fixed charges, operation and maintenance, community services, capital outlay, debt service, and tuition paid other districts. The cost of food services and student body activities shall not be included in general fund costs.

2. From the total of the sums determined under subsection one (1) hereof deduct the following:

- a. Receipts from state appropriations for handicapped children aid, vocational aid, driver education aid, and junior college aid.

- b. General fund receipts from the following: tuition paid by individuals or by the state; transportation; services; rents; income on investment securities; other general fund revenue receipts; general fund non-revenue receipts; and transfers to the general fund other than those resulting from reorganization and the return of principal of invested securities.

c. The total amount determined on the per pupil cost basis for children transported who live within statutory walking distance from school.

Sec. 16. All moneys received by a public high school district from the state under the provisions of this Act shall be deposited in the general fund.

Sec. 17. At the close of each school year but not later than July 15 the local public high school district shall supply to the state department of public instruction the information required by it for calculation of state aid under this Act.

Forms for such purpose shall be supplied by the state department to each public high school district no later than June 1 of each school year. After the aid payable has been calculated and validated for accuracy, the state department of public instruction shall certify to the state comptroller the amount of aid payable to each public high school district and he shall forthwith draw warrants, payable from moneys in the general fund of the state herein appropriated, and cause the same to be delivered to respective public high school districts of the state of Iowa.

Sec. 18. There are hereby appropriated from moneys in the general fund of the state for the ensuing biennium the following amounts for state equalization aid:

For the first year of the biennium fifty million five hundred thousand dollars and for the second year of the biennium one hundred eleven million dollars.

Sec. 19. That portion of any school reimbursable expenditures which exceeds the funds thus provided in the above sections, shall be levied by the county auditor as an additional property tax in said local school district, in addition to the scheduled annual amount for any bonded indebtedness or interest thereon. This additional levy shall be paid to each school district as the funds are collected in the same manner as other tax collections are paid over.

Sec. 20. The superintendent of public instruction, subject to the approval of the state board of public instruction, is hereby authorized to adopt such rules and regulations and definitions of terms as are necessary and proper for the administration of this chapter.

Sec. 21. Section two hundred eighty-six A point one (286A.1), Code of Iowa, is repealed, effective January 1, 1968, and the following enacted in lieu thereof:

"The several merged areas operating area vocational schools or community colleges and the several school districts operating junior colleges or community colleges in the state of Iowa shall be entitled to receive financial aid from the state in the manner and amount as provided in this chapter."

Sec. 22. Section two hundred eighty-six A point two (286A.2), Code of Iowa, is repealed, effective January 1, 1968.

Sec. 23. Section two hundred eighty-six A point four (286A.4), Code of Iowa, is amended by striking all of subsections one (1), two (2), and four (4), effective January 1, 1968.

Sec. 24. Section two hundred eighty-six A point seven (286A.7), Code of Iowa, is repealed, effective January 1, 1968.

Sec. 25. Chapter two hundred eighty-six (286), Code of Iowa, is repealed effective January 1, 1968.

Sec. 26. Section two hundred eighty-five point one (285.1), Code of Iowa, is amended by striking all of subsection fifteen (15), effective January 1, 1968.

Sec. 27. Sections two hundred eighty-five point two (285.2) and two hundred eighty-five point three (285.3), Code of Iowa, are repealed, effective January 1, 1968.

Sec. 28. Section two hundred eighty-five point seven (285.7), Code of Iowa, is hereby repealed, effective January 1, 1968.

Sec. 29. In event that the amount appropriated for reimbursement of the school districts is insufficient to pay in full the amounts to each of the school districts, then the amount of each payment shall be reduced by the state comptroller in the ratio that the total funds appropriated and available bears to the total amount certified for reimbursement. In no event shall a school district receive less in the aggregate than it received in reimbursement for the 1965-1966 fiscal year for any state funds distributed for general aid, supplemental aid, and transportation aid.

Sec. 30. Section four hundred twenty-six point three (426.3), Code of Iowa, is hereby amended as follows:

1. By striking from lines seven (7) and thirteen (13) the word "fifteen" and by inserting in lieu thereof the word "twenty (20)".

2. By striking all of said section after the period in line twenty-three (23).

Sec. 31. Section four hundred twenty-six point six (426.6), Code of Iowa, is hereby amended by striking from lines thirteen (13), fourteen (14), and fifteen (15) the word "fifteen" and by inserting in lieu thereof the word "twenty (20)".

Sec. 32. No later than September 1, of each year the department of public instruction shall certify to the state comptroller the amounts of state equalization aid and any other state aid that will be received by each school district within the county. In the event any estimate of said aids in any school budget certified to the auditor as provided by section twenty-four point seventeen (24.17) is more or less than the amount of said aid certified to the state comptroller by the department of public instruction as provided by this section, the state comptroller shall certify to the county auditors the final millage for each school district.

Sec. 33. There is hereby created a committee to be known as the school budget review committee which shall consist of the superintendent of public instruction, the state comptroller and three members appointed by the governor to represent the public and to serve three year staggered terms. Legislators shall be notified of hearings concerning school districts in their constituencies. The school budget review committee shall meet and hold hearings each year in Des Moines in September and shall continue in session until it has acted on all requests from school districts for tax increase approval submitted to the committee for budgetary review and examination pursuant to section thirty-four (34) of this Act. The committee may recommend to the state board of public instruction the revision of any rules, regulations, directives, or forms relating to school district budgeting and accounting, confer with local school boards or their representatives and make recommendations thereto in regard to any budgeting or accounting matters, and may direct the superintendent of public instruction or the state comptroller to make studies and investigations of school costs in any school district whose budget has been submitted to the committee pursuant to section thirty-four (34) of this Act. The committee shall report to each session of the legislature which report shall include any recommended changes in laws relating to school districts, set out the number of hearings held pursuant to section thirty-four (34) of this Act, the reasons for any authorized increases in school costs beyond the state average as provided in section thirty-four (34) of this Act, and such other information as the committee may deem advisable. The committee shall adopt its own rules of procedure and the superintendent of public instruction shall serve as chairman. The state comptroller shall act as secretary. The committee members representing the public shall receive a per diem equal to the per diem of members of the board of public instruction and their necessary travel and expense while engaged in their official duties. Such payments shall be made from appropriations to the department of public instruction.

Sec. 34. The state comptroller shall compute the sum of tax askings plus state aids excluding special education, driver education and vocational education aids for each local school district for each of the preceding three (3) years. The three (3) sums for the preceding years shall be divided by the average daily membership for each year respectively. The percentage change in tax askings plus state aids for two (2) years prior and the percentage change in tax askings plus state aids for one (1) year prior divided by two (2) shall constitute the average percent of change.

Each local school district shall certify to the state comptroller the amount currently budgeted for tax askings plus state aids divided by the projected average daily membership for the current year. Projected average daily membership shall be determined as follows:

The percentage change in average daily membership two (2) years prior plus the percentage change in average daily membership one (1) year prior divided by two (2). This percentage shall be used to determine the average percentage of change in projected average daily membership. The average percent of change in projected average daily membership multiplied times the prior years average daily membership added to this same prior years average daily membership shall constitute the projected average daily membership. In those prior years for which average daily membership data are not available "beginning of the year" enrollment figures as reported to the state department of public instruction shall be substituted.

The state comptroller shall compute the proposed change between the three (3) year average and the current year as certified by each local school district. Any school district whose proposed growth exceeds the adjusted state average reimbursable expenditures per pupil in average daily membership for the preceding year shall have its budget submitted to the school budget review committee for review and examination. If after review and examination the committee recommends against the proposed growth increase and if the school district nevertheless maintains its proposed budget beyond the percent of allowable change, the payment of state funds to the district in the following year shall be limited to the reimbursable expenditures per pupil in average daily membership as allowed by the school budget review committee.

Sec. 35. In the event any school district shall, in the 1967-1968 school year, increase its general fund millage as a sole consequence of the nondiscretionary provisions of this Act beyond its general fund millage for the prior school year, the state school budget review committee may authorize the state comptroller to pay emergency aid from any money in the state treasury not otherwise appropriated.

Sec. 36. Section four hundred twenty-seven point one (427.1), subsection sixteen (16), Code of Iowa, is hereby amended by striking lines seven (7) through eleven (11) and inserting in lieu thereof the following:

"For the year 1967 and subsequent years, all tangible personal property customarily located and used in or about the residence or residences of the owner of said property; all wearing apparel and food used or to be used by the owner or his family; and all personal effects."

Sec. 37. Section four hundred twenty-seven point thirteen (427.13), Code of Iowa, is hereby amended by adding the following paragraph at the end of such section:

"However, the provisions of this section shall be subject to the provisions of section four hundred twenty-seven point one (427.1) of the Code."

Sec. 38. There is hereby appropriated from the general fund of the state of Iowa to the department of revenue for each year of the biennium beginning July 1, 1967, and ending June 30, 1969, the sum of five million three hundred thousand (5,300,000) dollars to be used in the following manner:

1. The department of revenue shall determine the percentage which the aggregate taxable value for the year 1966, of property described in section thirty-six (36) of this Act, subject to taxation for the year 1966 but not subject to taxation for the year 1967, in each county bears to the total aggregate taxable value of such property reported from all counties in the state and shall certify the percentage to the state comptroller prior to August 15, 1967. The state comptroller shall advise each county auditor on or before August 30, 1967, the amount each county shall receive from such fund.

2. The county auditor shall determine the amount due the several taxing districts for the tax years 1967 and 1968. The county auditor shall, in computing the tax rate for any taxing district, deduct from the total budget requirements certified by any such district all of the tax to be derived from the appropriation, and shall then apply such rate to the adjusted taxable value of the property in the district, necessary to raise the amount required after the deductions authorized in this subsection have been made.

3. In January 1968, and January 1969, the state comptroller shall apply said percentage to the five million three hundred thousand (5,300,000) dollars appropriated for each year of the biennium. The state comptroller shall draw warrants on the funds herein appropriated in such amounts payable to the county treasurer of each county and transmit same to the treasurer.

Sec. 39. For the purpose of this Act, "personal property" means all tangible property other than real property, owned by a resident or nonresident of the state, which is located in the state and assessed and taxed as personal property in accordance with the laws of this state and rules and regulations adopted thereunder, notwithstanding the provisions of section four point one (4.1), subsection nine (9), Code of Iowa, but not to include the following:

1. Machinery and equipment as contemplated under section four hundred twenty-eight point two (428.22), Code of Iowa.

2. Buildings as contemplated by section four hundred twenty-eight point four (428.4), Code of Iowa.

3. All centrally assessed property, by the department of revenue, under the provision of chapters four hundred twenty-eight (428), four hundred thirty-three (433), four hundred thirty-four (434), four hundred thirty-five (435), four hundred thirty-six (436), four hundred thirty-seven (437), and four hundred thirty-eight (438), Code of Iowa.

4. Property exempted by the provisions of chapter four hundred twenty-seven (427), Code of Iowa.

Sec. 40. Section four hundred twenty-eight point four (428.4), Code of Iowa, is hereby amended by striking from line seventeen (17) thereof the words "real estate" and inserting in lieu thereof the word "land". Section four hundred twenty-eight point four (428.4), Code of Iowa, is hereby amended by striking from line eighteen (18) thereof the expression "personal property, but" and inserting in lieu thereof the expression "real property." and by striking all of lines nineteen (19), twenty (20), and twenty-one (21).

Sec. 41. Persons entitled to exemption from personal property tax under provisions of section four hundred twenty-seven point three (427.3), Code of Iowa, shall be granted such exemption, in addition to the credits provided by this Act.

Sec. 42. The personal property tax credit authorized by this Act shall not excuse the taxpayer from listing all personal property as required in chapter four hundred twenty-eight (428), Code of Iowa. The valuation of such personal property shall be determined as prescribed in chapter four hundred forty-one (441), Code of Iowa, so that the valuations of all personal property in a taxing district shall be known and shall be made a part of the tax list compiled by the county auditor under chapter four hundred forty-three (443), Code of Iowa.

The aggregate assessed value of personal property for each assessing district as established in the 1967 assessment year, after adjustment for equalization, shall be the basic taxable value upon which the credit granted herein shall be determined, subject to the following annual adjustments:

1. Add: additional personal property brought into each assessing district, but not to include replacement of personal property with like personal property, in accordance with section four hundred forty-one point twenty-one (441.21), Code of Iowa.

2. Subtract: personal property removed from each district by reason of transportation therefrom, personal property destroyed, and personal property consumed or disposed of and not replaced.

For the purpose of ascertaining assessed value of personal property added or subtracted from the aggregate assessed value of personal property for each district as established in the 1967 assessment year, assessors shall utilize personal property listing forms prescribed and furnished by the department of revenue, and shall distribute such forms in triplicate to persons possessed of such property for assessment, first by regular mail, and, where necessary, by personal service. Such assessed value of such personal property shall be determined in accordance with section four hundred forty-one point twenty-one (441.21), Code of Iowa.

Sec. 43. No taxpayer in the state shall be allowed a credit on personal property tax in excess of two thousand five hundred (2,500) dollars assessed valuation. Any taxpayer who owns personal property subject to taxation in more than one (1) county of the state shall designate in reporting such property as required in section thirty-nine (39) of this Act in which counties of the state the property is located and may claim the credit or a proportionate part thereof in each county where the property is situated and in no case shall he claim more than the two thousand five hundred (2,500) dollars assessed value for all personal property assessed in all counties. At the time of making such claim, the taxpayer shall state by affidavit or affidavits made a part of the personal property listing form filed in each county where his personal property is situated, that he has not claimed a total personal property tax credit on all counties in excess of a total of two thousand five hundred (2,500) dollars assessed valuation.

Sec. 44. If personal property is owned jointly, the owners may not respectively take a tax credit on such property in excess of the proportionate ownership in said property and said proportionate ownership shall be determined by dividing the total assessed value of the property by the number of owners unless they show their actual interest and ownership on the personal property listing form provided by the assessor. Any such proportionate credit may be applied only to the extent that the owner's total respective credit of two thousand five hundred (2,500) dollars of assessed valuation is not used up and in no event is an additional credit to be allowed for property held as hereinabove described in this section.

Sec. 45. On or before January 1 of each year, the auditor of each county shall prepare a statement listing for each taxing district in the county all personal property upon which taxes shall not be collected due to the tax credit granted in this Act. The statement shall show the tax rates of the various taxing districts and the total amount of taxes which shall not be collected in each district because of the tax credit. The auditor shall certify and forward one (1) copy of each of the statement to the state comptroller and to the department of revenue on or before January 15 of such year.

Sec. 46. The amounts due each taxing district certified by the county auditor shall be paid in two (2) equal payments by the state comptroller with the first payment to be paid March 15, 1968 and on or before September 15 and March 15 of each year thereafter,

drawn upon warrants payable to the respective county treasurers. The county treasurer upon receipt of the warrants from the comptroller shall apportion the proceeds among the taxing districts in the county as certified by the county auditor.

Sec. 47. There is hereby appropriated from any money in the state treasury not otherwise appropriated an amount sufficient to carry out the provisions of sections thirty-eight (38) to forty-four (44) of this Act.

Sec. 48. Section four hundred twenty-five point one (425.1), Code of Iowa, is hereby amended by adding a new subsection as follows:

“In addition to the homestead credit or twenty-five (25) mills on twenty-five hundred (2,500) dollars of assessed valuation allowable under this chapter, in the event the owner, as defined in this chapter, is over sixty-five (65) years of age, and provided that the income of such owner, when included with that of his spouse, if any, is less than three thousand five hundred (3,500) dollars per annum, there shall be credited against the tax levied on his eligible homestead (an amount in dollars equal to the difference between such tax levied in the current year and such tax levied in the year 1967 or 1968, whichever year resulted in the lowest tax, or in the year in which he became sixty-five (65) years of age, or in the year in which he acquired the homestead, whichever, is latest, if the tax levied in the current year is greater.) Said credit shall be paid to each taxing district from the homestead tax credits fund in the same manner as other homestead tax credits and all other nonconflicting provisions and computations in this chapter shall be applicable to the credit provided by this subsection, and in the event of conflict this subsection shall obtain.

“Each owner making application for credit because of age shall annually, on or before July 1, file a verified statement with the county assessor, showing:

a. He was sixty-five (65) years of age before midnight on December 31 of the year immediately preceding the year of the tax levy.

b. His income, when included with that of his spouse, if any, during the last preceding twelve-month income tax accounting period if less than three thousand five hundred (3,500) dollars.

c. The real value of all additions or improvements made to the homestead during the preceding year, and describing them. If any such addition or improvements, exclusive of repairs and maintenance, has been made the assessor shall determine whether the assessed valuation of the homestead shall be increased and if so the amount thereof. The additional credit provided herein shall not be allowed if such increases in valuation are in excess of one thousand (1,000) dollars, in the aggregate, during each five-year period commencing with the year in which application is first made under this subsection.

“The tax credit under this subsection shall also be allowable where there is more than one (1) “owner” as defined in this chapter, if any one of them is more than sixty-five (65) years of age and is occupying the premises as a homestead within the meaning of this chapter. The state tax commission shall determine the evidence requirements for all matters of fact to be shown by each owner making application for credit.

“For the purpose of this subsection ‘income’ means taxable income for federal income tax purposes plus income from securities of state and other political subdivisions exempt from federal income tax and income from social security and other tax-exempt retirement or pension plans.”

Sec. 49. Section four hundred twenty-five point eleven (425.11), subsection two (2), Code of Iowa, is hereby amended by adding thereto the following sentence:

"For the purpose of this chapter the word 'owner' shall be construed to mean a vonda fide owner and not one for the purpose only of availing himself of the benefits of this chapter."

Sec. 50. In order to accommodate the orderly initiation of the provisions of this Act the following sums shall be appropriated for the period beginning July 1, 1967 to December 31, 1967:

For	General Aid	\$24,816,000.00
	Supplemental Aid	4,192,000.00
	Transportation Aid	2,992,000.00

Sec. 51. Section four hundred twenty-six point one (426.1), Code of Iowa, is amended by striking from line nine (9) the word "fifteen" and inserting in lieu thereof the word "eighteen."

Sec. 52. If any section, subsection, subdivision, paragraph, sentence or clause of this Act is held invalid or unconstitutional, such decision shall not affect the remaining portions of this Act.

JOSEPH CASSIDY
H. KENNETH NURSE
ARTHUS C. NEU
D. MCGILL
ON PART OF THE SENATE

LEFOY H. PETERSEN
KEITH L. VETTER
KEITH H. DUNTON
DALE M. COCHRAN
ON PART OF THE HOUSE

MESSAGES FROM THE HOUSE

The following messages were received from the House:

Mr. President: I am directed to inform your honorable body that the House has adopted the Conference Committee report and the amendments contained therein and passed House Joint Resolution 23, a bill for an act to create an interim legislative committee to study the problem of interstate truck rate reciprocity procedures.

Also:

That the House has adopted the Conference Committee report and the amendments contained therein and passed House File 686, a bill for an act to provide a method for general property tax replacement and equalization.

Also:

That the House has amended the Senate amendment and concurred in the Senate amendment as amended and passed, House File 563, a bill for an act relating to indemnification of officers and directors of corporations for pecuniary profit.

HOUSE AMENDMENT TO SENATE AMENDMENT TO HOUSE FILE 563

Amend Section 1 of the Senate amendment to House File 563 as follows:

1. In line 25 strike the word "not".
2. In line 47 strike the word "or" and insert the following: ", fraud or other civil or criminal".