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FEB 13 1981

HOUSE FILE 414

BY COMMITTEE ON EDUCATION

Place On Calendar

(Formerly Study Bill 165)

Passed House, Date 2-25-81 (p. 560) Passed Senate, Date 3-12-81 (P. 755)

Vote: Ayes 55 Nays 45 Vote: Ayes 27 Nays 23

Approved 3/23/81

A BILL FOR

1 An Act relating to funds available to school districts,
 2 including authorizing the levy of a tax for cash
 3 reserve and including the computation of state school
 4 foundation aid, and providing that the Act takes effect
 5 upon its publication.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 414

H-3119

- 1 Amend House File 414 as follows:
 2 1. Page 7, by inserting after line 22 the following
 3 section:
 4 "Sec. ____ . The board of directors of a school
 5 district with a budget enrollment of five hundred
 6 or more for the budget year beginning July 1, 1981
 7 is directed to review administrative costs of the
 8 school district for the school year beginning July
 9 1, 1981. If terminations of contracts are necessary
 10 for that school year, the board shall determine the
 11 percent of teachers whose contracts are terminated
 12 under sections 279.13 through 279.18 and shall
 13 terminate the same percent of the contracts of
 14 administrators of the school district under section
 15 279.24."
 16 2. By numbering and renumbering sections as
 17 necessary.

H-3119 FILED FEBRUARY 19, 1981

BY BRANDT of Black Hawk

ht/ds 2/25 (p 543)

1 Section 1. Chapter 298, Code 1981, is amended by adding
2 the following new section:

3 NEW SECTION. LEVY FOR CASH RESERVE. If a school district
4 has a cash reserve of less than seven and five-tenths percent
5 of its total district expenditures for a school year remaining
6 on June 30 of that school year, including salaries encumbered
7 under contract for the next following July and August, the
8 board of directors may certify for levy by the following March
9 15, a tax not to exceed twenty-seven cents per thousand dollars
10 of assessed value of taxable property in the district to
11 provide a cash reserve pursuant to section 8.6, subsection
12 4, paragraph c. The tax levy authorized in this subsection
13 is in addition to any other tax levy authorized for a school
14 district.

15 Sec. 2. Section 442.3, Code 1981, is amended to read as
16 follows:

17 442.3 STATE FOUNDATION BASE. The state foundation base
18 for the school year beginning July 1, 1972, is seventy percent
19 of the state cost per pupil. For each succeeding school year
20 the state foundation base shall be increased by the amount
21 of one percent of the state cost per pupil, up to a maximum
22 of eighty percent of the state cost per pupil. However, for
23 the school ~~year~~ years beginning July 1, 1980 and July 1, 1981,
24 the state foundation base shall be the same as the state
25 foundation base for the school year beginning July 1, 1979.
26 The district foundation base is the larger of the state
27 foundation base or the amount per pupil which the district
28 will receive from foundation property tax and state school
29 foundation aid.

30 Sec. 3. Section 442.4, subsection 4, Code 1981, is amended
31 to read as follows:

32 4. For the school years beginning July 1, 1980, and July
33 1, 1981, and July 1, 1982 only, if an amount equal to the
34 district cost per pupil for the budget year minus the amount
35 included in the district cost per pupil for the budget year

1 to compensate for the cost of special education support
2 services for a school district times the budget enrollment
3 of the school district for the budget year is less than one
4 hundred four percent for the budget school year beginning
5 July 1, 1980, and one hundred ~~three~~ two percent for the budget
6 school year beginning July 1, 1981, and one hundred percent
7 for the budget school year beginning July 1, 1982, times an
8 amount equal to the district cost per pupil for the base year
9 minus the amount included in the district cost per pupil for
10 the base year to compensate for the cost of special education
11 support services for a school district times the adjusted
12 enrollment of the school district for the base year beginning
13 July 1, 1979 or times the budget enrollment of the school
14 district for the base year beginning July 1, 1980 or July
15 1, 1981, the state comptroller shall increase the budget
16 enrollment for the school district for the budget year to
17 a number which will provide that one hundred four percent
18 amount for the budget school year beginning July 1, 1980,
19 and that one hundred ~~three~~ two percent amount for the budget
20 school year beginning July 1, 1981, and that one hundred
21 percent amount for the budget school year beginning July 1,
22 1982.

23 Sec. 4. Section 442.7, Code 1981, is amended by adding
24 the following new subsections after subsection 4:

25 NEW SUBSECTION. Notwithstanding subsections 1 through
26 4, for the school year beginning July 1, 1981, the state
27 percent of growth, including the recomputations required under
28 subsection 4, is five and seventy-five hundredths percent.

29 NEW SUBSECTION. The state percent of growth for the school
30 year beginning July 1, 1982 shall be computed as provided
31 in subsections 1 through 4, and shall include adjustments
32 to the state percent of growth computed prior to September
33 15, 1980 by the state comptroller for the school year beginning
34 July 1, 1981 and not used, and an addition of three and two
35 hundred seventy-six thousandths percent for the difference

1 between the state percent of growth computed prior to September
2 15, 1980 by the state comptroller and not used and the state
3 percent of growth used for the school year beginning July
4 1, 1981.

5 Sec. 5. Section 442.7, subsection 6, Code 1981, is amended
6 by adding the following new paragraph:

7 NEW PARAGRAPH. For the school year beginning July 1, 1981
8 and succeeding school years, special education support services
9 costs for each district for a budget year are that portion
10 of the district cost per pupil in weighted enrollment in the
11 base year allocated for special education support services
12 times one hundred percent plus the state percent of growth
13 times the district's weighted enrollment for the budget year.
14 Funds shall be paid as provided in section 442.25.

15 Sec. 6. Section 442.7, subsection 7, Code 1981, is amended
16 by striking the subsection and inserting in lieu thereof the
17 following:

18 7. Notwithstanding the subsections of this section relating
19 to the calculation of additional allowable growth per pupil
20 for special education support services and section 5 of this
21 Act, for the school year beginning July 1, 1981, the state
22 percent of growth for special education support services costs
23 is zero.

24 Sec. 7. Section 442.8, Code 1981, is amended by adding
25 the following new unnumbered paragraph:

26 NEW UNNUMBERED PARAGRAPH. For the school year beginning
27 July 1, 1981 and each succeeding school year, the amount of
28 allowable growth added to the state cost per pupil for the
29 additional costs of special education support services during
30 a budget year is the average allowable growth added to district
31 cost per pupil in weighted enrollment for special education
32 support services costs for that budget year.

33 Sec. 8. Section 442.25, Code 1981, is amended to read
34 as follows:

35 442.25 ~~SPECIAL-EDUCATION-SUPPORT-SERVICES~~ AREA EDUCATION

1 AGENCY PAYMENTS. The state comptroller shall deduct the
 2 amounts calculated for special education support services,
 3 media services, and educational services for each school
 4 district from the state aid due to the district pursuant to
 5 this chapter and shall pay the amounts to the respective area
 6 education agencies on a quarterly basis during each school
 7 year. The state comptroller shall notify each school district
 8 of the amount of state aid deducted for ~~this purpose~~ these
 9 purposes and the balance of state aid shall be paid to the
 10 district. If a district does not qualify for state aid under
 11 this chapter in an amount sufficient to cover its amount due
 12 to the area education agency as calculated by the state
 13 comptroller, the school district shall pay the deficiency
 14 to the area education agency from other moneys received by
 15 the district, on a quarterly basis during each school year.

16 Sec. 9. Section 442.27, subsection 2, Code 1981, is amended
 17 to read as follows:

18 2. For the school year beginning July 1, 1978 and each
 19 succeeding budget year through the budget year beginning July
 20 1, 1980, the total amount funded for each area for media
 21 services excluding the cost for media resource material shall
 22 be the total amount funded in the area for media service in
 23 the base year times the sum of one hundred percent plus the
 24 state percent of growth plus the costs for media resource
 25 material for the budget year.

26 ~~Each-year-subsequent-to-the-school-year-beginning-July~~
 27 ~~17-1980,-the-total-amount-to-be-funded-for-media-services,-~~
 28 ~~including-the-costs-for-media-resource-material-which-shall~~
 29 ~~only-be-used-for-the-purchase-or-replacement-of-material~~
 30 ~~required-in-section-273-6,-subsection-1,-paragraphs-"a",- "b"~~
 31 ~~and-"e",-shall-be-equal-to-the-budget-in-the-base-year-in~~
 32 ~~the-area-times-the-sum-of-one-hundred-percent-plus-the-state~~
 33 ~~percent-of-growth-~~

34 Sec. 10. Section 442.27, Code 1981, is amended by adding
 35 the following new subsection after subsection 3:

1 NEW SUBSECTION. For the school year beginning July 1,
2 1981 and succeeding school years, the costs of media services,
3 including the costs for media resource material which shall
4 only be used for the purchase or replacement of material
5 required in section 273.6, subsection 1, paragraphs a, b,
6 and c, are that portion of the district cost per pupil in
7 weighted enrollment in the base year allocated for media
8 services times one hundred percent plus the state percent
9 of growth times the district's weighted enrollment for the
10 budget year. Funds shall be paid as provided in section
11 442.25.

12 Sec. 11. Section 442.27, subsection 5, Code 1981, is
13 amended to read as follows:

14 5. For each succeeding budget year through the budget
15 year beginning July 1, 1980, the total amount funded in each
16 area for educational services shall be the total amount funded
17 in the area for educational services in the base year times
18 the sum of one hundred percent plus the state percent of
19 growth.

20 Sec. 12. Section 442.27, Code 1981, is amended by adding
21 the following new subsection after subsection 5:

22 NEW SUBSECTION. For the school year beginning July 1,
23 1981 and succeeding school years, the costs of educational
24 services are that portion of the district cost per pupil in
25 weighted enrollment in the base year allocated for educational
26 services times one hundred percent plus the state percent
27 of growth times the district's weighted enrollment for the
28 budget year. Funds shall be paid as provided in section
29 442.25.

30 Sec. 13. Section 442.27, subsection 6, Code 1981, is
31 amended to read as follows:

32 6. ~~Of~~ For school years prior to the school year beginning
33 July 1, 1981, of the total amounts funded in each area each
34 year for media services and educational services, a portion
35 shall be allocated to each district in the area. The portion

1 to be allocated to each district in an area shall be the same
2 percentage of the total amount that the enrollment served
3 in the budget year in the district is of the enrollment served
4 in the budget year in the area.

5 Sec. 14. Section 442.27, subsection 7, Code 1981, is
6 amended by striking the subsection and inserting in lieu
7 thereof the following:

8 7. Notwithstanding section 12 of this Act relating to
9 the computation of allowable growth for educational services,
10 for the school year beginning July 1, 1981, four and six-
11 tenths percent shall be subtracted from the state percent
12 of growth before it is added to one hundred percent and
13 multiplied by the portion of the district cost per pupil in
14 the base year allocated for educational services.

15 Sec. 15. Section 442.27, subsection 8, Code 1981, is
16 amended to read as follows:

17 8. The For school years prior to the school year beginning
18 July 1, 1981, the state board of public instruction and the
19 state comptroller shall determine the total amounts funded
20 in each area for media services and educational services each
21 year, and the amounts to be allocated to each district. The
22 state comptroller shall deduct the amounts so calculated for
23 each school district from the state aid due to the district
24 pursuant to this chapter and shall pay the amounts to the
25 districts' area education agencies on a quarterly basis during
26 each school year. The state comptroller shall notify each
27 school district the amount of state aid deducted for this
28 purpose and the balance which will be paid to the district.
29 If a district does not qualify for state aid under this chapter
30 in an amount sufficient to cover the amount due to its area
31 education agency as calculated by the state comptroller, the
32 school district shall pay the deficiency to its area education
33 agency from other moneys received by the district, on a
34 quarterly basis during each school year.

35 Sec. 16. Section 442.27, subsection 10, unnumbered para-

1 graph 1, Code 1981, is amended to read as follows:

2 For the school year beginning July 1, ~~1978~~ 1981, and for
3 each subsequent school year, if an area education agency does
4 not serve nonpublic school pupils in a manner comparable to
5 services provided public school pupils for media and
6 educational services, as determined by the state board of
7 public instruction, the state board shall instruct the state
8 comptroller to reduce the funds portion of district cost per
9 pupil in weighted enrollment added for media services and
10 educational services one time proportionally by an amount
11 to compensate for such the reduced services. ~~The-media~~
12 ~~services-budget-shall-be-reduced-by-an-amount-equal-to-the~~
13 ~~product-of-the-cost-per-pupil-in-basic-enrollment-for-media~~
14 ~~services-in-the-budget-year-times-the-difference-between-the~~
15 ~~enrollment-served-and-the-basic-enrollment-recorded-for-the~~
16 ~~area-for-the-budget-year-beginning-July-1,-1975.--The~~
17 ~~educational-services-budget-shall-be-reduced-by-an-amount~~
18 ~~equal-to-the-product-of-the-cost-per-pupil-in-basic-enrollment~~
19 ~~for-educational-services-in-the-budget-year-times-the~~
20 ~~difference-between-the-enrollment-served-and-the-basic~~
21 ~~enrollment-recorded-for-the-budget-year-beginning-July-1,~~
22 ~~1975-~~

23 Sec. 17. This Act, being deemed of immediate importance,
24 takes effect from and after its publication in the Lenox Time-
25 Table, a newspaper published in Lenox, Iowa, and in The Albert
26 City Appeal & The Marathon Republic, a newspaper published
27 in Albert City, Iowa.

28 EXPLANATION

29 This bill allows school districts to levy up to 27 cents
30 per thousand dollars of assessed valuation on an annual basis
31 if the district had a balance of less than 7.5 percent of
32 its total district expenditures on the preceeding June 30,
33 including encumbered funds for salaries.

34 The bill also makes the following changes in the school
35 foundation formula for the 1981 school year:

1 1. Continues the state foundation base of 77 percent of
2 the state cost per pupil.

3 2. Sets the state percent of growth at 5.75 percent.

4 3. Clarifies that the costs of special education support
5 services of the AEAs are based upon the previous year's amount
6 per pupil plus allowable growth and provides no allowable
7 growth for next year.

8 4. Changes AEA media services funding from allowable
9 growth added to the previous year's budget to the previous
10 year's amount per pupil plus allowable growth.

11 5. Changes AEA educational services funding from allowable
12 growth added to the previous year's budget to the previous
13 year's amount per pupil plus allowable growth and reduces
14 the percent of growth added by 4.6 percent for next year.

15 In addition it adds to the state percent of growth for
16 the school year beginning July 1, 1982, 3.276 percent which
17 is the difference between the 9.026 percent computed by the
18 state comptroller and the 5.75 percent actually used and
19 directs the state comptroller to adjust the 9.026 percent
20 for estimates made on September 15, 1980.

21 The bill takes effect upon its publication.

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HOUSE FILE 414

H-5123

- 1 Amend House File 414 as follows:
- 2 1. Page 1, by striking lines 8 through 12 and
3 inserting in lieu thereof the following: "the board
4 of directors may certify for levy by the following
5 March 15, a tax on taxable property in the school
6 district at a rate that will provide a cash reserve,
7 pursuant to section 8.6, subsection 4, paragraph c,
8 of not to exceed the seven and five-tenths percent
9 amount. The tax levy authorized in this subsection".
10 2. Page 1, line 23, by striking the words and
11 figures "and July 1, 1981" and inserting in lieu
12 thereof the words and figures "July 1, 1981, and
13 July 1, 1982".
14 3. Page 2, line 5, by striking the words "~~three~~
15 two" and inserting in lieu thereof the word "three".
16 4. Page 2, line 19, by striking the words "~~three~~
17 two" and inserting in lieu thereof the word "three".
18 5. Page 2, line 28, by striking the words "and
19 seventy-five hundredths".
20 6. Page 2, lines 31 and 32, by striking the words
21 "adjustments to" and inserting in lieu thereof the
22 words "recomputations under subsection 4 for".
23 7. Page 2, lines 34 and 35, by striking the words
24 "three and two hundred seventy-six" and inserting
25 in lieu thereof the words "four and twenty-six".
26 8. Page 3, line 6, by striking the word "paragraph"
27 and inserting in lieu thereof the word "paragraphs".
28 9. Page 3, by striking lines 7 through 14 and
29 inserting in lieu thereof the following:
30 "NEW PARAGRAPH. For the school year beginning
31 July 1, 1981 and succeeding school years, the amount
32 included in the district cost per pupil in weighted
33 enrollment for special education support services
34 costs for each district in an area education agency
35 for a budget year is the amount included in the
36 district cost per pupil in weighted enrollment for
37 special education support services costs in the base
38 year plus the allowable growth added to state cost
39 per pupil for special education support services costs
40 for the budget year. Funds shall be paid to area
41 education agencies as provided in section 442.25.
42 "NEW PARAGRAPH. For the school year beginning July
43 1, 1981 and succeeding school years, the state board
44 of public instruction may direct the state comptroller
45 to reduce the allowable growth added to district cost
46 per pupil in weighted enrollment for a budget year
47 for special education support services costs in an
48 area education agency in the base year based upon
49 special education support services needs in the area."
50 10. Page 3, by striking lines 15 through 32 and

A - Adopted (p. 505)

B
Adopted (p. 507)

C Amended by 5141
Adopted (p. 510)

D Adopted (p. 511)

E Amended by
3148 &
Adopted (p. 513)

F
Adopted (p. 514)

H-3123
Page Two

1 inserting in lieu thereof the following:
2 "Sec. ____ Section 442.7, Code 1981, is amended
3 by adding the following new subsection after subsection
4 6:

5 NEW SUBSECTION. For the school year beginning
6 July 1, 1981 and succeeding school years, the allowable
7 growth added to state cost per pupil for special
8 education support services costs is the amount included
9 in state cost per pupil for special education support
10 services costs for the base year times the state
11 percent of growth for the budget year. However, for
12 the school year beginning July 1, 1981, no allowable
13 growth shall be added, except as provided under sub-
14 section 7."

15 11. Page 5, by striking lines 1 through 11 and
16 inserting in lieu thereof the following:

17 "NEW SUBSECTION. For the school year beginning
18 July 1, 1981 and succeeding school years, the total
19 amount funded in each area for media services in the
20 budget year shall be computed as provided in this
21 subsection. For the school year beginning July 1,
22 1981, the total amount funded in each area for media
23 services in the base year, including the cost for
24 media resource material which shall only be used for
25 the purchase or replacement of material required in
26 section 273.6, subsection 1, paragraphs a, b, and
27 c, shall be divided by the enrollment served in the
28 base year to provide an area media services cost per
29 pupil in the base year, and the state comptroller
30 shall compute the state media services cost per pupil
31 in the base year which is equal to the average of
32 the area media services costs per pupil in the base
33 year. For the year beginning July 1, 1981 and
34 succeeding school years, the state comptroller shall
35 compute the allowable growth for media services in
36 the budget year by multiplying the state media services
37 cost per pupil in the base year times the state percent
38 of growth for the budget year, and the total amount
39 funded in each area for media services cost in the
40 budget year equals the area media services cost per
41 pupil in the base year plus the allowable growth for
42 media services in the budget year times the enrollment
43 served in the budget year. Funds shall be paid to
44 area education agencies as provided to section 442.25."

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Amended by
3155 b
Adopted
2/25 (p. 530)

45 12. Page 5, by striking lines 22 through 29 and
46 inserting in lieu thereof the following:

47 "NEW SUBSECTION. For the school year beginning
48 July 1, 1981 and succeeding school years, the total
49 amount funded in each area for educational services
50 in the budget year shall be computed as provided in

14
Adopted 2/25
(p. 531)

H-3123
Three

1 this subsection. For the school year beginning July
2 1, 1981, the total amount funded in each area for
3 educational services in the base year shall be divided
4 by the enrollment served in the area in the base year
5 to provide an area educational services cost per pupil
6 in the base year, and the state comptroller shall
7 compute the state educational services cost per pupil
8 in the base year, which is equal to the average of
9 the area educational services costs per pupil in the
10 base year. For the year beginning July 1, 1981 and
11 succeeding school years, the state comptroller shall
12 compute the allowable growth for educational services
13 by multiplying the state educational services cost
14 per pupil in the base year times the state percent
15 of growth for the budget year, and the total amount
16 funded in each area for educational services for the
17 budget year equals the area educational services cost
18 per pupil for the base year plus the allowable growth
19 for educational services in the budget year times
20 the enrollment served in the area in the budget year.
21 However, for the school year beginning July 1, 1981,
22 no allowable growth shall be added. Funds shall be
23 paid to area education agencies as provided in section
442.25."

24 13. Page 6, by striking lines 6 through 14 and
25 inserting in lieu thereof the following:
26 "amended to read as follows:

*Adopted 2/25
(p. 531)*

27 7. The For school years prior to the school year
28 beginning July 1, 1981, the portion allocated to each
29 district in an area each budget year for media services
30 and educational services shall be added to the district
31 cost of that district for the budget year as provided
32 in section 442.9."

33 14. By striking page 6, line 35 through page 7,
34 line 22.

35 15. Page 7, by inserting after line 22 the
36 following sections:

37 "Sec. ____ Chapter 442, Code 1981, is amended
38 by adding the following new section:

*Amended by 21418
Adopted 2/25 (p. 531)*

39 NEW SECTION. SUPPLEMENTAL SCHOOL INCOME SURTAX.

40 1. For the budget school year beginning July 1,
41 1981, if the board of a school district wishes to
42 spend more than the amount permitted under sections
43 442.1 through 442.13, the board may call a special
44 election to determine whether to impose a supplemental
45 school income surtax on individual state income tax
46 for the calendar year beginning January 1, 1981.
47 The supplemental school income surtax for the school
48 district shall not exceed an amount equal to the
49 difference between the portion of district cost of

1 the district attributable to regular program costs
2 for the school year beginning July 1, 1981 if the
3 state percent of growth had been nine and twenty-six
4 thousandths percent and the portion of the actual
5 district cost of the district attributable to regular
6 program costs for the school year beginning July 1,
7 1981. Any income derived from the supplemental school
8 income surtax is miscellaneous income.

9 2. The board shall determine the amount needed,
10 within the limits of this section, and shall set the
11 date of a special election, which shall not be later
12 than July 1, 1981. The board shall direct the county
13 commissioner of elections to submit the question of
14 whether to raise that amount to the qualified electors
15 of the school district. If a majority of those voting
16 on the proposition at the special election favors
17 the imposition of the supplemental school income
18 surtax, the board may amend its certified budget to
19 include the amount imposed.

20 3. Following approval at the special election,
21 the board shall certify to the state comptroller that
22 the required procedures have been carried out and
23 the state comptroller shall establish the amount of
24 supplemental school income surtax to be imposed based
25 upon the most recent figures available for the
26 district's individual state income tax paid. The
27 state comptroller shall certify to the director of
28 revenue the amount of supplemental school income
29 surtax to be imposed.

30 The supplemental school income surtax shall be
31 imposed on the state individual income tax for the
32 calendar year beginning January 1, 1981, or for a
33 taxpayer's fiscal year ending during the second half
34 of that calendar year or the first half of the
35 succeeding calendar year, and shall be imposed on
36 all individuals residing in the school district on
37 the last day of the applicable tax year. As used
38 in this section, "state individual income tax" means
39 the tax computed under section 422.5, less the
40 deductions allowed in section 422.12.

41 4. Sections 442.16, 442.17, 442.19, and 442.20
42 apply to the supplemental school income surtax
43 established in this section. The director of revenue
44 shall deposit all moneys received as supplemental
45 school income surtax to the credit of each district
46 from which the moneys are received, in a "supplemental
47 school income surtax fund" which is established in
48 the office of the treasurer of state.

49 5. This section takes effect retroactive to January
50 1, 1981."

1 16. Amend the title, line 3, by inserting after
2 the word "reserve" the words ", and the imposition
3 of an income surtax retroactive to January 1, 1981,".

4 17. By numbering and renumbering sections as
5 necessary in accordance with this amendment.

HOUSE FILE 414

H-3145

1 Amend House File 414 as follows:

2 1. Page 7, by inserting after line 22 the following
3 section:

4 "Sec. _____. If the receipts of state general fund
5 revenues are higher than one billion seven hundred
6 fifty-one million two hundred fifty-five thousand
7 dollars on June 30, 1981, the state comptroller shall
8 determine by what percent the state general fund
9 revenues exceeded that amount. If the receipts are
10 more than one percent above the projection, the first
11 percent and any fraction of a percent of the additional
12 revenue shall be deposited in the general fund of
13 the state. Fifty percent of any excess revenue shall
14 be paid during the school year beginning July 1, 1981
15 to the school districts of the state in payments as
16 provided in section 442.26 in the proportion that
17 the state aid the district receives under section
18 442.26 bears to the total state school foundation
19 aid. The payments are miscellaneous income. Boards
20 of school districts shall automatically reopen those
21 portions of negotiable agreements covering salary
22 and fringe benefits and shall modify contracts of
23 employees of the district to provide higher salaries
24 based upon the additional state aid received for the
25 school year beginning July 1, 1981.

26 If the receipts of state general fund revenues
27 are higher than one billion eight hundred seventy-
28 two million seven hundred thousand dollars on June
29 30, 1981, the state comptroller shall determine by
30 what percent the state general fund revenues exceeded
31 that amount. If the receipts are more than two percent
32 above the projection, the first two percent and any
33 fraction of a percent of the additional revenue shall
34 be deposited in the general fund of the state. Fifty
35 percent of any excess revenue shall be paid during
36 the school year beginning July 1, 1982 to the school
37 districts of the state in the manner provided in this
38 section for excess revenues for the school year
39 beginning July 1, 1981."

H-3145 FILED FEBRUARY 23, 1981 BY BRANDT of Black Hawk

Post 2/25 (p. 547)

HOUSE FILE 414

H-3144

1 Amend H-3123, filed to House File 414, as follows:

2 1. Page 2, by striking lines 11 through 14 and
3 inserting in lieu thereof the following: "percent
4 of growth for the budget year."

H-3144 FILED FEBRUARY 23, 1981 BY GROTH of Buena Vista

Post 2/24 (p. 547)

HOUSE FILE 414

H-3143

- 1 Amend House File 414 as follows:
2 1. Page 7, by inserting after line 22 the follow-
3 ing section:
4 "Sec. _____. The board of directors of a school
5 district shall review administrative costs of the
6 school district for the school year beginning July 1,
7 1981. If teaching staff must be reduced, the board
8 shall determine the percent of full-time equivalent
9 teaching positions eliminated and shall eliminate the
10 same percent of full-time equivalent administrative
11 positions."
12 2. By numbering and renumbering sections and
13 correcting internal references as necessary.

H-3143 FILED FEBRUARY 23, 1981 BY BRANDT of Black Hawk
Lost 2/25 (p. 545)

HOUSE FILE 414

H-3142

- 1 Amend House File 414 as follows:
2 1. Page 1, by inserting before line 1 the
3 following:
4 "Section 1. Chapter 280A, Code 1981, is amended
5 by adding the following new section:
6 NEW SECTION. ADDITIONAL TAX -- CASH RESERVE. In
7 addition to the tax authorized under section 280A.17,
8 if an area school estimates prior to March 15 of a
9 school year that it will have a cash reserve of less
10 than seven and five-tenths percent of its total area
11 school expenditures for that school year on the
12 following June 30, including salaries encumbered under
13 contract for the next following July and August, the
14 merged area board of directors may certify for levy
15 by March 15 of that year, a tax not to exceed ten
16 cents per thousand dollars of assessed value of taxable
17 property in the merged area to provide a cash reserve for
18 that area school pursuant to section 8.6, subsection 4,
19 paragraph c. The tax levy authorized in this section
20 is in addition to any other tax levy authorized for an
21 area school."
22 2. Renumber and correct internal references as
23 required by this amendment.
24 3. Amend title page, line 4, by adding after the
25 words "foundation aid," the words "and authorizing
26 the levy of a tax for a cash reserve for merged area
27 schools,".

H-3142 FILED
FEBRUARY 23, 1981
Lost 2/24 (p. 498)

BY NORLAND of Worth
BYERLY of Polk

HOUSE FILE 414

H-3141

1 Amend H-3123, filed to House File 414, as follows:
2 1. Page 1, by inserting after line 13 the following
3 amendment:
4 "____. Page 1, by inserting after line 29 the
5 following section:
6 "Sec. _____. Section 442.4, subsection 1, unnumbered
7 paragraph 5, Code 1981, is amended to read as follows:
8 A school district shall certify its basic enrollment
9 to the department of public instruction by September
10 25 of each year, and the department shall promptly
11 forward the information to the state comptroller.
12 For purposes of determining whether a district is
13 entitled to an advance for increasing enrollment a
14 determination of actual enrollment shall be made on
15 the second Friday of September in the budget year
16 by counting the pupils in the same manner and to the
17 same extent that they are counted in determining basic
18 enrollment, but substituting the count in the budget
19 year for the count in the base year. In addition,
20 a school district shall determine its additional
21 enrollment because of special education defined in
22 section 442.38, on December 1 of each year and if
23 the district is entitled to an advance or reduction
24 for special education, it shall certify its additional
25 enrollment because of special education to the
26 department of public instruction by December 15 of
27 each year, and the department shall promptly forward
28 the information to the state comptroller.""
29 2. Page 3, by inserting after line 35 the following
30 amendment:
31 "____. Page 7, by inserting after line 22 the
32 following section:
33 "Sec. _____. Chapter 442, Code 1981, is amended
34 by adding the following new section after section
35 442.38:
36 NEW SECTION. REDUCTION FOR ENROLLMENT LOSS. For
37 the school year beginning July 1, 1981 and succeeding
38 school years, if a school district's additional
39 enrollment because of special education determined
40 by the district on December 1 in the budget year is
41 less than its additional enrollment because of special
42 education determined by the district on December 1
43 in the base year, the state aid payments to the school
44 district shall be reduced by an amount equal to its
45 district cost per pupil for the budget year less the
46 amount included in district cost per pupil for special
47 education support services for the budget year
48 multiplied by the district's decrease in additional
49 enrollment because of special education. A district's
50 additional enrollment because of special education

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Page Two

1 shall be computed as provided in section 442.38.
2 If a district has a reduction under this section
3 for a budget year, the state comptroller shall
4 determine the amount of the reduction which would
5 have been local property tax revenues if the additional
6 enrollment because of special education in the budget
7 year had been used for that budget year in determining
8 district cost and shall increase the district's total
9 state school aids available under this chapter for
10 the next following budget year by the amount so
11 determined, and shall reduce the district's tax levy
12 computed under section 442.9, for the next following
13 budget year by the amount necessary to compensate
14 for the increase in state aid, so that the local
15 property tax for the next following year will be
16 reduced only by the amount which it would have been
17 reduced in the budget year if the additional enrollment
18 because of special education in the budget year could
19 have been used to establish the levy.""
20 3. By numbering and renumbering sections and
21 correcting internal references as necessary.

H-3141 FILED FEBRUARY 23, 1981 BY DAGGETT of Taylor
Adopted 2/24 (p. 509)

HOUSE FILE 414

H-3140

1 Amend House File 414, as follows:
2 1. Page 7, by inserting after line 22 the following
3 section:
4 "Sec. _____. Notwithstanding section 24.14, and
5 notwithstanding the March 15 certification date in
6 section 1 of this Act, for the school year beginning
7 July 1, 1981, the board of directors of a school
8 district may direct the state comptroller not later
9 than April 15, 1981 to provide for the tax levy for
10 the cash reserve in section 1 of this Act."

H-3140 FILED BY NORLAND of Worth
FEBRUARY 23, 1981 GROTH of Buena Vista
Adopted 2/25 (p. 543) BYERLY of Polk

HOUSE FILE 414

3137

1 Amend House File 414 as follows:

2 1. Page 4, by inserting after line 15, the
3 following section:

4 "Sec. ____ . Section 442.26, unnumbered paragraphs
5 1 and 2, Code 1981, are amended to read as follows:

6 There is hereby appropriated each year from the
7 general fund of the state an amount necessary to pay
8 the state school foundation aid and the state dropout
9 incentive aid.

10 All state aids paid under this chapter unless
11 otherwise stated, shall be paid in installments due
12 on or about September 15, December 15, March 15, and
13 May 15 of each year, and the installments shall be
14 as nearly equal as possible as determined by the state
15 comptroller, taking into consideration the relative
16 budget and cash position of the state resources.
17 However, the state aids paid to school districts under
18 section 442.28 shall be paid in installments due on
19 or about December 15, March 15, and May 15 of each
20 year and the state aids paid to school districts under
21 section 442.33, shall be paid in installments due
22 on or about March 15 and May 15 of each year. State
23 dropout incentive aid shall be paid on or about
24 December 15 of each year."

25 2. Page 7, by inserting after line 22, the
26 following section:

27 "Sec. ____ . Chapter 442, Code 1981, is amended
28 by adding the following new section:

29 NEW SECTION. DROPOUT INCENTIVE. Commencing with
30 the school year beginning July 1, 1982, and all
31 subsequent school years, an eligible school district
32 shall receive state dropout incentive aid as provided
33 in this section. A school district shall be eligible
34 for state dropout incentive aid for a budget year
35 if the district's dropout rate for the base year is
36 lower than the district's base dropout rate. A
37 district's dropout rate for the base year is the
38 number of students in the school district who were
39 enrolled on the second Friday of September during
40 the base year and who withdrew their enrollment before
41 the completion of the base school year or before
42 graduation, provided the withdrawal was for reasons
43 other than death or transfer to any other public or
44 nonpublic school and provided the student did not,
45 subsequent to withdrawal, re-enroll in the school
46 district, divided by the basic enrollment for the
47 budget year. A district's base dropout rate is the
48 number of students in the school district who were
49 enrolled on either the second Friday of September
50 in the school year prior to the base year or the

1 school year two years prior to the base year and who
2 withdrew their enrollment before the completion of
3 the school year prior to the base year, provided the
4 withdrawal was for reasons other than death or transfer
5 to any other public or nonpublic school and provided
6 the student did not, subsequent to withdrawal, re-enroll
7 in the school district, divided by the sum of the
8 basic enrollment for the base year and the basic
9 enrollment for the year prior to the base year. The
10 district's state dropout incentive aid is two times
11 the state cost per pupil in the budget year times
12 the district's actual enrollment in the budget year
13 times the amount of the district's dropout rate for
14 the base year exceeds the district's base dropout
15 rate. However, in order for a district to qualify
16 for state dropout incentive aid, the district's actual
17 enrollment in the budget year times the amount of
18 the district's dropout rate for the base year exceeds
19 the district's base dropout rate must be at least
20 one. The state dropout incentive aid shall be paid
21 from funds appropriated and in accordance with section
22 442.26. State dropout incentive aid is miscellaneous
23 income."

24 3. Amend the title page, line 4, by inserting
25 after the word "aid" the words "and state dropout
26 incentive aid".

27 4. By numbering and renumbering sections and
28 correcting internal references as necessary.

BY BYERLY of Polk

PAVICH of Pottawattamie

BRANDT of Black Hawk

DAVITT of Warren

JAY of Appanoose

HOWELL of Floyd

CONNORS of Polk

H-3137 FILED

FEBRUARY 23, 1981

Law 2/25 (p. 543)

HOUSE FILE 414

H-3136

Amend House File 414 as follows:

1. Page 2, by inserting after line 22 the following section:

"Sec. ____ . Section 442.4, subsection 5, unnumbered paragraph 1, Code 1981, is amended to read as follows:

For the school year beginning July 1, 1980 1981, and each subsequent school year, weighted enrollment is the budget enrollment as modified by application of the special education weighting plan in section 281.9 ~~and~~, the supplementary weighting plan in ~~this~~ chapter section 442.39, and the weighting plan for dropouts who re-enroll."

2. Page 7, by inserting after line 22, the following section:

"Sec. ____ . Chapter 442, Code 1981, is amended by adding the following new section:

NEW SECTION. WEIGHTING FOR FORMER DROPOUTS. In order to provide additional funds for school districts to provide an alternative educational program for students who have previously dropped out of school and subsequently re-enrolled, students who were enrolled on the second Friday of September of a base year and who withdrew their enrollment before the completion of the base year for reasons other than death or transfer to another public or nonpublic school and subsequently re-enroll in the school district are assigned a weighting of one and seven-tenths. The additional funds generated under this section shall only be used to provide alternative educational programs for dropouts who re-enroll. A student eligible for the weighting plan in section 281.9 is not eligible for the weighting plan in this section."

3. By numbering and renumbering sections and correcting internal references as necessary.

BY BYERLY of Polk	CONNOLLY of Dubuque
GROTH of Buena Vista	DAVITT of Warren
BRANDT of Black Hawk	JAY of Appanoose
CONNORS of Polk	PAVICH of Pottawattamie
RENAUD of Polk	AVENSON of Fayette
DIELEMAN of Marion	HOWELL of Floyd
ARNOULD of Scott	

H-3136 FILED
FEBRUARY 23, 1981

Loar 2/25 (p. 540)

HOUSE FILE 414

H-3135

Amend H-3123, filed to House File 414 as follows:

1. Page 1, by striking lines 14 through 17.

2. Page 1, by striking lines 18 and 19.

3. Page 1, by striking lines 23, 24, and 25.

H-3135 FILED FEBRUARY 23, 1981

BY KREWSON of Polk

H/25 2/24 (p. 509)

HOUSE FILE 414

H-3134

- 1 Amend House File 414 as follows:
2 1. Page 2, by inserting after line 22 the following
3 section:
4 "Sec. ____ . Section 442.4, Code 1981, is amended
5 by adding the following new subsection after subsection
6 4:
7 NEW SUBSECTION. Notwithstanding subsections 1,
8 2, and 3 of this section, for the school year beginning
9 July 1, 1981 and succeeding school years, if a school
10 district would have budget enrollment of four hundred
11 or less for a budget year, the school district shall
12 use its budget enrollment for the base year for
13 calculations required under this chapter and shall
14 continue using the same budget enrollment for
15 succeeding school years until its budget enrollment
16 for a budget year exceeds four hundred."
17 2. By numbering and renumbering sections and
18 correcting internal references as necessary.

BY GROTH of Buena Vista	WELSH of Dubuque
COCHRAN of Webster	JAY of Appanoose
SWARTZ of Marshall	AVENSON of Fayette
DAVITT of Warren	LONERGAN of Boone
HOWELL of Floyd	SULLIVAN of Van Buren
DIELEMAN of Marion	CARL of Poweshiek

H-3134 FILED
FEBRUARY 23, 1981
Last 2/25 (p. 539)

HOUSE FILE 414

H-3133

1 Amend House File 414 as follows:

2 1. Page 1, by inserting before line 1 the following
3 section:

4 "Section 1. Section 285.2, unnumbered paragraph
5 2, Code 1981, is amended to read as follows:

6 There is appropriated from the general fund of
7 the state to the department of public instruction
8 funds sufficient to pay the approved claims of public
9 school districts for transportation services to
10 nonpublic school pupils as provided in this section.
11 Sections 8.30 and 8.31 as they relate to the power
12 of the governor to modify allotments of appropriations
13 to prevent an overdraft or deficit in a fiscal year
14 do not apply to appropriations made under this section,
15 and appropriations made under this section do not
16 affect the requirement that the reductions in
17 allotments be uniform and prorated on the basis of
18 the respective appropriations."

19 2. Page 4, by inserting after line 15 the following
20 section:

21 "Sec. ____ . Section 442.26, unnumbered paragraph
22 1, Code 1981, is amended to read as follows:

23 There is hereby appropriated each year from the
24 general fund of the state an amount necessary to pay
25 the state school foundation aid. Sections 8.30 and
26 8.31 as they relate to the power of the governor to
27 modify allotments of appropriations to prevent an
28 overdraft or deficit in a fiscal year do not apply
29 to appropriations made under this section, and
30 appropriations made under this section do not affect
31 the requirement that the reductions in allotments
32 be uniform and prorated on the basis of the respective
33 appropriations."

34 3. By numbering and renumbering sections and
35 correcting internal references as necessary.

BY AVENSON of Fayette
PONCY of Wapello
NORLAND of Worth
PAVICH of Pottawattamie
CONNOLLY of Dubuque

DAVITT of Warren
HOWELL of Floyd
CONNORS of Polk
CARL of Poweshiek

H-3133 FILED
FEBRUARY 23, 1981

A- Log 2/24 (p. 496)
B- Log 2/25 (p. 541)

SIXTY-NINTH GENERAL ASSEMBLY
1981 REGULAR SESSION

DAILY
HOUSE CLIP SHEET

TUESDAY, FEBRUARY 24, 1981

HOUSE FILE 414

H-3131

- 1 Amend H-3123, filed to House File 414 as follows:
- 2 1. Page 1, by striking lines 10 through 13 and
- 3 inserting in lieu thereof the following amendment:
- 4 "___ Page 1, by striking lines 15 through 29."

BY HORN of Linn	BRUNER of Story
NORLAND of Worth	DIELEMAN of Marion
PONCY of Wapello	ANDERSON of Jasper
BRANDT of Black Hawk	JAY of Appanoose
COCHRAN of Webster	WELSH of Dubuque
PAVICH of Pottawattamie	DAVITT of Warren
CONNOLLY of Dubuque	AVENSON of Fayette
SWARTZ of Marshall	SULLIVAN of Van Buren
RENAUD of Polk	CONNORS of Polk
HOWELL of Floyd	CARL of Poweshiek

H-3131 FILED
FEBRUARY 23, 1981
Lost 2/24 (p. 505)

HOUSE FILE 414

H-3128

- 1 Amend House File 414 as follows:
 - 2 1. Page 7, lines 25 and 26, by striking the words
 - 3 "Albert City Appeal & The Marathon Republic" and
 - 4 inserting in lieu thereof the words "Republic Appeal".
- H-3128 FILED FEBRUARY 23, 1981 BY GROTH of Buena Vista
Adopted 2/25 (p. 559)

HOUSE FILE 414

H-3132

- 1 Amend H-3123, filed to House File 414 as follows:
- 2 1. Page 1, by inserting after line 15 the following
- 3 amendment:
- 4 "___ Page 2, line 6, by inserting after the word
- 5 "hundred" the word "one"."
- 6 2. Page 1, by inserting after line 17 the following
- 7 amendment:
- 8 "___ Page 2, line 20, by inserting after the
- 9 word "hundred" the word "one"."

BY CONNOLLY of Dubuque	HOWELL of Floyd
GROTH of Buena Vista	DIELEMAN of Marion
JAY of Appanoose	SULLIVAN of Van Buren
DAVITT of Warren	CONNORS of Polk
PAVICH of Pottawattamie	CARL of Poweshiek
AVENSON of Fayette	

H-3132 FILED
FEBRUARY 23, 1981
Lost 2/24 (p. 510)

H-3146

1 Amend House File 414 as follows:

2 1. Page 1, by inserting after line 14 the following
3 section:

4 "Sec. _____. Section 442.2, subsection 1, Code 1981,
5 is amended to read as follows:

6 1. Each For the school year beginning July 1,
7 1982 and each school year thereafter, each school
8 district shall cause to be levied each year, for the
9 school general fund, a foundation property tax of
10 five dollars and ~~forty~~ thirteen cents per thousand
11 dollars of assessed valuation on all taxable property
12 in the district. For the purpose of this chapter,
13 a school district is defined as a school corporation
14 organized under chapter 274."

15 2. Page 2, by inserting after line 22 the following
16 sections:

17 "Sec. _____. Section 442.5, subsection 1, paragraph
18 a, Code 1981, is amended to read as follows:

19 a. "Miscellaneous income" means all receipts
20 deposited to the general fund of a school district
21 which are not obtained from state aid provided under
22 section 442.1 or from property tax authorized under
23 section 442.2 or 442.9. Miscellaneous income includes
24 property tax levied under ~~the provisions of~~ section
25 613A.7, to fund the costs of tort liability insurance
26 for the school district, ~~the foundation transportation~~
27 property tax, state transportation aid, and the
28 additional transportation property tax.

29 Sec. _____. Section 442.6, Code 1981, is amended
30 by adding the following new subsections:

31 NEW SUBSECTION. State transportation cost per
32 pupil for the school year beginning July 1, 1981 is
33 an amount equal to the sum of all school transportation
34 costs for the school year beginning July 1, 1980
35 approved by the department of public instruction under
36 chapter 285 times one hundred percent plus the state
37 percent of growth for the school year beginning July
38 1, 1981 divided by the weighted enrollment for the
39 state for the school year beginning July 1, 1981.
40 For each budget year thereafter, state transportation
41 cost per pupil in the budget year means the state
42 transportation cost per pupil in the base year plus
43 the transportation allowable growth for the budget
44 year. The transportation allowable growth for the
45 budget year is determined by multiplying the state
46 transportation cost per pupil for the base year times
47 the state percent of growth for the budget year.

48 NEW SUBSECTION. District transportation cost per
49 pupil for the school year beginning July 1, 1981 is
50 an amount equal to the school district transportation

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Page Two

1 cost for the school year beginning July 1, 1980
2 approved by the department of public instruction under
3 chapter 285 times one hundred percent plus the state
4 percent of growth for the school year beginning July
5 1, 1981 divided by the district's weighted enrollment
6 for the school year beginning July 1, 1981. For each
7 budget year thereafter, the district transportation
8 cost per pupil in the budget year means the district
9 transportation cost per pupil for the base year plus
10 the transportation allowable growth for the budget
11 year.

12 NEW SUBSECTION. Transportation costs approved
13 by the department of public instruction in chapter
14 285 for the school year beginning July 1, 1980 do
15 not include costs incurred in transporting pupils
16 from home to a bus route, or in transporting pupils
17 not entitled to free transportation but who are
18 transported at the expense of the resident district
19 or the parents; and do not include supplemental aid
20 and additional allowable growth granted in the base
21 year but not added to the district cost of school
22 districts under section 442.13. The secretary of
23 each district shall, on or before September 1, 1981,
24 report to the department of public instruction on
25 blanks furnished by the department, the information
26 the department requires for determining the
27 transportation costs approved by the department of
28 public instruction for the school year beginning July
29 1, 1980.

30 NEW SUBSECTION. The state foundation transportation
31 base is determined by multiplying the state
32 transportation cost per pupil in weighted enrollment
33 times the percent of the state cost per pupil which
34 determines the state foundation base for the budget
35 year as provided in section 442.3."

36 3. Page 3, by inserting after line 32 the following
37 sections:

38 "Sec. _____. Section 442.8, Code 1981, is amended
39 by adding the following new unnumbered paragraph:

40 NEW UNNUMBERED PARAGRAPH. However, for the budget
41 year beginning July 1, 1982, the state cost per pupil
42 as otherwise computed under this section shall be
43 reduced by the state transportation cost per pupil
44 for the school year beginning July 1, 1982.

45 Sec. _____. Section 442.9, subsection 1, Code 1981,
46 is amended by adding the following new paragraph:

47 NEW PARAGRAPH. However, for the budget year
48 beginning July 1, 1982, the district cost per pupil
49 for each school district as computed under this
50 subsection shall be reduced by the district

H-3146
Page Three

1 transportation cost per pupil for the school year
2 beginning July 1, 1982.

3 Sec. _____. Section 442.13, subsection 5, paragraph
4 c, Code 1981, is amended to read as follows:

5 c. Unusual transportation problems and for which
6 the per pupil transportation costs are substantially
7 higher than the state average per pupil transportation
8 costs due to sparsity of the population, topographical
9 factors, and other obstacles which hinder the efficient
10 transportation of pupils. If modified allowable
11 growth is granted under this paragraph, the modified
12 allowable growth shall only be used in determining
13 district transportation cost for the budget year."

14 4. Page 7, by inserting after line 22 the following
15 sections:

16 "Sec. _____. Chapter 442, Code 1981, is amended
17 by adding the following new section:

18 NEW SECTION. FOUNDATION PROPERTY TAX--SCHOOL
19 TRANSPORTATION AID.

20 1. For the school year beginning July 1, 1982
21 and succeeding school years, each school district
22 shall cause to be levied a foundation transportation
23 property tax of twenty-seven cents per thousand dollars
24 of assessed valuation on all taxable property in the
25 district. For purposes of this section, section
26 442.2, subsections 2 and 3, apply to the foundation
27 transportation property tax as well as the foundation
28 property tax. However, if the amount collected under
29 the foundation property tax will exceed an amount
30 equal to the district transportation cost for the
31 budget year, the levy shall be reduced to the amount
32 required to equal the district transportation cost
33 for the budget year.

34 2. For the school year beginning July 1, 1982
35 and succeeding school years, a school transportation
36 aid fund is established. There is appropriated from
37 the general fund of the state to the school
38 transportation aid fund for each budget year an amount
39 sufficient to pay state transportation aid to school
40 districts.

41 3. The state comptroller shall allocate from the
42 school transportation aid fund for each budget year
43 to each school district in the state an amount obtained
44 by multiplying the state transportation foundation
45 base in the budget year times the weighted enrollment
46 in the district for the budget year and subtracting
47 from it the amount raised by the foundation
48 transportation property tax in the district.

49 Sec. _____. Chapter 442, Code 1981, is amended by
50 adding the following new section:

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Page Four

1 NEW SECTION. ADDITIONAL TRANSPORTATION PROPERTY
2 TAX LEVY. The state comptroller shall determine the
3 additional transportation property tax levy for each
4 school district in the manner provided in this sec-
5 tion.

6 1. The amount to be raised by the additional
7 transportation property tax levy in a school district
8 is equal to the difference between the product of
9 the district transportation cost per pupil in the
10 budget year times the weighted enrollment in the
11 district for the budget year less the product of the
12 state foundation transportation base for the budget
13 year and the weighted enrollment in the district for
14 the budget year.

15 2. No later than May 1 of each year, the state
16 comptroller shall notify the county auditor of each
17 county the amount, in dollars and cents per thousand
18 dollars of assessed valuation, of the additional
19 transportation property tax levy in each school
20 district in the county. Each county auditor shall
21 spread the additional transportation property tax
22 levy for each school district over all taxable property
23 in the district.

24 Sec. ____ Chapter 442, Code 1981, is amended by
25 adding the following new section:

26 NEW SECTION. PAYMENT OF TRANSPORTATION AID.

27 1. The state comptroller shall draw warrants for
28 school transportation aid and deliver them to the
29 districts in the manner provided in section 442.26
30 for state school foundation aid.

31 2. Funds obtained by school districts from the
32 foundation transportation levy, foundation
33 transportation aid, and the additional transportation
34 property tax levy shall be placed in a special
35 transportation account in the general fund of the
36 school district and used only for school transportation
37 purposes."

38 5. Amend the title, line 3, by inserting after
39 the word "reserve" the words ", providing for the
40 levy of a foundation transportation property tax,".

41 6. By numbering and renumbering sections and
42 correcting internal references as necessary.

BY CONNOLLY of Dubuque	AVENSON of Fayette
COCHRAN of Webster	LONERGAN of Boone
WELSH of Dubuque	HOWELL of Floyd
JAY of Appanoose	SULLIVAN of Van Buren
DAVITT of Warren	

H-3146 FILED
FEBRUARY 23, 1981

Last 2/25 (p. 538)

HOUSE FILE 414

H-3149

- 1 Amend H-3123, filed to House File 414 as follows:
2 1. Page 1, by inserting after line 9 the following
3 amendment:
4 "____. Page 1, by inserting after line 14 the
5 following section:
6 "Sec. ____ Section 442.2, subsection 1, Code 1981,
7 is amended to read as follows:
8 1. Each For the school year beginning July 1,
9 1981 and succeeding school years, each school district
10 shall cause to be levied each year, for the school
11 general fund, a foundation property tax of five dollars
12 and ~~forty~~ sixty-two cents per thousand dollars of
13 assessed valuation on all taxable property in the
14 district. For the purpose of this chapter, a school
15 district is defined as a school corporation organized
16 under chapter 274."
17 2. Page 1, by striking lines 10 through 13 and
18 inserting in lieu thereof the following amendment:
19 "____. Page 1, by striking lines 15 through 29."

H-3149 FILED FEBRUARY 24, 1981
LOST (p 504)

BY WELSH of Dubuque
McKEAN of Jones

HOUSE FILE 414

H-3148

- 1 Amend H-3123 filed to House File 414 as follows:
2 1. Page 1, by inserting after line 19 the following
3 amendments:
4 "____. Page 2, line 24, by striking the word
5 "subsections" and inserting in lieu thereof the word
6 "subsection".
7 ____ Page 2, line 28, by inserting after the word
8 "percent" the words ", and for the school year
9 beginning July 1, 1982, the state percent of growth,
10 including the recomputations required under subsection
11 4, is seven percent".
12 2. Page 1, by striking lines 20 through 25 and
13 inserting in lieu thereof the following amendment:
14 "____. By striking page 2, line 29 through page
15 3, line 4."

H-3148 FILED FEBRUARY 24, 1981
RULED NOT GERMANE
MOTION TO SUSPEND RULES TO CONSIDER - ADOPTED
AMENDMENT ADOPTED (p 512)

BY DAGGETT of Taylor

HOUSE FILE 414

H-3147

1 Amend House File 414 as follows:

2 1. Page 7, by inserting after line 22 the following
3 sections:

4 "Sec. ____ . NEW SECTION. AUTHORIZATION--ELECTION-
5 -IMPOSITION AND REPEAL.

6 1. A city or a county may impose by ordinance
7 of the city council or resolution of the board of
8 supervisors local taxes, subject to this section.

9 2. A local tax shall be imposed only after an
10 election at which a majority of those voting on the
11 question favors imposition and shall then be imposed
12 for a minimum period of one year. If the tax is
13 imposed by a city, it shall only apply within the
14 corporate boundaries of that city and if imposed by
15 a county, it shall only apply to unincorporated areas
16 of that county, except that a local sales and services
17 tax imposed by a county shall apply to all incorporated
18 and unincorporated areas of the county.

19 3. A city council may direct the county
20 commissioner of elections to submit the question of
21 imposition of an authorized local tax, except a local
22 sales and services tax, to the qualified electors
23 of the city on its own motion and shall so direct
24 within sixty days, subject to subsection 8, of receipt
25 of a petition signed by eligible electors of the city
26 equal in number to five percent of the persons who
27 voted in the last preceding regular city election
28 requesting imposition of a specified type of authorized
29 local tax, except a local sales and services tax.

30 4. A county board of supervisors may direct the
31 county commissioner of elections to submit the question
32 of imposition of an authorized local tax, except a
33 local sales and services tax, to the qualified electors
34 of the unincorporated area of the county on its own
35 motion and shall so direct within sixty days, subject
36 to subsection 8, of receipt of a petition signed by
37 eligible electors of the unincorporated area of the
38 county equal in number to five percent of the persons
39 in the unincorporated area who voted at the last
40 preceding county general election requesting imposition
41 of a specified type of authorized local tax except
42 a local sales and services tax.

43 5. A county board of supervisors, subject to
44 subsection 8, shall direct within sixty days the
45 county commissioner of elections to submit the question
46 of imposition of a local sales and services tax to
47 the qualified electors of the incorporated and
48 unincorporated areas of the county upon receipt of
49 a petition signed by eligible electors of the whole
50 county equal in number to five percent of the persons

1 in the whole county who voted at the last preceding
2 county general election or signed by a majority of
3 the governing bodies of the county and cities located
4 within the county.

5 6. The county commissioner of elections shall
6 submit the question of imposition of a local tax at
7 a special election, a county general election or a
8 regular city election, as appropriate, which may not
9 be held sooner than sixty days after publication of
10 notice of the ballot proposition. The ballot
11 proposition shall specify the type and rate of tax
12 and the percent of the receipts which are to go for
13 property tax relief by means of additional homestead
14 credit. The percent of the tax receipts to go for
15 additional homestead credit shall be set by the
16 governing body of the city or county imposing the
17 tax and shall be at least twenty-five percent.

18 7. If a majority of those voting in a city or
19 county election favors imposition of a local tax,
20 the council of that city or board of supervisors of
21 the county, as applicable, shall impose the tax at
22 the rate specified.

23 8. If a majority of those voting in a city election
24 does not favor imposition of a local tax, the city
25 council shall not direct submission of the question
26 of imposition of the same type of local tax within
27 one year of the date of the election and if a majority
28 of those voting in a county election does not favor
29 the imposition of a local tax, the board of supervisors
30 shall not submit the question of imposition of the
31 same type of local tax within one year of the date
32 of the election.

33 9. More than one of the authorized local taxes
34 may be submitted at a single election and the votes
35 on the different taxes shall be separately implemented
36 as provided in this section if a majority of those
37 voting favors one and not another.

38 10. Local taxes authorized to be imposed are a
39 sales and services tax, a vehicle tax and an income
40 surtax. The rate of the taxes shall be one percent
41 for the sales and service tax, twenty-three percent
42 for the income surtax and the vehicle tax shall be
43 expressed as a dollar per axle in increments of one
44 dollar as specified on the ballot proposition.

45 11. Once imposed, a local tax shall be repealed
46 only after an election at which a majority of those
47 voting on the question favors repeal of the tax.
48 The procedures for the calling and holding of an
49 election to impose the local tax shall be followed
50 for the calling and holding of an election to repeal

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1 the local tax.

2 Sec. ____ . NEW SECTION. LOCAL SALES AND SERVICES
3 TAX. A local sales and services tax at the rate of
4 one percent may be imposed by a county on the gross
5 receipts taxed by the state under chapter 422, divi-
6 sion IV. A local sales and services tax shall be
7 imposed on the same basis as the state sales and
8 services tax and may not be imposed on the sale of
9 any property or on any service not taxed by the state.
10 A local sales and services tax is applicable to
11 transactions within the incorporated and unincorporated
12 area of the county where it is imposed and shall be
13 collected by all persons required to collect state
14 gross receipts taxes.

15 The amount of the sale, for purposes of determining
16 the amount of the local sales and services tax, does
17 not include the amount of any state gross receipts
18 taxes.

19 A tax permit other than the state tax permit
20 required under section 422.53 shall not be required
21 by local authorities.

22 Sec. ____ . NEW SECTION. ADMINISTRATION. A local
23 sales and services tax shall be imposed either January
24 1, April 1, July 1 or October 1 following the
25 notification of the director of revenue.

26 A local sales and services tax shall be repealed
27 only on March 31, June 30, September 30, or December
28 31. At least fifty-five days before the imposition
29 or repeal of the tax, a county shall provide notice
30 of the action by certified mail to the director of
31 revenue.

32 The director of revenue shall administer a local
33 sales and services tax as nearly as possible in con-
34 junction with the administration of state gross
35 receipts tax laws. The director shall provide
36 appropriate forms or provide on the regular state
37 tax forms for reporting local sales and services tax
38 liability.

39 The resolution of a county board of supervisors
40 imposing a local sales and services tax may adopt
41 by reference the applicable provisions of the
42 appropriate sections of chapter 422, division IV,
43 and all powers of the director to administer the state
44 gross receipts tax law are applicable to the
45 administration of a local sales and services tax law.
46 Local officials shall confer with the director of
47 revenue for assistance in drafting the resolution
48 imposing a local sales and services tax. A certified
49 copy of the resolution imposing a local sales and
50 services tax shall be filed with the director as soon

1 as possible after passage.

2 The director, in consultation with local officials,
3 shall collect and account for a local sales and
4 services tax. The director shall credit local sales
5 and services tax receipts to a "local sales and
6 services tax fund" established in the office of the
7 treasurer of state.

8 All local tax moneys received or refunded one
9 hundred eighty days or more after the date on which
10 the county repeals its local sales and services tax
11 shall be deposited in or withdrawn from the state
12 general fund.

13 Sec. ____ . NEW SECTION. PAYMENT TO LOCAL
14 GOVERNMENTS.

15 1. The treasurer of state shall credit the local
16 sales and services tax receipts from a county to the
17 county's account in the local sales and services tax
18 fund and shall remit at least quarterly, pursuant
19 to rules of the director of revenue, to each city
20 in the county a pro rata share of the county account,
21 based upon the percentage of the city's population
22 residing in the county to the total population of
23 the county, and shall remit at least quarterly to
24 the board of supervisors a pro rata share of the
25 county account based upon the percentage of population
26 in the county outside of cities, all according to
27 the population determined by the most recent certified
28 federal census.

29 2. During the quarter following the quarter at
30 the end of which the local sales and services tax
31 is repealed, the treasurer of state shall withhold
32 a percentage, as determined by the director of revenue,
33 of the local sales and services tax receipts credited
34 to each county account. The percentage shall be used
35 to refund to eligible retailers or taxpayers any local
36 sales and services tax paid to which the retailers
37 or taxpayers are entitled. The treasurer of state
38 shall withhold the percentage for one hundred eighty
39 days after the repeal of the local sales and services
40 tax and shall then remit the balance as provided in
41 subsection 1.

42 Sec. ____ . NEW SECTION. CITY PROPERTY TAX RELIEF.

43 1. Local sales and services tax moneys received
44 by a city may be expended for any lawful city purpose,
45 subject to the requirement for property tax relief.
46 The financial officer of the city shall deposit the
47 percent set by the board of supervisors and listed
48 on the ballot proposition of the local sales and
49 services tax moneys received in a special account
50 for property tax relief.

1 2. The moneys on deposit in the special account
2 on July 1 shall be used to provide a special homestead
3 tax credit as provided in this subsection for
4 homesteads which qualify for the homestead tax credit
5 to be received pursuant to section 425.1 in the fiscal
6 year. The county auditor shall, upon the request
7 of the financial officer of the city, certify to the
8 officer the number of homesteads within the limits
9 of the city and located within the county which has
10 imposed the sales and services tax which have qualified
11 for the homestead tax credit to be granted during
12 the fiscal year and a description of each qualified
13 homestead. The financial officer of the city shall
14 divide the total amount in the special account for
15 property tax relief on July 1 by the number of
16 qualified homesteads within the corporate limits of
17 the city and which are located in the county imposing
18 the local tax to determine the pro rata amount of
19 the special homestead tax credit to be granted to
20 each qualified homestead, except that a taxpayer shall
21 not receive credits in excess of the taxpayer's
22 property tax liability payable during the fiscal year.
23 Excess credit shall be credited proportionately to
24 the other qualified homesteads. The officer shall
25 remit the special homestead tax credit to each eligible
26 taxpayer in a manner as prescribed by resolution of
27 the city council. The credits shall be remitted not
28 later than September 1 each year.

29 Sec. . NEW SECTION. COUNTY PROPERTY TAX RELIEF.

30 1. All local sales and services tax moneys received
31 by a county may be expended, subject to the requirement
32 for property tax relief, for any lawful county
33 government purpose. The county treasurer shall deposit
34 the percent set by the board of supervisors and listed
35 on the ballot proposition of the local sales and
36 services tax moneys received in a special account
37 for property tax relief.

38 2. The moneys on deposit in the special account
39 on July 1 shall be used to provide a special homestead
40 tax credit for each homestead in the unincorporated
41 area of the county which qualifies for the homestead
42 tax credit to be received pursuant to section 425.1
43 in the fiscal year. The county auditor shall divide
44 the total amount in the special account for property
45 tax relief on July 1 by the number of homesteads
46 within the unincorporated area of the county qualified
47 to receive the homestead tax credit during the fiscal
48 year to determine the pro rata amount of the special
49 homestead tax credit to be granted to each qualified
50 homestead, except that a taxpayer shall not receive

1 credits in excess of the taxpayer's property tax lia-
2 bility payable during the fiscal year. Excess credit
3 shall be credited proportionately to the other
4 qualified homesteads. The county auditor shall remit
5 the special homestead tax credit to each eligible
6 taxpayer in a manner prescribed by resolution of the
7 board of supervisors. The credits shall be remitted
8 not later than September 1 each year.

9 Sec. ____ . NEW SECTION. LOCAL VEHICLE TAX. An
10 annual local vehicle tax at the dollar rate per axle
11 specified in the election may be imposed by a city
12 or county on every vehicle which is required to be
13 registered by the state and is registered to either
14 of the following:

15 1. A person residing within the city or
16 unincorporated area of the county where the tax is
17 imposed at the time of registration of the vehicle.

18 2. Any person, if the vehicle is usually kept,
19 garaged, or stored during the night and on weekends
20 and holidays within the limits of the city or
21 unincorporated area of a county where the tax is
22 imposed.

23 A person subject to tax under subsection 1 shall
24 receive a credit for tax paid for that year under
25 subsection 2.

26 For the purpose of the tax authorized by this
27 section, "person" means the same as defined in section
28 321.1, "vehicle" means any self-propelled vehicle
29 subject to registration under section 321.18, and
30 "axle" means the assembly of housing and axle shafts
31 which supports and propels either a pair of wheels
32 or one wheel only.

33 Sec. ____ . NEW SECTION. ADMINISTRATION. A local
34 vehicle tax shall be imposed January 1 immediately
35 following a favorable election and the repeal of the
36 tax shall be as of December 31.

37 Local officials shall confer with the director
38 of the department of transportation for assistance
39 in drafting the ordinance or resolution imposing a
40 local vehicle tax. A certified copy of the ordinance
41 or resolution imposing a local vehicle tax shall be
42 filed with the director as soon as possible after
43 passage. The director shall inform the appropriate
44 county treasurers and in cooperation with them shall
45 collect and account for all local vehicle taxes,
46 crediting local vehicle tax receipts to a "local
47 vehicle tax fund" established in the office of the
48 treasurer of state. From the local vehicle tax fund,
49 the treasurer of state shall remit annually at the
50 beginning of each fiscal year to each city and county

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1 which has imposed a local vehicle tax the amount.
2 collected as a result of its tax. Moneys received
3 by a city or county from this fund shall be credited
4 to the general fund of that city or county or shall
5 be credited to the street construction fund of that
6 city or the secondary road fund of that county.

7 Sec. ____ . NEW SECTION. PAYMENT. Taxpayers shall
8 pay a local vehicle tax to the county treasurer or
9 to the department of transportation at the time of
10 application for registration of the vehicle under
11 chapter 321. County treasurers and the department
12 of transportation shall require a person applying
13 for registration of a vehicle to state the person's
14 residence and where the vehicle is usually kept,
15 garaged, or stored during the night and on weekends
16 and holidays and shall not issue a state registration
17 certificate to the owner of a vehicle on which a local
18 vehicle tax is due until the local vehicle tax is
19 paid.

20 Payment of a local vehicle tax shall be evidenced
21 by a stamp on the state registration certificate and
22 by issuance of a sticker, decal, or tag. The director
23 of the department of transportation shall prescribe
24 by rule the form of the sticker, decal, or tag, a
25 reasonable method of prorating local vehicle taxes
26 on vehicles originally registered for part of a year
27 only and a reasonable method for refunding part of
28 local vehicle taxes when a refund of a state
29 registration fee is due under section 321.126.

30 Unpaid local vehicle taxes are a lien upon the
31 vehicle on which they are due. Penalties for late
32 payment which are comparable to the penalties for
33 late payment of state registration fees shall be
34 imposed by the ordinance or resolution imposing a
35 local vehicle tax. Willful violation of a local
36 vehicle tax ordinance or resolution is a simple
37 misdemeanor.

38 Sec. ____ . NEW SECTION. LOCAL INCOME SURTAX.
39 An annual local income surtax may be imposed by a
40 city or county on every resident taxpayer at the rate
41 of twenty-three percent applied to the taxpayer's
42 computed state individual income tax for the tax year.

43 For purposes of the local income surtax, "resident
44 taxpayer" means an individual taxpayer whose principal
45 place of residence is located in the city or
46 unincorporated area of the county where the tax is
47 imposed.

48 Sec. ____ . NEW SECTION. ADMINISTRATION. A local
49 income surtax shall be imposed January 1 and repeal
50 of the tax shall be as of December 31.

1 The director of revenue shall administer a local
2 income surtax as nearly as possible in conjunction
3 with the administration of state income tax laws.
4 The director shall provide appropriate forms, or
5 provide on the regular state tax forms, for reporting
6 local income surtax liability.

7 An ordinance of a city council or resolution of
8 a county board of supervisors imposing a local income
9 surtax may adopt by reference the applicable provisions
10 of the appropriate sections of chapter 422, division
11 II. All powers of the director and requirements of
12 the director in administering the state income tax
13 law apply to the administration of a local income
14 surtax, including but not limited to, powers to impose
15 interest and penalties and requirements for hearing
16 and appeal. Local officials shall confer with the
17 director of revenue and obtain the director's
18 assistance in drafting the ordinance or resolution
19 imposing a local income surtax. A certified copy
20 of the ordinance or resolution imposing a local income
21 surtax shall be filed with the director as soon as
22 possible after passage.

23 The director, in consultation with local officials,
24 shall collect and account for a local income surtax.
25 The director shall credit local income surtax receipts
26 to a "local income surtax fund" established in the
27 office of the treasurer of state.

28 Sec. ____ . NEW SECTION. PAYMENT TO LOCAL
29 GOVERNMENTS.

30 1. The treasurer of state shall remit on June
31 1 to each city and county which has imposed a local
32 income surtax the net amount collected as a result
33 of its surtax.

34 2. On June 1 of the year following the year at
35 the end of which a city or county's local income
36 surtax is repealed, the treasurer of state shall
37 withhold a percentage, as determined by the director
38 of revenue, of the local income surtax moneys to be
39 remitted to that city or county. The percentage
40 amount shall be used to refund to eligible taxpayers
41 local income surtax moneys paid to which the taxpayers
42 are entitled. The treasurer of state shall withhold
43 the percentage amount until June 1 of the following
44 year and shall then remit the balance to the city
45 or county. All income surtax moneys received or
46 refunded seventeen months or more after the city or
47 county repeals its income surtax shall be deposited
48 in or withdrawn from the state general fund.

49 Sec. ____ . NEW SECTION. CITY PROPERTY TAX RELIEF.
50 1. Local income surtax moneys received by a city

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1 may be expended for any lawful city purpose, subject
2 to the requirement for property tax relief. The
3 financial officer of the city shall deposit the percent
4 set by the governing body and listed on the ballot
5 proposition of the local income surtax moneys received
6 in a special account for property tax relief.

7 2. The moneys on deposit in the special account
8 on July 1 shall be used to provide a special homestead
9 tax credit for each homestead which qualifies for
10 the homestead tax credit to be received pursuant to
11 section 425.1 in the fiscal year. The county auditor
12 shall, upon the request of the financial officer of
13 the city, certify to the officer the number of
14 homesteads within the limits of the city which have
15 qualified to receive the homestead tax credit during
16 the fiscal year and a description of each qualified
17 homestead. The financial officer of the city shall
18 divide the total amount in the special account for
19 property tax relief on July 1 by the number of
20 qualified homesteads within the corporate limits of
21 the city to determine the pro rata amount of the
22 special homestead tax credit to be granted to each
23 qualified homestead, except that a taxpayer shall
24 not receive credits in excess of the taxpayer's
25 property tax liability payable during the fiscal year.
26 Excess credit shall be credited proportionately to
27 the other qualified homesteads. The officer shall
28 remit the special homestead tax credit to each eligible
29 taxpayer in a manner as prescribed by resolution of
30 the city council. The credits shall be remitted not
31 later than September 1 each year.

32 Sec. ____ . NEW SECTION. COUNTY PROPERTY TAX RE-
33 LIEF.

34 1. All local income surtax moneys received by
35 a county may be expended, subject to the requirement
36 for property tax relief, for any lawful county
37 government purpose. The county treasurer shall deposit
38 the percent set by the board of supervisors and listed
39 on the ballot proposition of the local income surtax
40 moneys received in a special account for property
41 tax relief.

42 2. The moneys on deposit in the special account
43 on July 1 shall be used to provide a special homestead
44 tax credit for each homestead in the unincorporated
45 area of the county which qualifies for the homestead
46 tax credit to be received pursuant to section 425.1
47 in the fiscal year. The county auditor shall divide
48 the total amount in the special account for property
49 tax relief on July 1 by the number of homesteads
50 within the unincorporated area of the county qualified

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1 to receive the homestead credit during the fiscal
2 year to determine the pro rata amount of the special
3 homestead tax credit to be granted to each qualified
4 homestead, except that a taxpayer shall not receive
5 credits in excess of the taxpayer's property tax
6 liability payable during the fiscal year. Excess
7 credit shall be credited proportionately to the other
8 qualified homesteads. The county auditor shall remit
9 the special homestead tax credit to each eligible
10 taxpayer in a manner prescribed by resolution of the
11 board of supervisors. The credit shall be remitted
12 not later than September 1 each year.

13 Sec. ____ . Section 321.30, Code 1981, is amended
14 by adding the following new subsection:

15 NEW SUBSECTION. If any local vehicle taxes due
16 have not been paid.

17 Sec. ____ . Section 321.130, Code 1981, is amended
18 to read as follows:

19 321.130 FEES IN LIEU OF TAXES. The registration
20 fees imposed by this chapter upon private passenger
21 motor vehicles or semitrailers ~~shall-be~~ are in lieu
22 of all state taxes, general or and local personal
23 property taxes based upon assessed valuation, to which
24 motor vehicles or semitrailers ~~may-be~~ are subject,
25 and if a motor vehicle or semitrailer ~~shall-have~~ has
26 been registered at any time under this chapter it
27 ~~shall~~ is not thereafter be subject to a personal
28 property tax based upon assessed valuation, unless
29 ~~such the~~ the motor vehicle or semitrailer ~~shall-have~~ has
30 been in storage continuously as an unregistered motor
31 vehicle or semitrailer during the preceding
32 registration year.

33 Sec. ____ . Section 422.72, subsection 1, Code 1981,
34 is amended to read as follows:

35 1. It is unlawful for the director, or any per-
36 son having an administrative duty under this chapter,
37 or any present or former officer or other employee
38 of the state authorized by the director to examine
39 returns, to divulge in any manner whatever, the
40 business affairs, operations, or information obtained
41 by an investigation under this chapter of records
42 and equipment of any person visited or examined in
43 the discharge of official duty, or the amount or
44 source of income, profits, losses, expenditures or
45 any particular thereof, set forth or disclosed in
46 any return, or to permit any return or copy of a
47 return or any book containing any abstract or
48 particulars thereof to be seen or examined by any
49 person except as provided by law. However, the
50 director may authorize examination of such state

1 returns and other state information which is
 2 confidential under this section, if a reciprocal
 3 arrangement exists, by tax officers of another state
 4 or the federal government. The director may, by rules
 5 adopted pursuant to chapter 17A, authorize examination
 6 of state information and returns by other officers
 7 or employees of this state or by Iowa city or county
 8 officials, if the city or county has imposed a local
 9 tax, to the extent required by their official duties
 10 and responsibilities. Disclosure of state information
 11 to tax officers of another state is limited to
 12 disclosures which have a tax administrative purpose
 13 and only to officers of those states which have laws
 14 that are as strict as the laws of this state protecting
 15 the confidentiality of returns and information. The
 16 director shall place upon the state tax form a notice
 17 to the taxpayer that state tax information may be
 18 disclosed to tax officials of another state or of
 19 the United States for tax administrative purposes.
 20 The department shall not authorize the examination
 21 of tax information by officers and employees of this
 22 state, another state, or by Iowa city or county
 23 officials, if the city or county has imposed a local
 24 tax, or of the United States if the officers or
 25 employees would otherwise be required to obtain a
 26 judicial order to examine the information if it were
 27 to be obtained from another source, and if the purpose
 28 of the examination is other than for tax
 29 administration. However, the director of revenue
 30 may provide sample individual income tax information
 31 to be used for statistical purposes to the legislative
 32 fiscal bureau. The information shall not include
 33 the name or mailing address of the taxpayer or the
 34 taxpayer's social security number. Any information
 35 contained in an individual income tax return which
 36 is provided by the director shall only be used as
 37 a part of a data base which contains similar
 38 information from a number of returns. The legislative
 39 fiscal bureau shall not have access to the income
 40 tax returns of individuals. Each request for
 41 individual income tax information shall contain a
 42 statement by the director of the legislative fiscal
 43 bureau that the individual income tax information
 44 received by the bureau shall be used solely for
 45 statistical purposes. This subsection does not prevent
 46 the department from authorizing the examination of
 47 state returns and state information under the
 48 ~~provisions~~ of section 252B.9. This subsection prevails
 49 over any general law of this state relating to public
 50 records."

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- 1 2. By numbering and renumbering sections as
- 2 necessary.

BY O'KANE of Woodbury
 PAVICH of Pottawattamie
 STURGEON of Woodbury
 HOWELL of Floyd

H-3147 FILED
 FEBRUARY 23, 1981

Revised not germane 2/25 (p. 552) Remaining of Law 2/25

HOUSE FILE 414

H-3153

1 Amend H-3123, filed to House File 414 as follows:

2 1. Page 1, by inserting after line 9 the following
3 amendments:

4 "____. Page 1, by inserting after line 14 the
5 following section:

6 "Sec. _____. Section 442.2, subsection 1, Code 1981,
7 is amended by striking the subsection and inserting
8 in lieu thereof the following:

9 1. For the school year beginning July 1, 1981,
10 each school district shall cause to be levied, for
11 the school general fund, a foundation property tax
12 on all taxable property in the district in an amount
13 set by the state comptroller not later than March
14 15, 1981. The state comptroller shall determine the
15 foundation property tax levy using a state foundation
16 base of ninety percent of the state cost per pupil,
17 allowable growth computed under section 442.7, and
18 state aid paid under section 442.26 of six hundred
19 twenty million dollars. For each succeeding school
20 year, the foundation property tax shall be equal to
21 the foundation property tax set by the state
22 comptroller in this section."

23 _____. Page 1, by striking lines 15 through 29 and
24 inserting in lieu thereof the following:

25 "Sec. _____. Section 442.3, Code 1981, is amended
26 by striking the section and inserting in lieu thereof
27 the following:

28 442.3 STATE FOUNDATION BASE. For the school year
29 beginning July 1, 1981 and succeeding school years,
30 the state foundation base is ninety percent of the
31 state cost per pupil.""

32 2. Page 1, by striking lines 18 through 25 and
33 inserting in lieu thereof the following amendment.

34 "____. By striking page 2, line 23 through page
35 3, line 4."

36 3. By numbering and renumbering sections as
37 necessary.

H-3153 FILED FEBRUARY 24, 1981 LOST BY RAPP of Black Hawk

Loss 2/24 (p. 506)

HOUSE FILE 414

H-3150

1 Amend H-3123, filed to House File 414, as follows:
2 1. Page 3, line 47, by inserting after the figure
3 "1981." the words "However, if the amount of state
4 aid and property tax revenues available to a school
5 district for the school year beginning July 1, 1981
6 will cause the closing of a school building or the
7 reorganization of the school district, as determined
8 by the state board of public instruction, the board
9 of directors of the school district may vote to impose
10 the supplemental school income surtax provided in
11 this section without calling a special election."

H-3150 FILED FEBRUARY 24, 1981 BY HORN of Linn

Lost 2/25 (p. 531)

HOUSE FILE 414

H-3151

1 Amend H-3123, filed to House File 414, as follows:
2 1. Page 3, by striking lines 21 and 22 and in-
3 serting in lieu thereof the following: "Funds shall
4 be".

H-3151 FILED FEBRUARY 24, 1981 BY HORN of Linn

Lost 2/25 (p. 531)

HOUSE FILE 414

H-3152

1 Amend Amendment H-3145, to House File 414, as
2 follows:
3 1. On Page 1, by striking lines 19 through 25,
4 and inserting in lieu thereof "aid. The payments
5 are miscellaneous income."

H-3152 FILED FEBRUARY 24, 1981 BY BRANDT of Black Hawk

Adopted 2/25 (p. 546)

HOUSE FILE 414

H-3161

1 Amend H-3146, filed to House File 414 as follows:

2 1. Page 1, by inserting after line 47 the
3 following:

4 "For the school year beginning July 1, 1982 and each
5 school year thereafter, on or before February 15 of the
6 base year, the department of public instruction shall
7 determine if transportation costs in this state have
8 increased at a percent greater than the state percent
9 of growth based upon transportation reports filed by
10 school districts for the year preceding the base year
11 and other information relating to transportation costs
12 that the department deems appropriate. If the increase
13 in state transportation costs has been greater than the
14 state percent of growth, the department of public
15 instruction shall inform the state comptroller of the
16 percent of increase and the state comptroller shall
17 use the percent of increase of state transportation costs
18 instead of the state percent of growth when computing
19 the transportation allowable growth for a budget year."

H-3161 FILED FEBRUARY 25, 1981 BY CONNOLLY of Dubuque
ADOPTED (p. 537)

HOUSE FILE 414

H-3155

- 1 Amend H-3123, filed to House File 414, as follows:
- 2 1. Page 2, by inserting after line 14 the following
- 3 amendments:
- 4 "___". Page 4, line 20, by striking the figure
- 5 "1980" and inserting in lieu thereof the figure "1981".
- 6 ___". Page 4, by striking lines 26 through 33 and
- 7 inserting in lieu thereof the following:
- 8 "~~Each-year-subsequent-to~~ For the school year
- 9 beginning July 1, ~~1980~~ 1981, the total amount to be
- 10 funded for media services, including the costs for
- 11 media resource material which shall only be used for
- 12 the purchase or replacement of material required in
- 13 section 273.6, subsection 1, paragraphs "a", "b",
- 14 and "c", shall be equal to the budget in the base
- 15 year in the area times the sum of one hundred percent
- 16 plus the state percent of growth."
- 17 2. Page 2, line 18, by striking the figure "1981"
- 18 and inserting in lieu thereof the figure "1982".
- 19 3. Page 2, line 22, by striking the figure "1981"
- 20 and inserting in lieu thereof the figure "1982".
- 21 4. Page 2, line 33, by striking the figure "1981"
- 22 and inserting in lieu thereof the figure "1982".
- 23 5. Page 2, by inserting after line 44 the following
- 24 amendment:
- 25 "___". Page 5, line 19, by inserting after the
- 26 word "growth." the following: "For the school year
- 27 beginning July 1, 1981, the total amount funded in
- 28 each area for educational services is the total amount
- 29 funded in the area for educational services in the
- 30 base year."
- 31 6. Page 2, line 48, by striking the figure "1981"
- 32 and inserting in lieu thereof the figure "1982".
- 33 7. Page 3, line 2, by striking the figure "1981"
- 34 and inserting in lieu thereof the figure "1982".
- 35 8. Page 3, line 10, by striking the figure "1981"
- 36 and inserting in lieu thereof the figure "1982".
- 37 9. Page 3, by striking lines 21 and 22 and
- 38 inserting in lieu thereof the words "Funds shall be".
- 39 10. Page 3, by inserting after line 24 the
- 40 following amendment:
- 41 "___". Page 5, line 33, by striking the figure
- 42 "1981" and inserting in lieu thereof the figure
- 43 "1982"."
- 44 11. Page 3, line 29, by striking the figure "1981"
- 45 and inserting in lieu thereof the figure "1982".
- 46 12. Page 3, by inserting after line 33 the
- 47 following amendment:
- 48 "___". Page 6, line 18, by striking the figure
- 49 "1981" and inserting in lieu thereof the figure "1982"."

REQUESTED BY SENATOR GRATIAS

In compliance with a written request there is hereby submitted a Fiscal Note for HOUSE FILE 414 pursuant to Joint Rule 16.

H.F. 414, An Act relating to funds available to school districts, including authorizing the levy of a tax for cash reserve and including the computation of state school foundation aid, and providing that the Act takes effect upon its publication.

This bill would modify the existing law (Chapter 442) relating to funding for local schools under the state foundation plan as follows:

- The state foundation base for fiscal years 1982 and 1983 would be 77% and 77% rather than 78% and 79%.
 - The local district's guarantee for budget growth for fiscal years 1982 and 1983 would be 103% and 100% rather than 103% and 0.
 - The state percent of growth for fiscal year 1982 is fixed at 5% rather than 9.026%; the state percent of growth for fiscal year 1983 will be fixed at 7% rather than 5.4%.
 - Funding for FY 1982 for AEA support services would be frozen at the 1980-81 per pupil cost rather than the per pupil cost being increased at the state percent of growth (9.026%). Per pupil funding for FY 1983 would increase at the state percent of growth of 7%--For FY 1982 the allowable growth for AEA Educational Services would be frozen.
 - Funding for AEA Educational Services in FY 1983 would be changed from "budget to budget" to "budget to enrollment." The per pupil funding for educational services would increase at the state percent of growth of 7%.
 - Funding for AEA Media Services in FY 1983 would be changed from "budget to budget" to "budget to enrollment." The FY 1982 budget would increase by 5%. For FY 1983 the state per pupil cost would increase by 7%.
- A cash reserve levy of 7.5% applied against total school district expenditures including estimated salaries encumbered for July and August would be allowed for fiscal year 1982.
- A surtax on taxable income within the district would be allowed to generate funds to offset the controlled budget difference between 9.026% state percent of growth and 5% state percent of growth.

The estimated fiscal impact of H.F. 414 compares against the school foundation plan as provided in current law is as follows:

	Fiscal Year 1981-82		Fiscal Year 1982-83	
	H.F. 414	Current Law	H.F. 414	Current Law
State Aid	\$ 622 M	665 M	645 M	694 M
Uniform Levy	317 M	317 M	334 M	334 M
Add'l. Property Tax	316 M	315 M	326 M	311 M
Controlled Budget	\$ 1,255 M	1,297 M	1,305 M	1,339 M
AEA Funding				
Support Services	\$ 53 M	57 M	55 M	59 M
Media & Ed. Services	20 M	21 M	21 M	22 M
State % Growth	5%	9.026%	7%	5.4%
Foundation Level	77%	77%	78%	79%
Guarantee	103%	103%	100%	0

Cash Reserve Levy

The maximum theoretical funds to be generated by all districts from the cash cash reserve levy is estimated at \$60,000,000.

HOUSE FILE 414
FISCAL NOTE

REQUESTED BY SENATOR BROWN

In compliance with a written request there is hereby submitted a Fiscal Note for Amendment S-3156 to House File 414 pursuant to Joint Rule 16.

Amendment S-3156 to H.F. 414, as passed by the House, would provide the following changes to the bill.

- The state foundation base for fiscal years 1982 and 1983 would be 77½% and 77½% rather than 77% and 77%.
- The state percent of growth for fiscal year 1982 is fixed at 7½% rather than 5%; the state percent of growth for fiscal year 1983 would be fixed at 7% as provided in H.F. 414.

The estimated fiscal impact of S-3156 compared to H.F. 414 is as follows:

	<u>Fiscal Year 1981-82</u>		<u>Fiscal Year 1982-83</u>	
	<u>S-3156 to H.F. 414</u>	<u>H.F. 414</u>	<u>S-3156 to H.F. 414</u>	<u>H.F. 414</u>
State Aid	\$ 641 M	622 M	668 M	645 M
Uniform Levy	317 M	317 M	334 M	334 M
Add'l. Property Tax	<u>321 M</u>	<u>316 M</u>	<u>339 M</u>	<u>326 M</u>
Controlled Budget	\$ 1,279 M	1,255 M	1,341 M	1,305 M
AEA Funding				
Support Services	52 M	53 M	55 M	55 M
Media & Ed. Services	20 M	20 M	21 M	21 M
State % Growth	7½%	5%	7%	7%
Foundation Level	77½%	77%	77½%	77%
Guarantee	103%	103%	100%	100%

FILED
MARCH 11, 1981

BY GERRY S. RANKIN, DIRECTOR
LEGISLATIVE FISCAL BUREAU

Education
Gratias, Chairperson
Carney
Brown
Jensen
Small

HOUSE FILE

414

BY COMMITTEE ON EDUCATION

(As Amended and Passed by the House)

Passed House, Date 2-25-81 (p. 560) Passed Senate, Date 5-12-81 (p. 755)

Vote: Ayes 55 Nays 45 Vote: Ayes 27 Nays 23

Approved March 23, 1981

A BILL FOR

1 An Act relating to funds available to school districts,
2 including authorizing the levy of a tax for cash
3 reserve, and the imposition of an income surtax
4 retroactive to January 1, 1981, and including the
5 computation of state school foundation aid, and
6 providing that the Act takes effect upon its
7 publication.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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COMMUNICATION FROM SECRETARY OF STATE

April 8, 1981

Pat H. Harper
Chief Clerk of the House
State Capitol Building
LOCAL

I hereby certify that House File 414 was published in the Lenox Time-Table,
Lenox, Iowa on April 1, 1981 and in The Republic Appeal, Albert City, Iowa on April 2,
1981.

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Respectfully submitted,

MARY JANE ODELL
Secretary of State

1 Section 1. Chapter 298, Code 1981, is amended by adding
2 the following new section:

3 NEW SECTION. LEVY FOR CASH RESERVE. If a school district
4 has a cash reserve of less than seven and five-tenths percent
5 of its total district expenditures for a school year remaining
6 on June 30 of that school year, including salaries encumbered
7 under contract for the next following July and August, the
8 board of directors may certify for levy by the following March
9 15, a tax on taxable property in the school district at a
10 rate that will provide a cash reserve, pursuant to section
11 8.6, subsection 4, paragraph c, of not to exceed the seven
12 and five-tenths percent amount. The tax levy authorized in
13 this subsection is in addition to any other tax levy authorized
14 for a school district.

15 Sec. 2. Section 442.3, Code 1981, is amended to read as
16 follows:

17 442.3 STATE FOUNDATION BASE. The state foundation base
18 for the school year beginning July 1, 1972, is seventy percent
19 of the state cost per pupil. For each succeeding school year
20 the state foundation base shall be increased by the amount
21 of one percent of the state cost per pupil, up to a maximum
22 of eighty percent of the state cost per pupil. However, for
23 the school year years beginning July 1, 1980, July 1, 1981,
24 and July 1, 1982, the state foundation base shall be the same
25 as the state foundation base for the school year beginning
26 July 1, 1979. The district foundation base is the larger
27 of the state foundation base or the amount per pupil which
28 the district will receive from foundation property tax and
29 state school foundation aid.

30 Sec. 3. Section 442.4, subsection 1, unnumbered paragraph
31 5, Code 1981, is amended to read as follows:

32 A school district shall certify its basic enrollment to
33 the department of public instruction by September 25 of each
34 year, and the department shall promptly forward the information
35 to the state comptroller. For purposes of determining whether

1 a district is entitled to an advance for increasing enrollment
2 a determination of actual enrollment shall be made on the
3 second Friday of September in the budget year by counting
4 the pupils in the same manner and to the same extent that
5 they are counted in determining basic enrollment, but
6 substituting the count in the budget year for the count in
7 the base year. In addition, a school district shall determine
8 its additional enrollment because of special education defined
9 in section 442.38, on December 1 of each year and if the
10 district is entitled to an advance or reduction for special
11 education, it shall certify its additional enrollment because
12 of special education to the department of public instruction
13 by December 15 of each year, and the department shall promptly
14 forward the information to the state comptroller.

15 Sec. 4. Section 442.4, subsection 4, Code 1981, is amended
16 to read as follows:

17 4. For the school years beginning July 1, 1980, and July
18 1, 1981, and July 1, 1982 only, if an amount equal to the
19 district cost per pupil for the budget year minus the amount
20 included in the district cost per pupil for the budget year
21 to compensate for the cost of special education support
22 services for a school district times the budget enrollment
23 of the school district for the budget year is less than one
24 hundred four percent for the budget school year beginning
25 July 1, 1980, and one hundred three percent for the budget
26 school year beginning July 1, 1981, and one hundred percent
27 for the budget school year beginning July 1, 1982, times an
28 amount equal to the district cost per pupil for the base year
29 minus the amount included in the district cost per pupil for
30 the base year to compensate for the cost of special education
31 support services for a school district times the adjusted
32 enrollment of the school district for the base year beginning
33 July 1, 1979 or times the budget enrollment of the school
34 district for the base year beginning July 1, 1980 or July
35 1, 1981, the state comptroller shall increase the budget

1 enrollment for the school district for the budget year to
2 a number which will provide that one hundred four percent
3 amount for the budget school year beginning July 1, 1980,
4 and that one hundred three percent amount for the budget
5 school year beginning July 1, 1981, and that one hundred
6 percent amount for the budget school year beginning July 1,
7 1982.

8 Sec. 5. Section 442.7, Code 1981, is amended by adding
9 the following new subsection after subsection 4:

10 NEW SUBSECTION. Notwithstanding subsections 1 through
11 4, for the school year beginning July 1, 1981, the state
12 percent of growth, including the recomputations required under
13 subsection 4, is five percent, and for the school year
14 beginning July 1, 1982, the state percent of growth, including
15 the recomputations required under subsection 4, is seven
16 percent.

17 Sec. 6. Section 442.7, subsection 6, Code 1981, is amended
18 by adding the following new paragraphs:

19 NEW PARAGRAPH. For the school year beginning July 1, 1981
20 and succeeding school years, the amount included in the
21 district cost per pupil in weighted enrollment for special
22 education support services costs for each district in an area
23 education agency for a budget year is the amount included
24 in the district cost per pupil in weighted enrollment for
25 special education support services costs in the base year
26 plus the allowable growth added to state cost per pupil for
27 special education support services costs for the budget year.
28 Funds shall be paid to area education agencies as provided
29 in section 442.25.

30 NEW PARAGRAPH. For the school year beginning July 1, 1981
31 and succeeding school years, the state board of public
32 instruction may direct the state comptroller to reduce the
33 allowable growth added to district cost per pupil in weighted
34 enrollment for a budget year for special education support
35 services costs in an area education agency in the base year

1 based upon special education support services needs in the
2 area.

3 Sec. 7. Section 442.7, Code 1981, is amended by adding
4 the following new subsection after subsection 6:

5 NEW SUBSECTION. For the school year beginning July 1,
6 1981 and succeeding school years, the allowable growth added
7 to state cost per pupil for special education support services
8 costs is the amount included in state cost per pupil for
9 special education support services costs for the base year
10 times the state percent of growth for the budget year.

11 However, for the school year beginning July 1, 1981, no
12 allowable growth shall be added, except as provided under
13 subsection 7.

14 Sec. 8. Section 442.25, Code 1981, is amended to read
15 as follows:

16 442.25 SPECIAL-EDUCATION-SUPPORT-SERVICES AREA EDUCATION

17 AGENCY PAYMENTS. The state comptroller shall deduct the
18 amounts calculated for special education support services,
19 media services, and educational services for each school
20 district from the state aid due to the district pursuant to
21 this chapter and shall pay the amounts to the respective area
22 education agencies on a quarterly basis during each school
23 year. The state comptroller shall notify each school district
24 of the amount of state aid deducted for this-purpose these
25 purposes and the balance of state aid shall be paid to the
26 district. If a district does not qualify for state aid under
27 this chapter in an amount sufficient to cover its amount due
28 to the area education agency as calculated by the state
29 comptroller, the school district shall pay the deficiency
30 to the area education agency from other moneys received by
31 the district, on a quarterly basis during each school year.

32 Sec. 9. Section 442.27, subsection 2, Code 1981, is amended
33 to read as follows:

34 2. For the school year beginning July 1, 1978 and each
35 succeeding budget year through the budget year beginning July

1 1, 1981, the total amount funded for each area for media
2 services excluding the cost for media resource material shall
3 be the total amount funded in the area for media service in
4 the base year times the sum of one hundred percent plus the
5 state percent of growth plus the costs for media resource
6 material for the budget year.

7 Each-year-subsequent-to For the school year beginning July
8 1, 1980 1981, the total amount to be funded for media services,
9 including the costs for media resource material which shall
10 only be used for the purchase or replacement of material
11 required in section 273.6, subsection 1, paragraphs "a", "b",
12 and "c", shall be equal to the budget in the base year in
13 the area times the sum of one hundred percent plus the state
14 percent of growth.

15 Sec. 10. Section 442.27, Code 1981, is amended by adding
16 the following new subsection after subsection 3:

17 NEW SUBSECTION. For the school year beginning July 1,
18 1982 and succeeding school years, the total amount funded
19 in each area for media services in the budget year shall be
20 computed as provided in this subsection. For the school year
21 beginning July 1, 1982, the total amount funded in each area
22 for media services in the base year, including the cost for
23 media resource material which shall only be used for the
24 purchase or replacement of material required in section 273.6,
25 subsection 1, paragraphs a, b, and c, shall be divided by
26 the enrollment served in the base year to provide an area
27 media services cost per pupil in the base year, and the state
28 comptroller shall compute the state media services cost per
29 pupil in the base year which is equal to the average of the
30 area media services costs per pupil in the base year. For
31 the year beginning July 1, 1982 and succeeding school years,
32 the state comptroller shall compute the allowable growth for
33 media services in the budget year by multiplying the state
34 media services cost per pupil in the base year times the state
35 percent of growth for the budget year, and the total amount

1 funded in each area for media services cost in the budget
2 year equals the area media services cost per pupil in the
3 base year plus the allowable growth for media services in
4 the budget year times the enrollment served in the budget
5 year. Funds shall be paid to area education agencies as
6 provided to section 442.25.

7 Sec. 11. Section 442.27, subsection 5, Code 1981, is
8 amended to read as follows:

9 5. For each succeeding budget year through the budget
10 year beginning July 1, 1980, the total amount funded in each
11 area for educational services shall be the total amount funded
12 in the area for educational services in the base year times
13 the sum of one hundred percent plus the state percent of
14 growth. For the school year beginning July 1, 1981, the total
15 amount funded in each area for educational services is the
16 total amount funded in the area for educational services in
17 the base year.

18 Sec. 12. Section 442.27, Code 1981, is amended by adding
19 the following new subsection after subsection 5:

20 NEW SUBSECTION. For the school year beginning July 1,
21 1982 and succeeding school years, the total amount funded
22 in each area for educational services in the budget year shall
23 be computed as provided in this subsection. For the school
24 year beginning July 1, 1982, the total amount funded in each
25 area for educational services in the base year shall be divided
26 by the enrollment served in the area in the base year to
27 provide an area educational services cost per pupil in the
28 base year, and the state comptroller shall compute the state
29 educational services cost per pupil in the base year, which
30 is equal to the average of the area educational services costs
31 per pupil in the base year. For the year beginning July 1,
32 1982 and succeeding school years, the state comptroller shall
33 compute the allowable growth for educational services by
34 multiplying the state educational services cost per pupil
35 in the base year times the state percent of growth for the

1 budget year, and the total amount funded in each area for
2 educational services for the budget year equals the area
3 educational services cost per pupil for the base year plus
4 the allowable growth for educational services in the budget
5 year times the enrollment served in the area in the budget
6 year. Funds shall be paid to area education agencies as
7 provided in section 442.25.

8 Sec. 13. Section 442.27, subsection 6, Code 1981, is
9 amended to read as follows:

10 6. Of For school years prior to the school year beginning
11 July 1, 1982, of the total amounts funded in each area each
12 year for media services and educational services, a portion
13 shall be allocated to each district in the area. The portion
14 to be allocated to each district in an area shall be the same
15 percentage of the total amount that the enrollment served
16 in the budget year in the district is of the enrollment served
17 in the budget year in the area.

18 Sec. 14. Section 442.27, subsection 7, Code 1981, is
19 amended to read as follows:

20 7. The For school years prior to the school year beginning
21 July 1, 1982, the portion allocated to each district in an
22 area each budget year for media services and educational
23 services shall be added to the district cost of that district
24 for the budget year as provided in section 442.9.

25 Sec. 15. Section 442.27, subsection 8, Code 1981, is
26 amended to read as follows:

27 8. The For school years prior to the school year beginning
28 July 1, 1982, the state board of public instruction and the
29 state comptroller shall determine the total amounts funded
30 in each area for media services and educational services each
31 year, and the amounts to be allocated to each district. The
32 state comptroller shall deduct the amounts so calculated for
33 each school district from the state aid due to the district
34 pursuant to this chapter and shall pay the amounts to the
35 districts' area education agencies on a quarterly basis during

1 each school year. The state comptroller shall notify each
2 school district the amount of state aid deducted for this
3 purpose and the balance which will be paid to the district.
4 If a district does not qualify for state aid under this chapter
5 in an amount sufficient to cover the amount due to its area
6 education agency as calculated by the state comptroller, the
7 school district shall pay the deficiency to its area education
8 agency from other moneys received by the district, on a
9 quarterly basis during each school year.

10 Sec. 16. Chapter 442, Code 1981, is amended by adding
11 the following new section after section 442.38:

12 NEW SECTION. REDUCTION FOR ENROLLMENT LOSS. For the
13 school year beginning July 1, 1981 and succeeding school
14 years, if a school district's additional enrollment because
15 of special education determined by the district on December
16 1 in the budget year is less than its additional enrollment
17 because of special education determined by the district on
18 December 1 in the base year, the state aid payments to the
19 school district shall be reduced by an amount equal to its
20 district cost per pupil for the budget year less the amount
21 included in district cost per pupil for special education
22 support services for the budget year multiplied by the
23 district's decrease in additional enrollment because of special
24 education. A district's additional enrollment because of
25 special education shall be computed as provided in section
26 442.38.

27 If a district has a reduction under this section for a
28 budget year, the state comptroller shall determine the amount
29 of the reduction which would have been local property tax
30 revenues if the additional enrollment because of special
31 education in the budget year had been used for that budget
32 year in determining district cost and shall increase the
33 district's total state school aids available under this chapter
34 for the next following budget year by the amount so determined,
35 and shall reduce the district's tax levy computed under section

1 442.9, for the next following budget year by the amount
2 necessary to compensate for the increase in state aid, so
3 that the local property tax for the next following year will
4 be reduced only by the amount which it would have been reduced
5 in the budget year if the additional enrollment because of
6 special education in the budget year could have been used
7 to establish the levy.

8 Sec. 17. Chapter 442, Code 1981, is amended by adding
9 the following new section:

10 NEW SECTION. SUPPLEMENTAL SCHOOL INCOME SURTAX.

11 1. For the budget school year beginning July 1, 1981,
12 if the board of a school district wishes to spend more than
13 the amount permitted under sections 442.1 through 442.13,
14 the board may call a special election to determine whether
15 to impose a supplemental school income surtax on individual
16 state income tax for the calendar year beginning January 1,
17 1981. The supplemental school income surtax for the school
18 district shall not exceed an amount equal to the difference
19 between the portion of district cost of the district
20 attributable to regular program costs for the school year
21 beginning July 1, 1981 if the state percent of growth had
22 been nine and twenty-six thousandths percent and the portion
23 of the actual district cost of the district attributable to
24 regular program costs for the school year beginning July 1,
25 1981. Any income derived from the supplemental school income
26 surtax is miscellaneous income.

27 2. The board shall determine the amount needed, within
28 the limits of this section, and shall set the date of a special
29 election, which shall not be later than July 1, 1981. The
30 board shall direct the county commissioner of elections to
31 submit the question of whether to raise that amount to the
32 qualified electors of the school district. If a majority
33 of those voting on the proposition at the special election
34 favours the imposition of the supplemental school income surtax,
35 the board may amend its certified budget to include the amount

1 imposed.

2 3. Following approval at the special election, the board
3 shall certify to the state comptroller that the required
4 procedures have been carried out and the state comptroller
5 shall establish the amount of supplemental school income
6 surtax to be imposed based upon the most recent figures
7 available for the district's individual state income tax paid.
8 The state comptroller shall certify to the director of revenue
9 the amount of supplemental school income surtax to be imposed.

10 The supplemental school income surtax shall be imposed
11 on the state individual income tax for the calendar year
12 beginning January 1, 1981, or for a taxpayer's fiscal year
13 ending during the second half of that calendar year or the
14 first half of the succeeding calendar year, and shall be
15 imposed on all individuals residing in the school district
16 on the last day of the applicable tax year. As used in this
17 section, "state individual income tax" means the tax computed
18 under section 422.5, less the deductions allowed in section
19 422.12.

20 4. Sections 442.16, 442.17, 442.19, and 442.20 apply to
21 the supplemental school income surtax established in this
22 section. The director of revenue shall deposit all moneys
23 received as supplemental school income surtax to the credit
24 of each district from which the moneys are received, in a
25 "supplemental school income surtax fund" which is established
26 in the office of the treasurer of state.

27 5. This section takes effect retroactive to January 1,
28 1981.

29 Sec. 18. Notwithstanding section 24.14, and notwithstanding
30 the March 15 certification date in section 1 of this Act,
31 for the school year beginning July 1, 1981, the board of
32 directors of a school district may direct the state comptroller
33 not later than April 15, 1981 to provide for the tax levy
34 for the cash reserve in section 1 of this Act.

35 Sec. 19. This Act, being deemed of immediate importance,

4/1/21

1 takes effect from and after its publication in the Lenox Time-
2 Table, a newspaper published in Lenox, Iowa, and in The
3 Republic Appeal, a newspaper published in Albert
4 City, Iowa.

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HOUSE FILE 414

S-3154

1 Amend House File 414, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 1, by striking lines 23 and 24 and
4 inserting in lieu thereof the words and figures "the
5 school year beginning July 1, 1980, the state
6 foundation base shall be the same".
7 2. Page 1, line 26, by inserting after the figure
8 "1979" the words and figures "for the school year
9 beginning July 1, 1981, the state foundation base
10 shall be increased by the amount of one-half percent
11 of the state cost per pupil, and for the school year
12 beginning July 1, 1982, the state foundation base
13 shall be the same as the state foundation base for
14 the school year beginning July 1, 1981".
15 3. Page 3, line 13, by striking the word "five"
16 and inserting in lieu thereof the word "seven and
17 five-tenths".
18 4. Page 10, by inserting after line 28 the
19 following:
20 "Sec. _____. Notwithstanding sections 8.30 and 8.31,
21 if the estimated budget resources during the fiscal
22 year beginning July 1, 1981 or July 1, 1982 are
23 insufficient to pay appropriations under section
24 442.26, the governor may modify allotments to the
25 extent the governor may deem necessary in order that
26 there is no overdraft or deficit in the several funds
27 of the state at the end of the applicable fiscal year.
28 However, for the fiscal year beginning July 1, 1982,
29 the amount of state aid paid under section 442.26
30 shall be at least six hundred twenty million dollars.
31 The governor shall submit copies of the modified
32 allotments to the superintendent of public instruction
33 and to the state comptroller who shall set up the
34 modified allotments on the state comptroller's books
35 and be governed accordingly.
36 The finding by the governor that the estimated
37 budget resources during the fiscal year are
38 insufficient to pay the appropriations under section
39 442.26 in full is subject to the concurrence of the
40 executive council before reductions in the allotments
41 are made."
42 5. By numbering and renumbering sections and
43 correcting internal references as necessary.

S-3154 FILED
MARCH 9, 1981
W/10 3/10 (p. 738)

BY JOE BROWN
TED ANDERSON
ARTHUR A. SMALL, JR.
JIM WELLS

HOUSE FILE 414

S-3153

1 Amend House File 414 as follows:
2 1. By striking page 9, line 8 through page 10,
3 line 28.

S-3153 FILED
MARCH 9, 1981

Lower 5/10 (p. 739)

BY ARTHUR A. SMALL, JR.
JOE BROWN
TED ANDERSON
JIM WELLS

HOUSE FILE 414

S-3156

1 Amend House File 414, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 1, by striking lines 23 and 24 and
4 inserting in lieu thereof the words and figures "the
5 school year beginning July 1, 1980, the state
6 foundation base shall be the same".
7 2. Page 1, line 26, by inserting after the figure
8 "1979" the words and figures "for the school year
9 beginning July 1, 1981, the state foundation base
10 shall be increased by the amount of one-half percent
11 of the state cost per pupil, and for the school year
12 beginning July 1, 1982, the state foundation base
13 shall be the same as the state foundation base for
14 the school year beginning July 1, 1981".
15 3. Page 3, line 13, by striking the word "five"
16 and inserting in lieu thereof the word "seven and
17 five-tenths".
18 4. Page 10, by inserting after line 28 the
19 following:
20 "Sec. _____. Notwithstanding sections 8.30 and 8.31,
21 if the estimated budget resources during the fiscal
22 year beginning July 1, 1981 or July 1, 1982 are
23 insufficient to pay appropriations under section
24 442.26, the governor may modify allotments to the
25 extent the governor may deem necessary in order that
26 there is no overdraft or deficit in the several funds
27 of the state at the end of the applicable fiscal year.
28 However, for the fiscal year beginning July 1, 1981,
29 the amount of state aid paid under section 442.26
30 shall be at least six hundred twenty million dollars.
31 The governor shall submit copies of the modified
32 allotments to the superintendent of public instruction
33 and to the state comptroller who shall set up the
34 modified allotments on the state comptroller's books
35 and be governed accordingly.
36 The finding by the governor that the estimated
37 budget resources during the fiscal year are
38 insufficient to pay the appropriations under section
39 442.26 in full is subject to the concurrence of the
40 executive council before reductions in the allotments
41 are made."
42 5. By numbering and renumbering sections and
43 correcting internal references as necessary.

S-3156 FILED
MARCH 10, 1981

Lower 3/10 (p. 738)

BY JOE BROWN
TED ANDERSON
ARTHUR A. SMALL, JR.
JAMES D. WELLS

4 property tax to be levied and the amount of
5 supplemental school district income surtax to be
6 imposed for each school year for which the supplemental
7 amount is authorized. The state comptroller shall
8 determine these amounts based upon the most recent
9 figures available for the district's valuation of
10 taxable property and individual state income tax paid
11 in the district, and shall certify to the district's
12 county auditor the amount of supplemental property
13 tax, and to the director of revenue the amount of
14 supplemental school district income surtax to be
15 imposed.

16 If the supplemental amount is voted by the board,
17 the supplemental school district income surtax shall
18 be imposed on the state individual income tax for
19 the calendar years beginning January 1, 1981, or
20 January 1, 1982, or both, or for a taxpayer's fiscal
21 year ending during the second half of a calendar year
22 or the first half of the succeeding calendar year,
23 and shall be imposed on all individuals residing in
24 the school district on the last day of the applicable
25 tax year. As used in this section, "state individual
26 income tax" means the tax computed under section
27 422.5, less the deductions allowed in section 422.12.

28 If the supplemental amount is voted by the board,
29 the supplemental property tax shall be levied on the
30 taxable property in the district for the fiscal years
31 beginning July 1, 1981 or July 1, 1982, or both.

32 6. Sections 442.16, 442.17, 442.19, and 442.20
33 apply to the supplemental school district income
34 surtax established in this section. The director
35 of revenue shall deposit all moneys received as
36 supplemental school district income surtax to the
37 credit of each district from which the moneys are
38 received, in a "supplemental school district income
39 surtax fund" which is established in the office of
40 the treasurer of state.

41 7. The supplemental amount needed shall be a
42 combination of supplemental property tax and
43 supplemental school district income surtax imposed
44 in the proportion of a property tax of twenty-seven
45 cents per thousand dollars of assessed valuation of
46 taxable property in the district for each five percent
47 of income surtax.

48 8. The supplemental amount is limited to the
49 amount which may be raised by a combination tax in
50 the prescribed proportion which does not exceed a

Page 3

1 property tax of one dollar and eight cents per thousand
2 dollars of assessed valuation and an income surtax
3 of twenty percent.

4 9. Income derived from the supplemental property
5 tax and the supplemental school district income surtax
6 is miscellaneous income.

7 10. This section takes effect retroactive to
8 January 1, 1981."

S-3159 FILED

MARCH 10, 1981

Level 3/12 (p. 754)

BY JOHN S. MURRAY

LUCAS DeKOSTER

DAVID M. READINGER

HOUSE FILE 414

S-3159

1 Amend House File 414, as amended, passed, and
2 reprinted by the House, as follows:

3 1. By striking page 9, line 8 through page 10,
4 line 26 and inserting in lieu thereof the following:

5 "Sec. _____. Chapter 442, Code 1981, is amended
6 by adding the following new section:

7 NEW SECTION. AUTHORITY TO EXCEED BUDGET
8 LIMITATIONS.

9 1. For the school years beginning July 1, 1981,
10 and July 1, 1982, the board of a school district may
11 spend more than the amount permitted under sections
12 442.1 through 442.13, pursuant to the procedures
13 established in this section.

14 2. The board shall determine the supplemental
15 amount needed, within the limits of this section,
16 and shall determine whether a combination of a
17 supplemental property tax and supplemental school
18 district income surtax shall be imposed. The board
19 shall act to impose the supplemental taxes for the
20 school year beginning July 1, 1981, not later than
21 April 15, 1981. The board shall act to impose the
22 supplemental taxes for the school year beginning July
23 1, 1982, not later than March 15, 1982.

24 3. For the school year beginning July 1, 1981,
25 the supplemental amount shall not exceed an amount
26 equal to the difference between the portion of district
27 cost of the district attributable to regular program
28 costs for the school year beginning July 1, 1981,
29 if the state percent of growth had been nine and
30 twenty-six thousandths percent, and the portion of
31 actual district cost of the district attributable
32 to regular program costs for the school year beginning
33 July 1, 1981.

34 For the school year beginning July 1, 1982, the
35 supplemental amount shall not exceed the dollar amount
36 that could be raised by the supplemental taxes in
37 the school year beginning July 1, 1981.

38 4. Prior to action to impose the supplemental
39 taxes, the board shall hold a public hearing on the
40 proposition. At least ten days prior to the date
41 set for the public hearing, the board shall publish
42 notice of the hearing in a newspaper of general
43 circulation in the school district. The notice shall
44 list the date, time, and location of the public
45 hearing. After the public hearing, the board shall
46 vote on the question of whether to impose the
47 supplemental property tax and the supplemental school
48 district income surtax.

49 5. If a majority of the members of the board vote
50 to impose the supplemental taxes, the board shall

S-3159

Page 2

1 certify to the state comptroller that the required
2 procedures have been carried out, and the state
3 comptroller shall establish the amount of supplemental

HOUSE FILE 414

S-3160

1 Amend House File 414 as amended, passed and
2 reprinted, as follows:
3 1. Page 1, by inserting after line 14 the following
4 section:
5 "Sec. ____ . Section 321.178, subsection 1,
6 unnumbered paragraph 2, Code 1981, is amended to read
7 as follows:
8 Every public school district in Iowa shall offer
9 or make available to all students residing in the
10 school district or Iowa students attending a nonpublic
11 school in the district an approved course in driver
12 education. Said courses may be offered at sites other
13 than at the public school, including nonpublic school
14 facilities within the public school districts. The
15 board of a public school district may charge a fee
16 to students enrolling in an approved course in driver
17 education. An approved course offered during the
18 summer months, on Saturdays, after regular school
19 hours during the regular terms or partly in one term
20 or summer vacation period and partly in the succeeding
21 term or summer vacation period, as the case may be,
22 shall satisfy the requirements of this section to
23 the same extent as an approved course offered during
24 the regular school hours of the school term. A student
25 who successfully completes and obtains certification
26 in an approved course in driver education may, upon
27 proof of such fact, be excused from any field test
28 which he the student would otherwise be required to
29 take in demonstrating his the student's ability to
30 operate a motor vehicle."
31 2. By numbering and renumbering sections as
32 necessary.

S-3160 FILED
MARCH 10, 1981
7/10 2/11 (p 737)

BY ARTHUR A. SMALL, JR.
JOE BROWN

HOUSE FILE 414

S-3168

1 Amend House File 414, as amended, passed, and
2 reprinted by the House as follows:
3 1. Page 1, line 3, by striking the words "CASH
4 RESERVE" and inserting in lieu thereof the words "FUND
5 BALANCE".
6 2. Page 1, line 4, by striking the words "cash
7 reserve" and inserting in lieu thereof the words "fund
8 balance".
9 3. Page 1, line 10, by striking the words "cash
10 reserve" and inserting in lieu thereof the words "fund
11 balance".

S-3168 FILED & LOST
MARCH 11, 1981 *(p 746)*

BY JOE BROWN

SENATE 7
MARCH 12, 1981

HOUSE FILE 414

S-3169

- 1 Amend House File 414 as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 2, line 26, by inserting after the word
4 "hundred" the word "one".
5 2. Page 3, line 5, by inserting after the word
6 "hundred" the word "one".

S-3169 FILED & WITHDRAWN BY JOE BROWN
MARCH 11, 1981 (p. 142)

HOUSE FILE 414

S-3166

- 1 Amend House File 414, as amended, passed and
2 reprinted by the House, as follows:
3 1. Page 1, by inserting after line 14 the following
4 sections:
5 "Sec. ____ Section 422.43, Code 1981, is amended
6 by adding the following new unnumbered paragraph:
7 NEW UNNUMBERED PARAGRAPH. In addition to the tax
8 at the rate of three percent imposed under this
9 section, there is imposed an additional tax at the
10 rate of one percent to be added to the existing tax
11 rate. This additional one percent tax shall be imposed
12 for the period beginning on July 1, 1981 and ending
13 December 31, 1981.
14 Sec. ____ Section 423.2, Code 1981, is amended
15 by adding the following new unnumbered paragraph:
16 NEW UNNUMBERED PARAGRAPH. In addition to the tax
17 at the rate of three percent imposed under this
18 section, there is imposed an additional tax at the
19 rate of one percent to be added to the existing tax
20 rate. This additional one percent tax shall be imposed
21 for the period beginning on July 1, 1981 and ending
22 December 31, 1981."
23 2. Page 3, line 13, by striking the word "five"
24 and inserting in lieu thereof the words "nine and
25 twenty-six thousandths".
26 3. Amend the title, line 3, by inserting after
27 the word "reserve," the words "the imposition of a
28 temporary sales, service, and use tax,".

S-3166 FILED
MARCH 11, 1981
RULED NOT GERMANE (p. 124)

BY NORMAN G. RODGERS
C. JOSEPH COLEMAN
JOE BROWN

HOUSE FILE 414

S-3167

1 Amend House File 414, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 4, by inserting after line 31 the following
4 section:

5 "Sec. ____ Section 442.26, unnumbered paragraph
6 2, Code 1981, is amended to read as follows:

7 All state aids paid under this chapter unless
8 otherwise stated, shall be paid in installments due
9 on or about September 15, December 15, March 15, and
10 May 15 of each year, and the installments shall be
11 as nearly equal as possible as-determined-by-the-state
12 comptroller--taking-into-consideration-the-relative
13 budget-and-cash-position-of-the-state-resources.

14 However, the state aids paid to school districts under
15 section 442.28 shall be paid in installments due on
16 or about December 15, March 15, and May 15 of each
17 year and the state aids paid to school districts under
18 section 442.38, shall be paid in installments due
19 on or about March 15 and May 15 of each year.

20 If the state aid payments are not made by September
21 15, December 15, March 15, and May 15 of a school
22 year as required in this section, the board of a
23 school district or area education agency may submit
24 to the state comptroller written verification of the
25 interest paid on anticipatory warrants drawn under
26 chapter 74 of the Code because state aid was not paid
27 on a timely basis, and the state comptroller shall
28 reimburse the school district or area education agency
29 for the amount of the interest paid. There is
30 appropriated each year from the general fund of the
31 state an amount necessary to reimburse the school
32 districts and area education agencies submitting the
33 written verification."

34 2. By numbering and renumbering sections as
35 necessary.

S-3167 FILED & LOST
MARCH 11, 1981 (p. 743)

BY JOE BROWN

HOUSE FILE 414

S-3171

1 Amend House File 414, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 8, line 13, by striking the figure "1981"
4 and inserting in lieu thereof the figure "1982".

5 2. Page 10, by inserting after line 34 the
6 following section:

7 "Sec. ____ Section 3 of this Act takes effect
8 for the school year beginning July 1, 1982."

9 3. By numbering and renumbering sections as
10 necessary.

S-3171 FILED & WITHDRAWN
MARCH 11, 1981 (p. 743)

BY JOE BROWN

HOUSE FILE 414

S-3172

1 Amend House File 414, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, by inserting before line 1 the following
4 sections:

5 "Section 1. Section 278.1, Code 1981, is amended
6 by adding the following new subsection:

7 NEW SUBSECTION. Vote an activity tax, not exceeding
8 twenty-seven cents per thousand dollars of assessed
9 valuation in a year for excess costs incurred, above
10 the amount of gifts and donations authorized in chapter
11 279 and the amount of admission fees and other receipts
12 collected from the activities, in providing for pupils'
13 activities which are outside the regular classroom
14 instruction and in which the pupils perform for persons
15 other than the pupils enrolled in the attendance
16 center. The activities are listed in chapter 442.
17 The funds collected under the activity tax are
18 miscellaneous income for the purposes of chapter 442.
19 The board of directors shall certify the amount of
20 the levy to the board of supervisors who shall levy
21 the amount certified on the taxable property in the
22 school district. The power to levy the tax, when
23 voted, shall continue for a period of five years from
24 the initial levy unless the school district is
25 reorganized under chapter 275.

26 Sec. ____ . Chapter 279, Code 1981, is amended by
27 adding the following new section:

28 NEW SECTION. GIFTS FOR ACTIVITIES. The board
29 of directors may accept gifts and donations for the
30 costs of providing activities as defined in chapter
31 442. The gifts and donations are miscellaneous income
32 as defined in chapter 442."

33 2. Page 8, by inserting after line 9 the following
34 section:

35 "Sec. ____ . Chapter 442, Code 1981, is amended
36 by adding the following new section:

37 NEW SECTION. EXPENDITURES FOR ACTIVITIES. The
38 board of directors shall not authorize expenditures
39 from the district cost of a school district for any
40 costs incurred in providing for pupils activities
41 which are outside the regular classroom instruction.
42 The areas of activities shall include, but not be
43 limited to, athletics, cheerleading, instrumental
44 music, vocal music, drama, speech, and clubs. Costs
45 of the activities includes additional compensation
46 paid to teachers for supervising or coaching the
47 activity outside the regular school hours."

48 3. Amend the title, line 3, by inserting after
49 the word "reserve," the words "the imposition of an
50 activity tax,".

S-3172

PAGE 2

1 4. By numbering and renumbering sections as neces-
2 sary.

HOUSE FILE 414

S-3170

1 Amend House File 414, as amended, passed and
2 reprinted by the House, as follows:

3 1. Page 2, by inserting after line 14 the following
4 new paragraph:

5 "The state board of public instruction shall not
6 adopt new rules affecting the number of students with
7 learning disabilities served during the school year
8 beginning July 1, 1981, and may adopt rules affecting
9 the number of students with learning disabilities
10 served during the school year beginning July 1, 1982,
11 if the action is taken before July 1, 1981."

S-3170 FILED & LOST
MARCH 11, 1981 (p. 742)

BY JOE BROWN

HOUSE FILE 414

S-3173

1 Amend House File 414, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 10, by inserting after line 28 the
4 following section:

5 "Sec. ____ . For the school years beginning July
6 1, 1981 and July 1, 1982, the salary of each employee
7 of an area education agency or school district who
8 is not covered under a collective bargaining agreement
9 negotiated under chapter 20 shall not increase over
10 the salary paid for the base year to that employee
11 by a greater percent than the state percent of growth
12 set in section 5 of this Act."

13 2. By numbering and renumbering sections and
14 correcting internal references as necessary.

S-3173 FILED
MARCH 11, 1981
2/11/81 (p. 754)

BY BOB CARR

HOUSE FILE 414

S-3174

1 Amend House File 414, as amended, passed and
2 reprinted by the House, as follows:

3 1. Page 3, by inserting after line 16 the following
4 section:

5 "Sec. ____ . Section 442.7, subsection 6, paragraph
6 d, Code 1981, is amended by adding the following new
7 unnumbered paragraph:

8 NEW UNNUMBERED PARAGRAPH. For the school year
9 beginning July 1, 1981, the total amount funded in
10 each area for special education support services is
11 the total amount funded in the area for special
12 education support services in the base year."

13 2. Page 3, line 19, by striking the figure "1981"
14 and inserting in lieu thereof the figure "1982".

15 3. Page 3, line 30, by striking the figure "1981"
16 and inserting in lieu thereof the figure "1982".

17 4. Page 4, line 6, by striking the figure "1981"
18 and inserting in lieu thereof the figure "1982".

19 5. Page 4, by striking lines 11, 12 and 13.

20 6. By numbering and renumbering sections as
21 necessary.

S-3174 FILED & WITHDRAWN
MARCH 11, 1981 (p. 743)

BY JOE BROWN

HOUSE FILE 414

S-3176

- 1 Amend House File 414, as amended, passed and
2 reprinted by the House, as follows:
- 3 1. Page 1, by inserting after line 14 the following
4 section:
5 "Sec. ____ . Section 442.2, subsection 1, Code 1981,
6 is amended by striking the subsection and inserting
7 in lieu thereof the following:
8 1. For the school year beginning July 1, 1981,
9 each school district shall cause to be levied, for
10 the school general fund, a foundation property tax
11 on all taxable property in the district in an amount
12 set by the state comptroller not later than April
13 15, 1981. The state comptroller shall determine the
14 foundation property tax levy using a state foundation
15 base of ninety percent of the state cost per pupil,
16 allowable growth computed under section 442.7, and
17 state aid paid under section 442.25 of six hundred
18 twenty million dollars. For each succeeding school
19 year, the foundation property tax shall be equal to
20 the foundation property tax set by the state
21 comptroller in this section."
22 2. Page 1, by striking lines 15 through 29 and
23 inserting in lieu thereof the following:
24 "Sec. ____ . Section 442.3, Code 1981, is amended
25 by striking the section and inserting in lieu thereof
26 the following:
27 442.3 STATE FOUNDATION BASE. For the school year
28 beginning July 1, 1981 and succeeding school years,
29 the state foundation base is ninety percent of the
30 state cost per pupil."
31 3. Page 3, by striking lines 8 through 16.
32 4. By numbering and renumbering sections as
33 necessary.

S-3176 FILED & LOST
MARCH 11, 1981 (p. 741)

BY ARTHUR A. SMALL, JR.

HOUSE FILE 414

S-3177

- 1 Amend House File 414, as amended, passed and
2 reprinted by the House, as follows:
3 1. Page 3, line 13, by striking the word "five"
4 and inserting in lieu thereof the word "six".

S-3177 FILED & LOST
MARCH 11, 1981 (p. 742)

BY LOWELL JUNKINS

S-3175

- 1 Amend House File 414, as amended, passed and
 2 reprinted by the House, as follows:
 3 1. Page 1, by inserting after line 14 the following
 4 section:
 5 "Sec. _____. Section 285.1, subsections 14, 15,
 6 16, and 17, Code 1981, is amended by striking the
 7 subsections.
 8 Sec. _____. Chapter 285, Code 1981, is amended by
 9 adding the following new section:
 10 NEW SECTION. NONPUBLIC TRANSPORTATION PROHIBITED.
 11 Public funds shall not be expended for the
 12 transportation of nonpublic school pupils.
 13 Sec. _____. Chapter 301, Code 1981, is amended by
 14 adding the following new section:
 15 NEW SECTION. NONPUBLIC TEXTBOOK PURCHASE
 16 PROHIBITED. Public funds shall not be expended for
 17 the purchase of textbooks for nonpublic school pupils."
 18 2. Page 1, by striking lines 23 and 24 and
 19 inserting in lieu thereof the words and figures "the
 20 school year beginning July 1, 1980, the state
 21 foundation base shall be the same".
 22 3. Page 1, line 26, by inserting after the figure
 23 "1979" the words and figures "for the school year
 24 beginning July 1, 1981, the state foundation base
 25 shall be increased by the amount of one-half percent
 26 of the state cost per pupil".
 27 4. Page 10, by inserting after line 34 the
 28 following section:
 29 "Sec. _____. Sections 285.2, 301.29, and 301.30,
 30 Code 1981, are repealed."
 31 5. By numbering and renumbering sections as
 32 necessary.

S-3175 FILED & WITHDRAWN

BY JOE BROWN

MARCH 11, 1981 (p. 1-4)

HOUSE FILE 414

S-3179

- 1 Amend House File 414, as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 10, by inserting after line 28 the
 4 following section:
 5 "Sec. _____. For the school years beginning July
 6 1, 1981 and July 1, 1982, the salary of each employee
 7 of an area education agency or school district who
 8 is not eligible to be covered under a collective
 9 bargaining agreement negotiated under chapter 20 shall
 10 not increase over the salary paid for the base year to
 11 that employee by a greater percent than the state
 12 percent of growth set in section 5 of this Act."
 13 2. By numbering and renumbering sections and
 14 correcting internal references as necessary.

S-3179 FILED

BY ROBERT M. CARR

MARCH 11, 1981

L-101 3/11 (p. 1-2)

SENATE CLIP SHEET

MARCH 13, 1981

HOUSE FILE 414

S-3180

1 Amend House File 414 as follows:

2 Page 10, by inserting after line 34 the following
3 new section:

4 "Sec. _____. The legislative council is directed
5 to create a school district administration consolida-
6 tion committee to be composed of the following members:
7 The superintendent of public instruction is to serve
8 as chairperson of this committee and the committee shall
9 include two members of the Iowa house of representatives
10 to be appointed by the speaker, two members of the Iowa
11 Senate to be appointed by the lieutenant governor,
12 one school district superintendent to be appointed
13 by the Iowa association of school administrators, two
14 citizens from the private sector to be appointed by
15 the Governor, two educators to be appointed by the
16 Iowa State Education Association, and one school
17 board member to be appointed by the Iowa association
18 of school boards.

19 Expenses of the committee, including the cost
20 for employing persons or business firms to assist the
21 committee in its duties shall be paid from funds
22 available under section two point twelve (2.12) of
23 the Code.

24 The committee is authorized and directed to
25 develop and implement a plan to reduce expenditures
26 in non-instructional areas by consolidating currently
27 independent administrative functions into approximately
28 one hundred twenty offices in relation to the present
29 county structure and structure of the area education
30 agencies.

31 To ensure local input a representative from each
32 local school board shall be selected to serve on a
33 consolidated administrative district board within
34 each merged area. The president of the area education
35 agency or a designee from the area education agency
36 board shall serve as chairperson of the consolidated
37 administrative district board. Upon receipt of
38 guidelines from the committee each consolidated
39 administrative district board shall present a
40 consolidation plan for that merged area to the
41 school district administration consolidation committee
42 no later than July 1, 1982.

43 The school district administration consolidation
44 committee shall hold its first meeting not later than
45 September 30, 1981. The committee shall develop
46 guidelines to be presented to each consolidated
47 administrative district board to determine the
48 extent of consolidation necessary for that area.

49 Upon receipt of the plan from each consolidated
50 administrative district board the committee is

SENATE 2
MARCH 13, 1981

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Page 2

1 directed to hold a series of public hearings through-
2 out the state, one in each merged area, to invite
3 public comment on the proposal. After the hearing
4 process has been completed the committee shall
5 develop a final plan for consolidation of school
6 district administrative functions. No later than
7 January 1, 1983 the committee shall present the plan
8 to the Department of Public Instruction which is
9 directed to promulgate any rules needed to implement
10 the final plan. The plan shall take effect on July
11 1, 1983."

S-3180 FILED & WITHDRAWN
MARCH 12, 1981 (p. 755)

BY BOB CARR

FISCAL NOTE
House File 414
Requested by Representative Daggett
February 24, 1981

In compliance with a written request there is hereby submitted a Fiscal Note for House File 414 pursuant to Joint Rule 16. H.F. 414, An Act relating to funds available to school districts, including authorizing the levy of a tax for cash reserve and including the computation of state school foundation aid, and providing that the Act takes effect upon its publication.

This bill would modify the existing law (Chapter 442) relating to funding for local schools under the state foundation plan as follows:

- The state foundation base for fiscal years 1982 and 1983 would be 77% and 78% rather than 78% and 79%.
- The local district's guarantee for budget growth for fiscal years 1982 and 1983 would be 102% and 100% rather than 103% and 0.
- The state percent of growth for fiscal year 1982 is fixed at 5.75% rather than 9.026%; the state percent of growth for fiscal year 1983 will be an estimated 10.9% rather than 5.4%.
- Funding for FY 1982 for AEA support services would be frozen at the 1980-81 per pupil cost rather than the per pupil cost being increased at the state percent of growth (9.026%). Per pupil funding for FY 1983 would increase at the state percent of growth of 10.9%.
- Funding for AEA Educational Services would be changed from "budget to budget" to "budget to enrollment." For FY 1982 the allowable growth would be based on a state percent growth of 5.75% minus 4.6%.
- For FY 1983 the per pupil funding for educational services would increase at the state percent of growth of 10.9%. Weighted enrollment would be utilized to compute the state per pupil cost.
- Funding for AEA Media Services would be changed from "budget to budget" to "budget to enrollment." The FY 1982 state per pupil cost would increase by 5.75%. For FY 1983 the state per pupil cost would increase by 10.9%. Weighted enrollment would be utilized to compute the state per pupil cost.
- A cash reserve levy of 7.5% applied against total school district expenditures including estimated salaries encumbered for July and August would be allowed for fiscal year 1982.

The estimated fiscal impact of H.F. 414 compared against the school foundation plan as provided in current law is as follows:

	Fiscal Year 1981-82		Fiscal Year 1982-83	
	H.F. 414	Current Law	H.F. 414	Current Law
State Aid	\$ 619 M	\$ 662 M	\$ 696 M	\$ 692 M
Uniform Levy	316 M	316 M	334 M	334 M
Add'l. Property Tax	315 M	312 M	328 M	310 M
Controlled Budget	\$ 1,250 M	\$1,290 M	\$1,358 M	\$1,336 M
AEA Funding				
Support Services	\$ 51 M	55 M	55 M	57 M
Media & Ed. Services	20 M	21 M	22 M	22 M
State % Growth	5.75%	9.026%	10.9%	5.4%
Foundation Level	77%	78%	78%	79%
Guarantee	102%	103%	0	0

Cash Reserve Levy

With a maximum 27¢ per \$1,000 of assessed valuation, the maximum theoretical funds to be generated by all districts is estimated at \$15,000,000.

FISCAL NOTE
Amendment H-3123 to House File 414
Requested by Representative Daggett
February 24, 1981

In compliance with a written request there is hereby submitted a Fiscal Note for Amendment H-3123 to H. F. 414 pursuant to Joint Rule 16.

Amendment H-3123 to H.F. 414 would provide the following changes to the bill.

- The state foundation base for fiscal years 1982 and 1983 would be 77% and 77% rather than 77% and 78%.
- The local districts guarantee for budget growth for fiscal years 1982 and 1983 would be 103% and 100% rather than 102% and 100%.
- The state percent of growth for fiscal year 1982 is fixed at 5% rather than 5.75%; the state percent of growth for fiscal year 1983 will be fixed at 7% rather than an estimated 10.9%.
- The state percent of growth for FY 1983 for AEA Support Services would be 7% rather than 10.9%. The per pupil cost increase for FY 1982 would remain frozen as provided in H.F. 414.
- The state percent of growth for AEA Educational Services for FY 1982 would be frozen rather than 5.75% minus 4.6%. The state percent of growth for fiscal year 1983 would be 7% rather than 10.9%. The per pupil cost would be calculated based on enrollment served rather than weighted enrollment.
- The computation of AEA Media Service per pupil costs would be based on enrollment served rather than weighted enrollment. The state percent of growth for FY 1982 and 1983 would be 5.0% and 7% rather than 5.75% and 10.9%.
- The 27¢ per \$1,000 of assessed valuation limitation would be removed from the cash reserve provision.

The estimated fiscal impact of H-3123 compared to H.F. 414 is as follows:

	Fiscal Year 1981-82		Fiscal Year 1982-83	
	H-3123 to H.F. 414	H. F. H.F. 414	H-3123 to H.F. 414	H.F. 414
State Aid	\$ 620 M	\$ 619 M	\$ 644 M	\$ 696 M
Uniform Levy	316 M	316 M	334 M	334 M
Add'l. Property Tax	313 M	315 M	326 M	328 M
Controlled Budget	\$1,249 M	\$1,250 M	\$1,304 M	\$1,358 M
AEA Funding				
Support Services	\$ 51 M	51 M	53 M	55 M
Media & Ed. Services	20 M	20 M	21 M	22 M
State % Growth	5%	5.75%	7%	10.9%
Foundation Level	77%	77%	77%	78%
Guarantee	103%	102%	100%	100%

Cash Reserve Levy

The maximum theoretical funds to be generated by all districts from the cash reserve levy (7.5% of the district's expenditures) is \$60,000,000.

FILED FEBRUARY 24, 1981

BY GERRY D. RANKIN
Legislative Fiscal Bureau

HOUSE FILE 414

AN ACT

RELATING TO FUNDS AVAILABLE TO SCHOOL DISTRICTS, INCLUDING AUTHORIZING THE LEVY OF A TAX FOR CASH RESERVE, AND THE IMPOSITION OF AN INCOME SURTAX RETROACTIVE TO JANUARY 1, 1981, AND INCLUDING THE COMPUTATION OF STATE SCHOOL FOUNDATION AID, AND PROVIDING THAT THE ACT TAKES EFFECT UPON ITS PUBLICATION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Chapter 298, Code 1981, is amended by adding the following new section:

NEW SECTION. LEVY FOR CASH RESERVE. If a school district has a cash reserve of less than seven and five-tenths percent of its total district expenditures for a school year remaining on June 30 of that school year, including salaries encumbered under contract for the next following July and August, the board of directors may certify for levy by the following March 15, a tax on taxable property in the school district at a rate that will provide a cash reserve, pursuant to section 8.6, subsection 4, paragraph c, of not to exceed the seven and five-tenths percent amount. The tax levy authorized in this subsection is in addition to any other tax levy authorized for a school district.

Sec. 2. Section 442.3, Code 1981, is amended to read as follows:

442.3 STATE FOUNDATION BASE. The state foundation base for the school year beginning July 1, 1972, is seventy percent of the state cost per pupil. For each succeeding school year the state foundation base shall be increased by the amount of one percent of the state cost per pupil, up to a maximum of eighty percent of the state cost per pupil. However, for the school year years beginning July 1, 1980, July 1, 1981, and July 1, 1982, the state foundation base shall be the same

as the state foundation base for the school year beginning July 1, 1979. The district foundation base is the larger of the state foundation base or the amount per pupil which the district will receive from foundation property tax and state school foundation aid.

Sec. 3. Section 442.4, subsection 1, unnumbered paragraph 5, Code 1981, is amended to read as follows:

A school district shall certify its basic enrollment to the department of public instruction by September 25 of each year, and the department shall promptly forward the information to the state comptroller. For purposes of determining whether a district is entitled to an advance for increasing enrollment a determination of actual enrollment shall be made on the second Friday of September in the budget year by counting the pupils in the same manner and to the same extent that they are counted in determining basic enrollment, but substituting the count in the budget year for the count in the base year. In addition, a school district shall determine its additional enrollment because of special education defined in section 442.38, on December 1 of each year and if the district is entitled to an advance or reduction for special education, it shall certify its additional enrollment because of special education to the department of public instruction by December 15 of each year, and the department shall promptly forward the information to the state comptroller.

Sec. 4. Section 442.4, subsection 4, Code 1981, is amended to read as follows:

4. For the school years beginning July 1, 1980, and July 1, 1981, and July 1, 1982 only, if an amount equal to the district cost per pupil for the budget year minus the amount included in the district cost per pupil for the budget year to compensate for the cost of special education support services for a school district times the budget enrollment of the school district for the budget year is less than one hundred four percent for the budget school year beginning July 1, 1980, and one hundred three percent for the budget

school year beginning July 1, 1981, and one hundred percent for the budget school year beginning July 1, 1982, times an amount equal to the district cost per pupil for the base year minus the amount included in the district cost per pupil for the base year to compensate for the cost of special education support services for a school district times the adjusted enrollment of the school district for the base year beginning July 1, 1979 or times the budget enrollment of the school district for the base year beginning July 1, 1980 or July 1, 1981, the state comptroller shall increase the budget enrollment for the school district for the budget year to a number which will provide that one hundred four percent amount for the budget school year beginning July 1, 1980, and that one hundred three percent amount for the budget school year beginning July 1, 1981, and that one hundred percent amount for the budget school year beginning July 1, 1982.

Sec. 5. Section 442.7, Code 1981, is amended by adding the following new subsection after subsection 4:

NEW SUBSECTION. Notwithstanding subsections 1 through 4, for the school year beginning July 1, 1981, the state percent of growth, including the recomputations required under subsection 4, is five percent, and for the school year beginning July 1, 1982, the state percent of growth, including the recomputations required under subsection 4, is seven percent.

Sec. 6. Section 442.7, subsection 6, Code 1981, is amended by adding the following new paragraphs:

NEW PARAGRAPH. For the school year beginning July 1, 1981 and succeeding school years, the amount included in the district cost per pupil in weighted enrollment for special education support services costs for each district in an area education agency for a budget year is the amount included in the district cost per pupil in weighted enrollment for special education support services costs in the base year plus the allowable growth added to state cost per pupil for

special education support services costs for the budget year. Funds shall be paid to area education agencies as provided in section 442.25.

NEW PARAGRAPH. For the school year beginning July 1, 1981 and succeeding school years, the state board of public instruction may direct the state comptroller to reduce the allowable growth added to district cost per pupil in weighted enrollment for a budget year for special education support services costs in an area education agency in the base year based upon special education support services needs in the area.

Sec. 7. Section 442.7, Code 1981, is amended by adding the following new subsection after subsection 6:

NEW SUBSECTION. For the school year beginning July 1, 1981 and succeeding school years, the allowable growth added to state cost per pupil for special education support services costs is the amount included in state cost per pupil for special education support services costs for the base year times the state percent of growth for the budget year. However, for the school year beginning July 1, 1981, no allowable growth shall be added, except as provided under subsection 7.

Sec. 8. Section 442.25, Code 1981, is amended to read as follows:

442.25 ~~SPECIAL-EDUCATION-SUPPORT-SERVICES~~ AREA EDUCATION AGENCY PAYMENTS. The state comptroller shall deduct the amounts calculated for special education support services, media services, and educational services for each school district from the state aid due to the district pursuant to this chapter and shall pay the amounts to the respective area education agencies on a quarterly basis during each school year. The state comptroller shall notify each school district of the amount of state aid deducted for ~~this purpose~~ these purposes and the balance of state aid shall be paid to the district. If a district does not qualify for state aid under this chapter in an amount sufficient to cover its amount due

to the area education agency as calculated by the state comptroller, the school district shall pay the deficiency to the area education agency from other moneys received by the district, on a quarterly basis during each school year.

Sec. 9. Section 442.27, subsection 2, Code 1981, is amended to read as follows:

2. For the school year beginning July 1, 1978 and each succeeding budget year through the budget year beginning July 1, 1981, the total amount funded for each area for media services excluding the cost for media resource material shall be the total amount funded in the area for media service in the base year times the sum of one hundred percent plus the state percent of growth plus the costs for media resource material for the budget year.

~~Each year subsequent to~~ For the school year beginning July 1, ~~1980~~ 1981, the total amount to be funded for media services, including the costs for media resource material which shall only be used for the purchase or replacement of material required in section 273.6, subsection 1, paragraphs "a", "b", and "c", shall be equal to the budget in the base year in the area times the sum of one hundred percent plus the state percent of growth.

Sec. 10. Section 442.27, Code 1981, is amended by adding the following new subsection after subsection 3:

NEW SUBSECTION. For the school year beginning July 1, 1982 and succeeding school years, the total amount funded in each area for media services in the budget year shall be computed as provided in this subsection. For the school year beginning July 1, 1982, the total amount funded in each area for media services in the base year, including the cost for media resource material which shall only be used for the purchase or replacement of material required in section 273.6, subsection 1, paragraphs a, b, and c, shall be divided by the enrollment served in the base year to provide an area media services cost per pupil in the base year, and the state comptroller shall compute the state media services cost per

pupil in the base year which is equal to the average of the area media services costs per pupil in the base year. For the year beginning July 1, 1982 and succeeding school years, the state comptroller shall compute the allowable growth for media services in the budget year by multiplying the state media services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for media services cost in the budget year equals the area media services cost per pupil in the base year plus the allowable growth for media services in the budget year times the enrollment served in the budget year. Funds shall be paid to area education agencies as provided to section 442.25.

Sec. 11. Section 442.27, subsection 5, Code 1981, is amended to read as follows:

5. For each succeeding budget year through the budget year beginning July 1, 1980, the total amount funded in each area for educational services shall be the total amount funded in the area for educational services in the base year times the sum of one hundred percent plus the state percent of growth. For the school year beginning July 1, 1981, the total amount funded in each area for educational services is the total amount funded in the area for educational services in the base year.

Sec. 12. Section 442.27, Code 1981, is amended by adding the following new subsection after subsection 5:

NEW SUBSECTION. For the school year beginning July 1, 1982 and succeeding school years, the total amount funded in each area for educational services in the budget year shall be computed as provided in this subsection. For the school year beginning July 1, 1982, the total amount funded in each area for educational services in the base year shall be divided by the enrollment served in the area in the base year to provide an area educational services cost per pupil in the base year, and the state comptroller shall compute the state educational services cost per pupil in the base year, which

is equal to the average of the area educational services costs per pupil in the base year. For the year beginning July 1, 1982 and succeeding school years, the state comptroller shall compute the allowable growth for educational services by multiplying the state educational services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for educational services for the budget year equals the area educational services cost per pupil for the base year plus the allowable growth for educational services in the budget year times the enrollment served in the area in the budget year. Funds shall be paid to area education agencies as provided in section 442.25.

Sec. 13. Section 442.27, subsection 6, Code 1981, is amended to read as follows:

6. Of for school years prior to the school year beginning July 1, 1982, of the total amounts funded in each area each year for media services and educational services, a portion shall be allocated to each district in the area. The portion to be allocated to each district in an area shall be the same percentage of the total amount that the enrollment served in the budget year in the district is of the enrollment served in the budget year in the area.

Sec. 14. Section 442.27, subsection 7, Code 1981, is amended to read as follows:

7. The for school years prior to the school year beginning July 1, 1982, the portion allocated to each district in an area each budget year for media services and educational services shall be added to the district cost of that district for the budget year as provided in section 442.9.

Sec. 15. Section 442.27, subsection 8, Code 1981, is amended to read as follows:

8. The for school years prior to the school year beginning July 1, 1982, the state board of public instruction and the state comptroller shall determine the total amounts funded in each area for media services and educational services each

year, and the amounts to be allocated to each district. The state comptroller shall deduct the amounts so calculated for each school district from the state aid due to the district pursuant to this chapter and shall pay the amounts to the districts' area education agencies on a quarterly basis during each school year. The state comptroller shall notify each school district the amount of state aid deducted for this purpose and the balance which will be paid to the district. If a district does not qualify for state aid under this chapter in an amount sufficient to cover the amount due to its area education agency as calculated by the state comptroller, the school district shall pay the deficiency to its area education agency from other moneys received by the district, on a quarterly basis during each school year.

Sec. 16. Chapter 442, Code 1981, is amended by adding the following new section after section 442.38:

NEW SECTION. REDUCTION FOR ENROLLMENT LOSS. For the school year beginning July 1, 1981 and succeeding school years, if a school district's additional enrollment because of special education determined by the district on December 1 in the budget year is less than its additional enrollment because of special education determined by the district on December 1 in the base year, the state aid payments to the school district shall be reduced by an amount equal to its district cost per pupil for the budget year less the amount included in district cost per pupil for special education support services for the budget year multiplied by the district's decrease in additional enrollment because of special education. A district's additional enrollment because of special education shall be computed as provided in section 442.38.

If a district has a reduction under this section for a budget year, the state comptroller shall determine the amount of the reduction which would have been local property tax revenues if the additional enrollment because of special education in the budget year had been used for that budget

year in determining district cost and shall increase the district's total state school aids available under this chapter for the next following budget year by the amount so determined, and shall reduce the district's tax levy computed under section 442.9, for the next following budget year by the amount necessary to compensate for the increase in state aid, so that the local property tax for the next following year will be reduced only by the amount which it would have been reduced in the budget year if the additional enrollment because of special education in the budget year could have been used to establish the levy.

Sec. 17. Chapter 442, Code 1981, is amended by adding the following new section:

NEW SECTION. SUPPLEMENTAL SCHOOL INCOME SURTAX.

1. For the budget school year beginning July 1, 1981, if the board of a school district wishes to spend more than the amount permitted under sections 442.1 through 442.13, the board may call a special election to determine whether to impose a supplemental school income surtax on individual state income tax for the calendar year beginning January 1, 1981. The supplemental school income surtax for the school district shall not exceed an amount equal to the difference between the portion of district cost of the district attributable to regular program costs for the school year beginning July 1, 1981 if the state percent of growth had been nine and twenty-six thousandths percent and the portion of the actual district cost of the district attributable to regular program costs for the school year beginning July 1, 1981. Any income derived from the supplemental school income surtax is miscellaneous income.

2. The board shall determine the amount needed, within the limits of this section, and shall set the date of a special election, which shall not be later than July 1, 1981. The board shall direct the county commissioner of elections to submit the question of whether to raise that amount to the qualified electors of the school district. If a majority

of those voting on the proposition at the special election favors the imposition of the supplemental school income surtax, the board may amend its certified budget to include the amount imposed.

3. Following approval at the special election, the board shall certify to the state comptroller that the required procedures have been carried out and the state comptroller shall establish the amount of supplemental school income surtax to be imposed based upon the most recent figures available for the district's individual state income tax paid. The state comptroller shall certify to the director of revenue the amount of supplemental school income surtax to be imposed.

The supplemental school income surtax shall be imposed on the state individual income tax for the calendar year beginning January 1, 1981, or for a taxpayer's fiscal year ending during the second half of that calendar year or the first half of the succeeding calendar year, and shall be imposed on all individuals residing in the school district on the last day of the applicable tax year. As used in this section, "state individual income tax" means the tax computed under section 422.5, less the deductions allowed in section 422.12.

4. Sections 442.16, 442.17, 442.19, and 442.20 apply to the supplemental school income surtax established in this section. The director of revenue shall deposit all moneys received as supplemental school income surtax to the credit of each district from which the moneys are received, in a "supplemental school income surtax fund" which is established in the office of the treasurer of state.

5. This section takes effect retroactive to January 1, 1981.

Sec. 18. Notwithstanding section 24.14, and notwithstanding the March 15 certification date in section 1 of this Act, for the school year beginning July 1, 1981, the board of directors of a school district may direct the state comptroller not later than April 15, 1981 to provide for the tax levy for the cash reserve in section 1 of this Act.

Sec. 19. This Act, being deemed of immediate importance, takes effect from and after its publication in the Lenox Time-
Table, a newspaper published in Lenox, Iowa, and in The
Republic Appeal, a newspaper published in Albert City, Iowa.

DELWYN STROMER
Speaker of the House

TERRY E. BRANSTAD
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 414, Sixty-ninth General Assembly.

PAT H. HARPER
Chief Clerk of the House

Approved March 23, 1981

ROBERT D. RAY
Governor