

See House File 865 5/21/81

House File 865

H. Pass 5/21/81

Ways and Means
Hester, Chairperson
Taylor
Palmer

(p. 1812)

HOUSE FILE 865

BY COMMITTEE ON WAYS AND MEANS

MAY 11 1981

WAYS & MEANS CALENDAR

(Formerly Study Bill 338)

Passed House, Date 5-19-81 (p. 2017) Passed Senate, Date 5-22-81 (p. 1200)

Vote: Ayes 71 Nays 17 Vote: Ayes 31 Nays 14

Approved June 14, 1981

Motion to reconsider 5/20 (p. 2105) prevailed 5/21

Repassed House 5-21-81 (p. 2124)

86-9

A BILL FOR

- 1 An Act to provide for the imposition of a property tax levy
- 2 for area schools for a cash reserve.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

FISCAL NOTE

House File 865

Requested by Representative Schnekloth

May 8, 1981

In compliance with a written request there is hereby submitted a Fiscal Note for H. F. 865 pursuant to Joint Rule 16.

LSB 2079H allows the boards of directors of an area school to levy a property tax of up to 5 percent of the school's general operating expenditures for FY '80. The levy is for a two-year period such that the total taxes levied are not more than the 5 percent limit. Revenues from the levy are to be placed in a cash reserve fund to be used only to alleviate temporary cash shortages and must be replaced at the end of each fiscal year.

The actual impact of LSB 2079H will depend upon the actions of each area school board. The total statewide area school expenditures in FY 1980 were approximately \$97.4 million, thus the 5 percent limit could result in a maximum property tax of \$4.9 million statewide for an average levy rate of 8.6 cents per \$1,000 of valuation to be spread over two years.

FILED MAY 13, 1981

BY GERRY D. RANKIN, Legislative Fiscal Bureau

HOUSE FILE 865

H-4351

- 1 Amend House File 865 as follows:
- 2 1. Page 1, by striking lines 16, 17, and 18 and
- 3 inserting in lieu thereof the words "If moneys from
- 4 the cash reserve fund are used".

H-4351 FILED MAY 21, 1981 BY DAGGETT of Taylor
ADOPTED (p. 2123)

1 Section 1. Chapter 280A, Code 1981, is amended by adding
2 the following new section:

3 NEW SECTION. ADDITIONAL TAX--CASH RESERVE FUND. In
4 addition to the tax authorized under section 280A.17, the
5 board of directors of an area school may certify for levy
6 by March 15, 1982 and March 15, 1983, a tax on taxable property
7 in the merged area at rates that will provide total revenues
8 for the two years equal to five percent of the area school's
9 general fund expenditures for the fiscal year ending June
10 30, 1980 in order to provide a cash reserve for that area
11 school. As nearly as possible, one-half the revenue for the
12 cash reserve fund shall be collected during each year.

13 The revenues derived from the levies shall be placed in
14 a separate cash reserve fund. Moneys from the cash reserve
15 fund shall only be used to alleviate temporary cash shortages.
16 Interest earned on moneys in the cash reserve fund shall be
17 placed in the cash reserve fund and become part of the cash
18 reserve fund. If moneys from the cash reserve fund are used
19 to alleviate a temporary cash shortage, the cash reserve fund
20 shall be reimbursed immediately from the general fund of the
21 area school as funds in the general fund become available,
22 but in no case later than June 30 of the current fiscal year,
23 to repay the funds taken from the cash reserve fund.

24 EXPLANATION

25 This bill allows the boards of directors of area schools
26 to levy property taxes of up to 5 percent of their general
27 fund operating expenditures for the fiscal year ending June
28 30, 1980 over a two-year period to build a cash reserve.
29 A cash reserve fund is created for the collections from the
30 cash reserve levy. Interest earned remains in the fund.
31 The moneys in the fund shall only be used to alleviate
32 temporary cash shortages. Moneys used from the fund must
33 be repaid by June 30 of the current fiscal year. The bill
34 takes effect July 1 following its enactment.

35

in no case later than June 30 of the current fiscal year,
to repay the funds taken from the cash reserve fund.

HOUSE FILE 865

DELWYN STROMER
Speaker of the House

AN ACT
TO PROVIDE FOR THE IMPOSITION OF A PROPERTY TAX LEVY FOR AREA
SCHOOLS FOR A CASH RESERVE.

TERRY E. BRANSTAD
President of the Senate

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

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the following new section:

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for the two years equal to five percent of the area school's
general fund expenditures for the fiscal year ending June
30, 1980 in order to provide a cash reserve for that area
school. As nearly as possible, one-half the revenue for the
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The revenues derived from the levies shall be placed in
a separate cash reserve fund. Moneys from the cash reserve
fund shall only be used to alleviate temporary cash shortages.
If moneys from the cash reserve fund are used to alleviate
a temporary cash shortage, the cash reserve fund shall be
reimbursed immediately from the general fund of the area
school as funds in the general fund become available, but

I hereby certify that this bill originated in the House and
is known as House File 865, Sixty-ninth General Assembly.

PAT H. HARPER
Chief Clerk of the House
Approved June 14, 1981

ROBERT D. RAY
Governor