

S. Wayne - Passed 4/4
Amend per 5858 v To Pass 4/7 (p. 1343)

MAR 21 1988

APPROPRIATIONS CALENDAR

HOUSE FILE 2457

BY COMMITTEE ON APPROPRIATIONS

(Formerly House File 2431)

Passed House, Date 3/25/88 (p. 1071) Passed Senate, Date 4/11/88 (p. 1413)

Vote: Ayes 93 Nays 0 Vote: Ayes 45 Nays 1

Approved May 14, 1988

Repassed House 4/12/88 (p. 1761)

94-0

A BILL FOR

1 An Act relating to payments for local school districts, area
2 schools, counties, cities, local conference boards, county
3 hospitals, and county agricultural extension councils.

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

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HF 2457

1 Section 1. NEW SECTION. 405A.1 DEFINITIONS.

2 As used in this chapter, unless the context requires
3 otherwise:

4 1. "Personal property replacement base" means the personal
5 property tax replacement base as described in section 427A.12,
6 subsection 2, paragraph "c".

7 2. "Political subdivision" means a city, county, local
8 conference board established pursuant to chapter 441, county
9 hospital established pursuant to chapter 347 or 347A, or
10 county agricultural extension council elected pursuant to
11 chapter 176A.

12 3. "Local government" means a school district, area
13 school, city, county, local conference board established
14 pursuant to chapter 441, county hospital established pursuant
15 to chapter 347 or 347A, or county agricultural extension
16 council elected pursuant to chapter 176A.

17 Sec. 2. NEW SECTION. 405A.2 GENERAL ALLOCATION.

18 The general allocation for each local government is equal
19 to the product of the following for all of the taxing
20 districts comprising the local government: The ratio of
21 sixty-five million to the total personal property replacement
22 base in the state multiplied by the personal property
23 replacement base of the taxing district, and the product
24 multiplied by the ratio of the tax rate of the local
25 government for taxes payable in the fiscal year ending June
26 30, 1987, to the consolidated tax rate of the taxing district
27 for taxes payable in the fiscal year ending June 30, 1987.

28 Sec. 3. NEW SECTION. 405A.3 CITY ALLOCATIONS.

29 1. For the fiscal year beginning July 1, 1988, and each
30 subsequent fiscal year, the amount due to each city in the
31 state is equal to the sum of the following:

32 a. The general allocation as determined pursuant to
33 section 405A.2.

34 b. The ratio of the population of each city to the total
35 population of all cities in the state, multiplied by twenty-

1 seven million three hundred thousand dollars. The population
2 of each city shall be determined by the latest available
3 federal census. A city may have one special federal census
4 taken each decade, and the population figure obtained shall be
5 used in apportioning amounts under this subsection beginning
6 the calendar year following the year in which the special
7 census is certified to the secretary of state. If a city has
8 annexed territory since the last regular or special federal
9 census, the mayor and council shall certify to the treasurer
10 of state the actual population of the annexed territory as
11 determined by the last certified federal census of the
12 territory and the apportionment of funds under this subsection
13 shall be based upon the population of the city as modified by
14 the certification of the population of the annexed territory
15 until the next regular or special federal census enumeration.

16 c. The amount of moneys and credits replacement received
17 by the city under section 422.100 for the fiscal year ending
18 June 30, 1988.

19 2. A city shall not receive an apportionment of funds
20 under this section after its dissolution. After the
21 dissolution of a city, its general allocation as determined
22 under section 405A.2 and the allocation as determined under
23 subsection 1, paragraph "c" of this section shall be paid to
24 the county in which the dissolved city was located. If two or
25 more cities have consolidated, the apportionment of funds
26 under this section shall be determined by adding the
27 apportionment of the consolidating cities.

28 Sec. 4. NEW SECTION. 405A.4 COUNTY ALLOCATIONS.

29 1. For the fiscal year beginning July 1, 1988, and each
30 subsequent fiscal year, the amount due to each county in the
31 state is equal to the sum of the following:

32 a. The general allocation as determined pursuant to
33 section 405A.2.

34 b. The ratio of the population of each county residing in
35 the unincorporated area of the county to the total population

1 residing in the unincorporated areas of all the counties,
2 multiplied by five million four hundred thousand dollars. The
3 population of each county shall be determined by the latest
4 available federal census.

5 c. The ratio of the personal property replacement base of
6 the county to the total personal property replacement base of
7 all counties in the state, multiplied by four hundred forty-
8 seven thousand dollars.

9 2. The allocation of a county as determined under
10 subsection 1 may be credited to the general, rural services,
11 secondary road, or other special revenue fund of the county.

12 Sec. 5. NEW SECTION. 405A.5 LOCAL CONFERENCE BOARD
13 ALLOCATIONS.

14 1. For the fiscal year beginning July 1, 1988, and each
15 subsequent fiscal year, the amount due to each local
16 conference board in the state is equal to the general
17 allocation of the local conference board as determined in
18 section 405A.2.

19 2. When the office of city assessor is discontinued, the
20 amounts that would otherwise be due to the city conference
21 board under this section shall be paid to the county
22 conference board.

23 Sec. 6. NEW SECTION. 405A.6 COUNTY HOSPITAL ALLOCATIONS.

24 1. For the fiscal year beginning July 1, 1988, and each
25 subsequent fiscal year, the amount due to each county hospital
26 in the state is equal to the general allocation of the county
27 hospital as determined in section 405A.2.

28 2. When a county hospital is discontinued or organized
29 pursuant to chapter 37, the amounts that would otherwise be
30 due to the hospital under this section shall be paid to the
31 county.

32 Sec. 7. NEW SECTION. 405A.7 AGRICULTURAL EXTENSION
33 COUNCIL ALLOCATIONS.

34 For the fiscal year beginning July 1, 1988, and each
35 subsequent fiscal year, the amount due to each county

1 agricultural extension council in the state is equal to the
2 general allocation of the county agricultural extension
3 council as determined in section 405A.2.

4 Sec. 8. NEW SECTION. 405A.8 APPROPRIATIONS.

5 1. There are appropriated from the general fund of the
6 state to the department of revenue and finance the following
7 sums to carry out the provisions of this chapter: For the
8 fiscal year beginning July 1, 1988, and each subsequent fiscal
9 year, sixty-seven million seven hundred thirty-seven thousand
10 (67,737,000) dollars.

11 2. If, for any fiscal year the amount appropriated is
12 insufficient to pay in full the amounts due to all political
13 subdivisions, then the amount of each payment shall be reduced
14 by the same percentage, so that the aggregate payments to all
15 political subdivisions are equal to the amount appropriated
16 for such payments. If, for any fiscal year the amount
17 appropriated is in excess of the amounts due to all political
18 subdivisions, then the amount of each payment shall be
19 increased by the same percentage, so that the aggregate
20 payments to all political subdivisions are equal to the amount
21 appropriated for such payments.

22 Sec. 9. NEW SECTION. 405A.9 PAYMENT SCHEDULE.

23 The amounts due each political subdivision for each fiscal
24 year shall be paid in the form of warrants payable to the
25 treasurers of the respective political subdivisions by the
26 department of revenue and finance according to the following
27 schedule:

28 1. One-half of the amount due for a fiscal year shall be
29 paid on December 15 of that fiscal year.

30 2. One-half of the amount due for a fiscal year shall be
31 paid on March 15 of that fiscal year.

32 Sec. 10. Section 123.53, subsections 3, 4, 5, and 6, Code
33 1987, are amended by striking the subsections.

34 Sec. 11. Section 286A.11, Code 1987, is amended by adding
35 the following new subsection:

1 NEW SUBSECTION. 4. An amount equal to the general
2 allocation of the area school as determined under section
3 405A.2.

4 Sec. 12. Section 331.429, subsection 1, paragraphs a and
5 b, Code Supplement 1987, are amended to read as follows:

6 a. Transfers from the general fund not to exceed in any
7 year the dollar equivalent of a tax of sixteen and seven-
8 eighths cents per thousand dollars of assessed value on all
9 taxable property in the county multiplied by the ratio of
10 current taxes actually collected and apportioned for the
11 general basic levy to the total general basic levy for the
12 current year, and an amount equivalent to the moneys derived
13 by the general fund from military service tax credits under
14 chapter 426A, mobile home taxes under section 135D.22, the
15 ~~personal-property-tax-replacement-fund-under-section-427A-12,~~
16 ~~subsection-6,~~ and delinquent taxes for prior years collected
17 and apportioned to the general basic fund in the current year,
18 multiplied by the ratio of sixteen and seven-eighths cents to
19 three dollars and fifty cents.

20 b. Transfers from the rural services fund not to exceed in
21 any year the dollar equivalent of a tax of three dollars and
22 three-eighths cents per thousand dollars of assessed value on
23 all taxable property not located within the corporate limits
24 of a city in the county multiplied by the ratio of current
25 taxes actually collected and apportioned for the rural
26 services basic levy to the total rural services basic levy for
27 the current year and an amount equivalent to the moneys
28 derived by the rural services fund from ~~the-livestock-tax~~
29 ~~credits-under-section-427-17,~~ military service tax credits
30 under chapter 426A, mobile home taxes under section 135D.22,
31 ~~the-personal-property-tax-replacement-fund-under-section~~
32 ~~427A-12,-subsection-6,~~ and delinquent taxes for prior years
33 collected and apportioned to the rural services basic fund in
34 the current year, multiplied by the ratio of three dollars and
35 three-eighths cents to three dollars and ninety-five cents.

1 Sec. 13. Section 427A.12, subsection 6, Code 1987, is
2 amended by striking the subsection.

3 Sec. 14. Section 427A.13, Code 1987, is amended to read as
4 follows:

5 427A.13 APPROPRIATION.

6 There is appropriated from the general fund of the state to
7 the personal property tax replacement fund the following sums,
8 or so much thereof as may be necessary, to carry out the
9 provisions of this chapter as amended by this division. For
10 the fiscal year beginning July 1, 1973, and ending June 30,
11 1974, there is appropriated the sum of thirty-one million nine
12 hundred thousand dollars. For the fiscal year beginning July
13 1, 1974, and ending June 30, 1975, and each succeeding fiscal
14 year, there is appropriated the sum of thirty-five million
15 seven hundred thousand dollars. For each year of the fiscal
16 period beginning July 1, 1977 and ending June 30, 1979 the
17 total appropriation shall be thirty-eight million six hundred
18 thousand dollars. For the fiscal year beginning July 1, 1983
19 and ending June 30, 1984, the total appropriation shall be
20 forty-six million two hundred thousand dollars. For the
21 fiscal year beginning July 1, 1984 and ending June 30, 1985,
22 the total appropriation shall be twenty-three million one
23 hundred thousand dollars. For the fiscal year beginning July
24 1, 1985 and ending June 30, 1986, and each succeeding fiscal
25 year, the total appropriation shall be an amount equal to the
26 amount paid on May 15 of the preceding fiscal year plus one-
27 half of the amount needed to fund the additional personal
28 property tax credit payable in that fiscal year. In each
29 fiscal year for which an increase in the additional personal
30 property tax credit becomes effective as provided in this
31 division, the appropriation under this section shall be
32 increased by three million eight hundred thousand dollars, and
33 this increased appropriation shall continue for each
34 succeeding fiscal year. For the fiscal year beginning July 1,
35 1987, the total appropriation shall be fifty-nine fifty-seven

1 million five hundred thousand dollars. For the fiscal year
2 beginning July 1, 1988, ~~and for each succeeding fiscal year,~~
3 the total appropriation shall be ~~sixty-eight~~ thirty-two
4 million five hundred thousand dollars ~~per-year~~. For the
5 fiscal year beginning July 1, 1989, and for each succeeding
6 fiscal year, the total appropriation shall be zero.

7 Sec. 15. Section 442.2, subsections 2 and 3, Code 1987,
8 are amended by striking the subsections.

9 Sec. 16. Section 442.3, Code 1987, is amended by adding
10 the following new unnumbered paragraph:

11 NEW UNNUMBERED PARAGRAPH. For school years beginning July
12 1, 1988, and subsequent school years, the state foundation
13 base shall be increased by the sum of the following amounts:

14 1. The amount included in the district's budget for the
15 fiscal year beginning July 1, 1986, for the additional portion
16 of the livestock tax credit pursuant to section 442.2,
17 subsection 2 as it appeared in the 1987 Code.

18 2. The difference between the following amounts:

19 a. The general allocation of the school district as
20 determined under section 405A.2.

21 b. The foundation property tax rate multiplied by the
22 total actual value of all personal property assessed for
23 valuation in the school district as of January 1, 1973,
24 excluding livestock.

25 Sec. 17. Section 442.26, Code 1987, is amended to read as
26 follows:

27 442.26 APPROPRIATIONS.

28 There is hereby appropriated each year from the general
29 fund of the state an amount necessary to pay the state school
30 foundation aid.

31 All state aids paid under this chapter, unless otherwise
32 stated, shall be paid in monthly installments beginning on
33 September 15 of a budget year and ending on June 15 of the
34 budget year and the installments shall be as nearly equal as
35 possible as determined by the department of management, taking

1 into consideration the relative budget and cash position of
2 the state resources. However, an amount of state school
3 foundation aid equal to the general allocation of the school
4 district as determined under section 405A.2 and the amount for
5 the tax credit for livestock pursuant to section 442.2,
6 subsection 2 as it appeared in the 1987 Code, shall be paid to
7 the school district on July 15 of the subsequent fiscal year,
8 and the appropriation for this amount shall be made for the
9 fiscal year during which the payment is made. However, the
10 state aids paid to school districts under section 442.28 shall
11 be paid in monthly installments beginning on December 15 and
12 ending on June 15 of a budget year and state aids paid to
13 school districts under section 442.38 shall be paid in monthly
14 installments beginning on February 15 and ending on June 15 of
15 a budget year.

16 All moneys received by a school district from the state
17 under the provisions of this chapter shall be deposited in the
18 general fund of the school district, and may be used for any
19 school general fund purpose.

20 Sec. 18. Section 444.3, unnumbered paragraphs 2, 3, 4, and
21 5, Code 1987, are amended by striking the unnumbered
22 paragraphs.

23 Sec. 19. For the fiscal year beginning July 1, 1987, and
24 ending June 30, 1988, the payments are scheduled to be made on
25 January 1, 1988, and July 1, 1988. It is the intent of the
26 general assembly that the July 1, 1988, payment shall be made
27 pursuant to section 123.53, subsections 3, 4, 5, and 6.

28 Sec. 20. Sections 331.660 and 422.100, Code 1987, are
29 repealed. Section 427.17, Code Supplement 1987, is repealed.

30 Sec. 21. Chapters 334A and 405, Code 1987, are repealed.

31 EXPLANATION

32 This bill reallocates state assistance to local school
33 districts, area schools, counties, cities, local conference
34 boards, county hospitals, and county agricultural extension
35 councils.

1 Included in this reallocation is the amount of assistance
2 for personal property tax replacement; however, the
3 replacement amount is adjusted to \$65 million, the amount
4 actually received by local governments in fiscal year 1987.

5 SIMILAR TO HSB 775 (LSB 4682XG) and HF 2431 (LSB 4682HV)

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HOUSE FILE 2457
FISCAL NOTE

REQUESTED BY REPRESENTATIVE JOCHUM

In compliance with a written request received March 22, 1988, a fiscal note for HOUSE FILE 2457 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2457 relates to combining state payments for property tax credits and assistance to local school districts, area schools, counties, cities, local conference boards, county hospitals, and county agricultural extension councils.

Current Law

Cities currently receive separate allocations for monies and credits, liquor sales, municipal assistance and personal property tax replacement payments. Counties currently receive separate allocations for livestock tax replacement, monies and credits, county assistance and personal property tax replacement payments. Local schools currently receive separate allocations for livestock and personal property tax replacement payments. Other recipients (merged area schools, county hospitals, local conference boards, and county agricultural extension councils) currently receive personal property tax replacement payments.

Proposal

The main thrust of this bill is to consolidate state assistance to these local governments. The bill does the following:

1. The payment schedule is altered so that cities and counties get their assistance during the fiscal year for which the assistance is attributed to.
2. Payments for personal property and livestock replacement assistance to schools last year would be deferred to July 15 of the next fiscal year.
3. Counties have not received \$1.0 million in monies and credits for the last year. This bill changes the code to reflect this action.
4. A section appropriating \$3,365 for the salary of a deputy sheriff in Tama county is struck.

FISCAL EFFECT:

Tables 1 and 2 on the next page show the effects of the bill by funding source and distribution.

Page Two, Fiscal Note, House File 2457

-2-

TABLE 1: FUNDING SOURCE (millions)

	FY 88 Current	Scheduled Adjustment	--HF 2457-- FY 89 PROPOSED
General Fund	\$ 88.2		
1. last phase of pers. prop tax		6.1	
2. reduce livestock standing		-2.9	
Sub total Gen Fund	88.2	3.2	91.4
Liquor Sales	12.8		
1. transfer to General Fund			12.8
Sub total	12.8		12.8
Total	101.0	3.2	104.2

TABLE 2: DISTRIBUTIONS (millions)

	Property Tax Replacement Program						HF 2457
	Pers Prop	Liver- stock	City/ County Assist	Liquor Sales	Monies Credits	Totals	FY 89 GEN. FUND APPROP
K-12	30.3	5.1				35.4	32.5
Area	1.2					1.2	.9
Sub tot	31.5	5.1				36.6	33.4 (1)
Cities	17.0		14.5	12.8	1.5	45.8	
Counties	14.9		5.4			20.3	
Hospitals	.8					.8	
Conf Bds	.5					.5	
Ag. Ext	.2					.2	
Sub tot	33.4		19.9	12.8	1.5	67.6	67.6
Grd tot	64.9	5.1	19.9	12.8	1.5	104.3	101.0

(1) This amount is less than the current payment schedule with the difference being paid from the FY 90 appropriation.

(LSB 8455H, PDD)

Source: Department of Management

FILED MARCH 24, 1988

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 2457

S-5858

1 Amend House File 2457 as follows:
2 1. Page 8, line 28, by striking the words
3 "Sections 331.660 and 422.100, Code 1987, are" and
4 inserting the following: "Section 422.100, Code 1987,
5 is".

S-5858

Filed April 7, 1988

Adopted 4/11/88 (p. 1397)

BY COMMITTEE ON WAYS AND MEANS
CHARLES BRUNER, Chairperson

HOUSE FILE 2457

S-5902

1 Amend House File 2457, as passed by the House, as
2 follows:
3 1. Page 6, by inserting before line 1 the
4 following:
5 "Sec. ____ . Section 411.20, subsection 1, Code
6 1987, is amended to read as follows:
7 1. There is appropriated from the general fund of
8 the state ~~to the municipal assistance fund established~~
9 ~~in chapter 405~~ for each fiscal year an amount
10 necessary to be distributed to cities which have
11 established fire and police retirement systems under
12 the provisions of this chapter. Funds shall be used
13 to finance the costs of benefits provided in this
14 chapter by amendments of the Acts of the Sixty-sixth
15 General Assembly, chapter 1089."

S-5902

Filed April 11, 1988

Adopted 4/11/88 (p. 1413)

ADOPTED

BY EMIL J. HUSAK
ALVIN V. MILLER

SENATE AMENDMENT TO HOUSE FILE 2457

H-6371

1 Amend House File 2457, as passed by the House, as
2 follows:

3 1. Page 6, by inserting before line 1 the
4 following:

5 "Sec. ____ . Section 411.20, subsection 1, Code
6 1987, is amended to read as follows:

7 1. There is appropriated from the general fund of
8 the state to-the-municipal-assistance-fund-established
9 in-chapter-405 for each fiscal year an amount
10 necessary to be distributed to cities which have
11 established fire and police retirement systems under
12 the provisions of this chapter. Funds shall be used
13 to finance the costs of benefits provided in this
14 chapter by amendments of the Acts of the Sixty-sixth
15 General Assembly, chapter 1089."

16 2. Page 8, line 28, by striking the words
17 "Sections 331.660 and 422.100, Code 1987, are" and
18 inserting the following: "Section 422.100, Code 1987,
19 is".

20 3. By renumbering, relettering, or redesignating
21 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-6371 FILED APRIL 11, 1988

House concurred 4/12 (p. 1761)

HOUSE FILE 2457

AN ACT

RELATING TO PAYMENTS FOR LOCAL SCHOOL DISTRICTS, AREA SCHOOLS,
COUNTIES, CITIES, LOCAL CONFERENCE BOARDS, COUNTY HOSPITALS,
AND COUNTY AGRICULTURAL EXTENSION COUNCILS.

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

Section 1. NEW SECTION. 405A.1 DEFINITIONS.

As used in this chapter, unless the context requires otherwise:

1. "Personal property replacement base" means the personal property tax replacement base as described in section 427A.12, subsection 2, paragraph "c".

2. "Political subdivision" means a city, county, local conference board established pursuant to chapter 441, county hospital established pursuant to chapter 347 or 347A, or county agricultural extension council elected pursuant to chapter 176A.

3. "Local government" means a school district, area school, city, county, local conference board established pursuant to chapter 441, county hospital established pursuant to chapter 347 or 347A, or county agricultural extension council elected pursuant to chapter 176A.

Sec. 2. NEW SECTION. 405A.2 GENERAL ALLOCATION.

The general allocation for each local government is equal to the product of the following for all of the taxing districts comprising the local government: The ratio of sixty-five million to the total personal property replacement base in the state multiplied by the personal property replacement base of the taxing district, and the product multiplied by the ratio of the tax rate of the local government for taxes payable in the fiscal year ending June 30, 1987, to the consolidated tax rate of the taxing district for taxes payable in the fiscal year ending June 30, 1987.

Sec. 3. NEW SECTION. 405A.3 CITY ALLOCATIONS.

1. For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, the amount due to each city in the state is equal to the sum of the following:

a. The general allocation as determined pursuant to section 405A.2.

b. The ratio of the population of each city to the total population of all cities in the state, multiplied by twenty-seven million three hundred thousand dollars. The population of each city shall be determined by the latest available federal census. A city may have one special federal census taken each decade, and the population figure obtained shall be used in apportioning amounts under this subsection beginning the calendar year following the year in which the special census is certified to the secretary of state. If a city has annexed territory since the last regular or special federal census, the mayor and council shall certify to the treasurer of state the actual population of the annexed territory as determined by the last certified federal census of the territory and the apportionment of funds under this subsection shall be based upon the population of the city as modified by the certification of the population of the annexed territory until the next regular or special federal census enumeration.

c. The amount of moneys and credits replacement received by the city under section 422.100 for the fiscal year ending June 30, 1988.

2. A city shall not receive an apportionment of funds under this section after its dissolution. After the dissolution of a city, its general allocation as determined under section 405A.2 and the allocation as determined under subsection 1, paragraph "c" of this section shall be paid to the county in which the dissolved city was located. If two or more cities have consolidated, the apportionment of funds under this section shall be determined by adding the apportionment of the consolidating cities.

Sec. 4. NEW SECTION. 405A.4 COUNTY ALLOCATIONS.

1. For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, the amount due to each county in the state is equal to the sum of the following:

a. The general allocation as determined pursuant to section 405A.2.

b. The ratio of the population of each county residing in the unincorporated area of the county to the total population residing in the unincorporated areas of all the counties, multiplied by five million four hundred thousand dollars. The population of each county shall be determined by the latest available federal census.

c. The ratio of the personal property replacement base of the county to the total personal property replacement base of all counties in the state, multiplied by four hundred forty-seven thousand dollars.

2. The allocation of a county as determined under subsection 1 may be credited to the general, rural services, secondary road, or other special revenue fund of the county.

Sec. 5. NEW SECTION. 405A.5 LOCAL CONFERENCE BOARD ALLOCATIONS.

1. For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, the amount due to each local conference board in the state is equal to the general allocation of the local conference board as determined in section 405A.2.

2. When the office of city assessor is discontinued, the amounts that would otherwise be due to the city conference board under this section shall be paid to the county conference board.

Sec. 6. NEW SECTION. 405A.6 COUNTY HOSPITAL ALLOCATIONS.

1. For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, the amount due to each county hospital in the state is equal to the general allocation of the county hospital as determined in section 405A.2.

2. When a county hospital is discontinued or organized pursuant to chapter 37, the amounts that would otherwise be due to the hospital under this section shall be paid to the county.

Sec. 7. NEW SECTION. 405A.7 AGRICULTURAL EXTENSION COUNCIL ALLOCATIONS.

For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, the amount due to each county agricultural extension council in the state is equal to the general allocation of the county agricultural extension council as determined in section 405A.2.

Sec. 8. NEW SECTION. 405A.8 APPROPRIATIONS.

1. There are appropriated from the general fund of the state to the department of revenue and finance the following sums to carry out the provisions of this chapter: For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, sixty-seven million seven hundred thirty-seven thousand (67,737,000) dollars.

2. If, for any fiscal year the amount appropriated is insufficient to pay in full the amounts due to all political subdivisions, then the amount of each payment shall be reduced by the same percentage, so that the aggregate payments to all political subdivisions are equal to the amount appropriated for such payments. If, for any fiscal year the amount appropriated is in excess of the amounts due to all political subdivisions, then the amount of each payment shall be increased by the same percentage, so that the aggregate payments to all political subdivisions are equal to the amount appropriated for such payments.

Sec. 9. NEW SECTION. 405A.9 PAYMENT SCHEDULE.

The amounts due each political subdivision for each fiscal year shall be paid in the form of warrants payable to the treasurers of the respective political subdivisions by the department of revenue and finance according to the following schedule:

1. One-half of the amount due for a fiscal year shall be paid on December 15 of that fiscal year.

2. One-half of the amount due for a fiscal year shall be paid on March 15 of that fiscal year.

Sec. 10. Section 123.53, subsections 3, 4, 5, and 6, Code 1987, are amended by striking the subsections.

Sec. 11. Section 286A.11, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 4. An amount equal to the general allocation of the area school as determined under section 405A.2.

Sec. 12. Section 331.429, subsection 1, paragraphs a and b, Code Supplement 1987, are amended to read as follows:

a. Transfers from the general fund not to exceed in any year the dollar equivalent of a tax of sixteen and seven-eighths cents per thousand dollars of assessed value on all taxable property in the county multiplied by the ratio of current taxes actually collected and apportioned for the general basic levy to the total general basic levy for the current year, and an amount equivalent to the moneys derived by the general fund from military service tax credits under chapter 426A, mobile home taxes under section 135D.22, the ~~personal-property-tax-replacement-fund-under-section-427A.12, subsection-6,~~ and delinquent taxes for prior years collected and apportioned to the general basic fund in the current year, multiplied by the ratio of sixteen and seven-eighths cents to three dollars and fifty cents.

b. Transfers from the rural services fund not to exceed in any year the dollar equivalent of a tax of three dollars and three-eighths cents per thousand dollars of assessed value on all taxable property not located within the corporate limits of a city in the county multiplied by the ratio of current taxes actually collected and apportioned for the rural services basic levy to the total rural services basic levy for the current year and an amount equivalent to the moneys derived by the rural services fund from the ~~livestock-tax~~

~~credits-under-section-427.17,~~ military service tax credits under chapter 426A, mobile home taxes under section 135D.22, ~~the-personal-property-tax-replacement-fund-under-section-427A.12, subsection-6,~~ and delinquent taxes for prior years collected and apportioned to the rural services basic fund in the current year, multiplied by the ratio of three dollars and three-eighths cents to three dollars and ninety-five cents.

Sec. 13. Section 411.20, subsection 1, Code 1987, is amended to read as follows:

1. There is appropriated from the general fund of the state to the ~~municipal-assistance-fund-established-in-chapter-405~~ for each fiscal year an amount necessary to be distributed to cities which have established fire and police retirement systems under the provisions of this chapter. Funds shall be used to finance the costs of benefits provided in this chapter by amendments of the Acts of the Sixty-sixth General Assembly, chapter 1089.

Sec. 14. Section 427A.12, subsection 6, Code 1987, is amended by striking the subsection.

Sec. 15. Section 427A.13, Code 1987, is amended to read as follows:

427A.13 APPROPRIATION.

There is appropriated from the general fund of the state to the personal property tax replacement fund the following sums, or so much thereof as may be necessary, to carry out the provisions of this chapter as amended by this division. For the fiscal year beginning July 1, 1973, and ending June 30, 1974, there is appropriated the sum of thirty-one million nine hundred thousand dollars. For the fiscal year beginning July 1, 1974, and ending June 30, 1975, and each succeeding fiscal year, there is appropriated the sum of thirty-five million seven hundred thousand dollars. For each year of the fiscal period beginning July 1, 1977 and ending June 30, 1979 the total appropriation shall be thirty-eight million six hundred thousand dollars. For the fiscal year beginning July 1, 1983 and ending June 30, 1984, the total appropriation shall be

forty-six million two hundred thousand dollars. For the fiscal year beginning July 1, 1984 and ending June 30, 1985, the total appropriation shall be twenty-three million one hundred thousand dollars. For the fiscal year beginning July 1, 1985 and ending June 30, 1986, and each succeeding fiscal year, the total appropriation shall be an amount equal to the amount paid on May 15 of the preceding fiscal year plus one-half of the amount needed to fund the additional personal property tax credit payable in that fiscal year. In each fiscal year for which an increase in the additional personal property tax credit becomes effective as provided in this division, the appropriation under this section shall be increased by three million eight hundred thousand dollars, and this increased appropriation shall continue for each succeeding fiscal year. For the fiscal year beginning July 1, 1987, the total appropriation shall be fifty-nine fifty-seven million five hundred thousand dollars. For the fiscal year beginning July 1, 1988, and for each succeeding fiscal year, the total appropriation shall be sixty-eight thirty-two million five hundred thousand dollars per-year. For the fiscal year beginning July 1, 1989, and for each succeeding fiscal year, the total appropriation shall be zero.

Sec. 16. Section 442.2, subsections 2 and 3, Code 1987, are amended by striking the subsections.

Sec. 17. Section 442.3, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. For school years beginning July 1, 1988, and subsequent school years, the state foundation base shall be increased by the sum of the following amounts:

1. The amount included in the district's budget for the fiscal year beginning July 1, 1986, for the additional portion of the livestock tax credit pursuant to section 442.2, subsection 2 as it appeared in the 1987 Code.

2. The difference between the following amounts:

a. The general allocation of the school district as determined under section 405A.2.

b. The foundation property tax rate multiplied by the total actual value of all personal property assessed for valuation in the school district as of January 1, 1973, excluding livestock.

Sec. 18. Section 442.26, Code 1987, is amended to read as follows:

442.26 APPROPRIATIONS.

There is hereby appropriated each year from the general fund of the state an amount necessary to pay the state school foundation aid.

All state aids paid under this chapter, unless otherwise stated, shall be paid in monthly installments beginning on September 15 of a budget year and ending on June 15 of the budget year and the installments shall be as nearly equal as possible as determined by the department of management, taking into consideration the relative budget and cash position of the state resources. However, an amount of state school foundation aid equal to the general allocation of the school district as determined under section 405A.2 and the amount for the tax credit for livestock pursuant to section 442.2, subsection 2 as it appeared in the 1987 Code, shall be paid to the school district on July 15 of the subsequent fiscal year, and the appropriation for this amount shall be made for the fiscal year during which the payment is made. However, the state aids paid to school districts under section 442.28 shall be paid in monthly installments beginning on December 15 and ending on June 15 of a budget year and state aids paid to school districts under section 442.38 shall be paid in monthly installments beginning on February 15 and ending on June 15 of a budget year.

All moneys received by a school district from the state under the provisions of this chapter shall be deposited in the general fund of the school district, and may be used for any school general fund purpose.

Sec. 19. Section 444.3, unnumbered paragraphs 2, 3, 4, and 5, Code 1987, are amended by striking the unnumbered paragraphs.

Sec. 20. For the fiscal year beginning July 1, 1987, and ending June 30, 1988, the payments are scheduled to be made on January 1, 1988, and July 1, 1988. It is the intent of the general assembly that the July 1, 1988, payment shall be made pursuant to section 123.53, subsections 3, 4, 5, and 6.

Sec. 21. Section 422.100, Code 1987, is repealed. Section 427.17, Code Supplement 1987, is repealed.

Sec. 22. Chapters 334A and 405, Code 1987, are repealed.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2457, Seventy-second General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 14, 1988

TERRY E. BRANSTAD
Governor

HF 2457