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SENATE FILE 2357
BY RITTMER

Passed Senate, Date ^(p. 1094) 3/27/97 Passed House, Date ^(p. 1869) 4/23/96
Vote: Ayes 50 Nays 0 Vote: Ayes 85 Nays 11
Approved 4/30/96

A BILL FOR

1 An Act relating to school finance providing for an increase in
2 the amount certified for levy in excess of that previously
3 authorized for bonded indebtedness repayment.

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

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SENATE FILE 2357

S-5435

- 1 Amend Senate File 2357 as follows:
- 2 1. Page 1, line 5, by striking the word
- 3 "indebtedness" and inserting the following:
- 4 "indebtedness incurred before July 1, 1995,".
- 5 2. Page 2, by inserting after line 9 the
- 6 following:
- 7 "6. An adjustment shall not be permitted which
- 8 results in extending a levy beyond the earlier of the
- 9 following:
- 10 a. Ten years from the original date of
- 11 certification of the amount required to pay interest
- 12 and principal.
- 13 b. June 30, 2007."

By COMMITTEE ON WAYS AND MEANS
WILLIAM D. PALMER, Chairperson

Adopted 3/27/96 (p. 1093)

S-5435 FILED MARCH 20, 1996

S.F. 2357

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1 Section 1. NEW SECTION. 298.18A LEVY ADJUSTMENT.

2 If, in the opinion of the board of a school corporation,
3 after having originally estimated and certified the amount
4 required to pay interest and principal due upon bonded
5 indebtedness, an adjustment in the amount certified in excess
6 of that previously levied by the resolution authorizing
7 issuance of the bonds becomes necessary in anticipation of
8 future projected revenue shortfalls resulting from machinery
9 and equipment-related taxable valuation decrease from the
10 valuation as of January 1, 1994, an adjustment shall be
11 permitted subject to the following limitations:

12 1. An adjustment shall be permitted only in a district in
13 which machinery and equipment valuation exceeds twenty percent
14 of total taxable valuation as of January 1, 1994.

15 2. The adjustment shall not result in a total amount
16 levied in excess of the two dollar and seventy cent per
17 thousand dollars of assessed valuation limit provided in
18 section 298.18. An adjustment in excess of the two dollar and
19 seventy cent per thousand dollars of assessed valuation limit
20 shall be subject to the special election provisions for
21 increases of up to four dollars and five cents per thousand
22 dollars of assessed valuation provisions of section 298.18.

23 3. The amount of the adjustment, when added to the amount
24 originally estimated and certified, for any one year, shall
25 not exceed the least of:

26 a. The amount required to pay interest and principal due
27 upon bonded indebtedness for the three-year period beginning
28 on the date of the adjustment.

29 b. One hundred twenty-five percent of the amount
30 originally estimated and certified.

31 c. One hundred ten percent of the total district levies
32 for the fiscal year preceding the fiscal year in which the
33 adjustment is to be added.

34 4. The amount of the adjustment plus the amount of state
35 replacement moneys received under section 427B.19A which is

1 attributable to the amount of the adjustment, when added to
2 the amount originally estimated and certified, shall not
3 result in the levying of an amount over the life of the issue
4 in excess of the amount necessary for principal and interest
5 repayment.

6 5. Amounts collected pursuant to this section shall be
7 deposited in a separate debt service account distinct from the
8 account established to hold principal and interest revenues
9 resulting from the original levy.

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EXPLANATION

11 This bill provides that a school corporation board may
12 increase amounts certified for levy for principal and interest
13 bonded indebtedness repayment if the board determines such
14 increases are necessary to offset projected future machinery
15 and equipment-related property valuation decreases and
16 resulting revenue shortfalls in a district in which machinery
17 and equipment valuation exceeds 20 percent of total taxable
18 valuation. If the increase, when added to the amount
19 originally certified, exceeds the \$2.70 per \$1,000 limit
20 specified in section 298.18, the special election provisions
21 of section 298.18 will apply. The amount of the adjustment in
22 any one year, when added to the amount originally certified,
23 shall not exceed the lesser of the amount necessary for
24 principal and interest repayment for the three-year period
25 beginning on the date of the adjustment, 125 percent of the
26 amount originally estimated and certified, or 110 percent of
27 the total district levies for the fiscal year preceding the
28 adjustment. Additionally, the amount of the adjustment, any
29 machinery and equipment replacement moneys received as a
30 result of the adjustment, and the original levy amount shall
31 not exceed the total amount necessary for principal and
32 interest repayment over the life of the issue. The bill
33 provides that the amounts collected attributable to this
34 increase must be deposited in an account maintained separately
35 from that created to hold the principal and interest revenues.

LSB 3496SS 76

1 Section 1. NEW SECTION. 298.18A LEVY ADJUSTMENT.

2 If, in the opinion of the board of a school corporation,
3 after having originally estimated and certified the amount
4 required to pay interest and principal due upon bonded
5 indebtedness incurred before July 1, 1995, an adjustment in
6 the amount certified in excess of that previously levied by
7 the resolution authorizing issuance of the bonds becomes
8 necessary in anticipation of future projected revenue
9 shortfalls resulting from machinery and equipment-related
10 taxable valuation decrease from the valuation as of January 1,
11 1994, an adjustment shall be permitted subject to the
12 following limitations:

13 1. An adjustment shall be permitted only in a district in
14 which machinery and equipment valuation exceeds twenty percent
15 of total taxable valuation as of January 1, 1994.

16 2. The adjustment shall not result in a total amount
17 levied in excess of the two dollar and seventy cent per
18 thousand dollars of assessed valuation limit provided in
19 section 298.18. An adjustment in excess of the two dollar and
20 seventy cent per thousand dollars of assessed valuation limit
21 shall be subject to the special election provisions for
22 increases of up to four dollars and five cents per thousand
23 dollars of assessed valuation provisions of section 298.18.

24 3. The amount of the adjustment, when added to the amount
25 originally estimated and certified, for any one year, shall
26 not exceed the least of:

27 a. The amount required to pay interest and principal due
28 upon bonded indebtedness for the three-year period beginning
29 on the date of the adjustment.

30 b. One hundred twenty-five percent of the amount
31 originally estimated and certified.

32 c. One hundred ten percent of the total district levies
33 for the fiscal year preceding the fiscal year in which the
34 adjustment is to be added.

35 4. The amount of the adjustment plus the amount of state

1 replacement moneys received under section 427B.19A which is
2 attributable to the amount of the adjustment, when added to
3 the amount originally estimated and certified, shall not
4 result in the levying of an amount over the life of the issue
5 in excess of the amount necessary for principal and interest
6 repayment.

7 5. Amounts collected pursuant to this section shall be
8 deposited in a separate debt service account distinct from the
9 account established to hold principal and interest revenues
10 resulting from the original levy.

11 6. An adjustment shall not be permitted which results in
12 extending a levy beyond the earlier of the following:

13 a. Ten years from the original date of certification of
14 the amount required to pay interest and principal.

15 b. June 30, 2007.

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SENATE FILE 2357

AN ACT

RELATING TO SCHOOL FINANCE PROVIDING FOR AN INCREASE IN THE
AMOUNT CERTIFIED FOR LEVY IN EXCESS OF THAT PREVIOUSLY
AUTHORIZED FOR BONDED INDEBTEDNESS REPAYMENT.

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

Section 1. NEW SECTION. 298.18A LEVY ADJUSTMENT.

If, in the opinion of the board of a school corporation, after having originally estimated and certified the amount required to pay interest and principal due upon bonded indebtedness incurred before July 1, 1995, an adjustment in the amount certified in excess of that previously levied by the resolution authorizing issuance of the bonds becomes necessary in anticipation of future projected revenue shortfalls resulting from machinery and equipment-related taxable valuation decrease from the valuation as of January 1, 1994, an adjustment shall be permitted subject to the following limitations:

1. An adjustment shall be permitted only in a district in which machinery and equipment valuation exceeds twenty percent of total taxable valuation as of January 1, 1994.

2. The adjustment shall not result in a total amount levied in excess of the two dollar and seventy cent per thousand dollars of assessed valuation limit provided in section 298.18. An adjustment in excess of the two dollar and seventy cent per thousand dollars of assessed valuation limit shall be subject to the special election provisions for increases of up to four dollars and five cents per thousand dollars of assessed valuation provisions of section 298.18.

3. The amount of the adjustment, when added to the amount originally estimated and certified, for any one year, shall not exceed the least of:

a. The amount required to pay interest and principal due upon bonded indebtedness for the three-year period beginning on the date of the adjustment.

b. One hundred twenty-five percent of the amount originally estimated and certified.

c. One hundred ten percent of the total district levies for the fiscal year preceding the fiscal year in which the adjustment is to be added.

4. The amount of the adjustment plus the amount of state replacement moneys received under section 427B.19A which is attributable to the amount of the adjustment, when added to the amount originally estimated and certified, shall not result in the levying of an amount over the life of the issue in excess of the amount necessary for principal and interest repayment.

5. Amounts collected pursuant to this section shall be deposited in a separate debt service account distinct from the account established to hold principal and interest revenues resulting from the original levy.

6. An adjustment shall not be permitted which results in extending a levy beyond the earlier of the following:

- a. Ten years from the original date of certification of the amount required to pay interest and principal.
- b. June 30, 2007.

LEONARD L. BOSWELL
President of the Senate

RON J. CORBETT
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2357, Seventy-sixth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved 4/30/96, 1996

TERRY E. BRANSTAD
Governor