

# REPRINTED

FEB 16 1998  
WAYS & MEANS CALENDAR

HOUSE FILE 2282  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2076)

(p. 356)  
Passed House, Date 2/25/98 Passed Senate, Date 4/8/98  
Vote: Ayes 59 Nays 39 Vote: Ayes 37 Nays 13  
Approved April 20, 1998

## A BILL FOR

1 An Act authorizing the imposition of a local option sales and  
2 services tax and use of certain federal funds for school  
3 infrastructure projects and the issuance of bonds, and  
4 providing an effective date.

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

6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

HF 2282

1 Section 1. NEW SECTION. 422E.1 AUTHORIZATION -- RATE OF  
2 TAX -- USE OF REVENUES.

3 1. A local sales and services tax for school  
4 infrastructure purposes may be imposed by a county on behalf  
5 of school districts as provided in this chapter.

6 2. The maximum rate of tax shall be one percent. The tax  
7 shall be imposed without regard to any other local sales and  
8 services tax authorized in chapter 422B, and is repealed at  
9 the expiration of a period of ten years of imposition or a  
10 shorter period as provided in the ballot proposition.

11 3. Local sales and services tax moneys received by a  
12 county for school infrastructure purposes pursuant to this  
13 chapter shall be utilized solely for school infrastructure  
14 needs. For purposes of this chapter, "school infrastructure"  
15 means those activities for which a school district is  
16 authorized to contract indebtedness and issue general  
17 obligation bonds under section 296.1, except those activities  
18 related to a teacher's or superintendent's home or homes.  
19 These activities include the construction, reconstruction,  
20 repair, purchasing, or remodeling of schoolhouses, stadiums,  
21 gyms, fieldhouses, and bus garages and the procurement of  
22 schoolhouse construction sites and the making of site  
23 improvements. Additionally, "school infrastructure" includes  
24 the payment or retirement of outstanding bonds previously  
25 issued for school infrastructure purposes as defined in this  
26 subsection, and the payment or retirement of bonds issued  
27 under section 422E.4.

28 Sec. 2. NEW SECTION. 422E.2 IMPOSITION BY COUNTY.

29 1. A local sales and services tax shall be imposed by a  
30 county only after an election at which a majority of those  
31 voting on the question favors imposition. A local sales and  
32 services tax approved by a majority vote shall apply to all  
33 incorporated and unincorporated areas of that county.

34 2. a. Upon receipt by a county board of supervisors of a  
35 petition requesting imposition of a local sales and services

1 tax for infrastructure purposes, signed by eligible electors  
2 of the whole county equal in number to five percent of the  
3 persons in the whole county who voted at the last preceding  
4 state general election, the board shall within thirty days  
5 direct the county commissioner of elections to submit the  
6 question of imposition of the tax to the registered voters of  
7 the whole county.

8 b. Alternatively, the question of imposition of a local  
9 sales and services tax for school infrastructure purposes may  
10 be proposed by motion or motions, requesting such submission,  
11 adopted by the governing body of a school district or school  
12 districts located within the county containing a total, or a  
13 combined total in the case of more than one school district,  
14 of at least one-half of the population of the county, or by  
15 the county board of supervisors. Upon adoption of such  
16 motion, the governing body of a school district shall notify  
17 the board of supervisors of the adoption of the motion. The  
18 county board of supervisors shall submit the motion to the  
19 county commissioner of elections, who shall publish notice of  
20 the ballot proposition concerning the imposition of the local  
21 sales and services tax. A motion ceases to be valid at the  
22 time of the holding of the regular election for the election  
23 of members of the governing body which adopted the motion.

24 3. The county commissioner of elections shall submit the  
25 question of imposition of a local sales and services tax for  
26 school infrastructure purposes at a state general election or  
27 at a special election held at any time other than the time of  
28 a city regular election. The election shall not be held  
29 sooner than sixty days after publication of notice of the  
30 ballot proposition. The ballot proposition shall specify the  
31 rate of tax, the date the tax will be imposed and repealed,  
32 and shall contain a statement as to the specific purpose or  
33 purposes for which the revenues shall be expended. The rate  
34 of tax shall not be more than one percent as set by the county  
35 board of supervisors. The state commissioner of elections

1 shall establish by rule the form for the ballot proposition  
2 which form shall be uniform throughout the state.

3 4. a. The tax may be repealed or the rate increased, but  
4 not above one percent, or decreased after an election at which  
5 a majority of those voting on the question of repeal or rate  
6 change favored the repeal or rate change. The election at  
7 which the question of repeal or rate change is offered shall  
8 be called and held in the same manner and under the same  
9 conditions as provided in this section for the election on the  
10 imposition of the tax. The election may be held at any time  
11 but not sooner than sixty days following publication of the  
12 ballot proposition. However, the tax shall not be repealed  
13 before it has been in effect for one year.

14 b. Within ten days of the election at which a majority of  
15 those voting on the question favors the imposition, repeal, or  
16 change in the rate of the tax, the county board of supervisors  
17 shall give written notice to the director of revenue and  
18 finance of the result of the election. Election costs shall  
19 be apportioned among school districts within the county on a  
20 pro rata basis in proportion to the number of registered  
21 voters in each school district and the total number of  
22 registered voters in all of the school districts within the  
23 county.

24 A local option sales and services tax shall not be repealed  
25 or reduced in rate if obligations are outstanding which are  
26 payable as provided in section 422E.4, unless funds sufficient  
27 to pay the principal, interest, and premium, if any, on the  
28 outstanding obligations at and prior to maturity have been  
29 properly set aside and pledged for that purpose.

30 Sec. 3. NEW SECTION. 422E.3 COLLECTION OF TAX.

31 1. If a majority of those voting on the question of  
32 imposition of a local sales and services tax for school  
33 infrastructure purposes favors imposition of the tax, the tax  
34 shall be imposed by the county board of supervisors within the  
35 county pursuant to section 422E.2, at the rate specified for a

1 ten-year duration on the gross receipts taxed by the state  
2 under chapter 422, division IV.

3 2. The tax shall be imposed on the same basis as the state  
4 sales and services tax and shall not be imposed on the sale of  
5 any property or on any service not taxed by the state, except  
6 the tax shall not be imposed on the gross receipts from the  
7 sale of motor fuel or special fuel as defined in chapter 452A,  
8 on the gross receipts from the rental of rooms, apartments, or  
9 sleeping quarters which are taxed under chapter 422A during  
10 the period the hotel and motel tax is imposed, on the gross  
11 receipts from the sale of equipment by the state department of  
12 transportation, and on the gross receipts from the sale of a  
13 lottery ticket or share in a lottery game conducted pursuant  
14 to chapter 99E.

15 3. The tax is applicable to transactions within the county  
16 where it is imposed and shall be collected by all persons  
17 required to collect state gross receipts taxes. The amount of  
18 the sale, for purposes of determining the amount of the tax,  
19 does not include the amount of any state gross receipts taxes  
20 or other local option sales taxes. A tax permit other than  
21 the state tax permit required under section 422.53 shall not  
22 be required by local authorities.

23 4. The director of revenue and finance shall credit tax  
24 receipts and interest and penalties from the local sales and  
25 services tax for school infrastructure purposes to an account  
26 within the county's local sales and services tax fund, as  
27 created in section 422B.10, subsection 1, maintained in the  
28 name of the school district or school districts located within  
29 the county. If the director is unable to determine from which  
30 county any of the receipts were collected, those receipts  
31 shall be allocated among the possible counties based on  
32 allocation rules adopted by the director.

33 5. a. The director of revenue and finance within fifteen  
34 days of the beginning of each fiscal year shall send to each  
35 school district where the tax is imposed an estimate of the

1 amount of tax moneys each school district will receive for the  
2 year and for each month of the year. At the end of each  
3 month, the director may revise the estimates for the year and  
4 remaining months.

5 b. The director shall remit ninety-five percent of the  
6 estimated tax receipts for the school district to the school  
7 district on or before August 31 of the fiscal year and on or  
8 before the last day of each following month.

9 c. The director shall remit a final payment of the  
10 remainder of tax moneys due for the fiscal year before  
11 November 10 of the next fiscal year. If an overpayment has  
12 resulted during the previous fiscal year, the first payment of  
13 the new fiscal year shall be adjusted to reflect any  
14 overpayment.

15 If more than one school district, or a portion of a school  
16 district, is located within the county, tax receipts shall be  
17 remitted to each school district or portion of a school  
18 district in which the county tax is imposed in a pro rata  
19 share based upon the ratio which the percentage of actual  
20 enrollment for the school district that attends school in the  
21 county bears to the percentage of the total combined actual  
22 enrollments for all school districts that attend school in the  
23 county. The combined actual enrollment for a county, for  
24 purposes of this section, shall be determined for each county  
25 imposing a sales and services tax for school infrastructure  
26 purposes by the department of management based on the actual  
27 enrollment figures reported by October 1 to the department of  
28 management by the department of education pursuant to section  
29 257.6, subsection 1. The combined actual enrollment count  
30 shall be forwarded to the director of the department of  
31 management by March 1, annually, for purposes of supplying  
32 estimated tax payment figures and making estimated tax  
33 payments pursuant to this section for the following fiscal  
34 year.

35 6. The local sales and services tax for school

1 infrastructure purposes shall be administered as provided in  
2 section 422B.9.

3 Sec. 4. NEW SECTION. 422E.4 BONDING.

4 The board of directors of a school district shall be  
5 authorized to issue negotiable, interest-bearing school bonds,  
6 without election, and utilize tax receipts derived from the  
7 sales and services tax for school infrastructure purposes for  
8 principal and interest repayment. Proceeds of the bonds  
9 issued pursuant to this section shall be utilized solely for  
10 school infrastructure needs as school infrastructure is  
11 defined in section 422E.1, subsection 3. Issuance of bonds  
12 pursuant to this section shall be permitted only in a district  
13 which has imposed a local sales and services tax for school  
14 infrastructure purposes pursuant to section 422E.2. The  
15 provisions of sections 298.22 through 298.24 shall apply  
16 regarding the form, rate of interest, registration,  
17 redemption, and recording of bond issues pursuant to this  
18 section, with the exception that the maximum period during  
19 which principal on the bonds is payable shall not exceed a  
20 ten-year period, or the date of repeal stated on the ballot  
21 proposition.

22 A school district in which a local option sales tax for  
23 school infrastructure purposes has been imposed shall be  
24 authorized to enter into a chapter 28E agreement with one or  
25 more cities whose boundaries encompass all or a part of the  
26 area of the school district. A city or cities entering into a  
27 chapter 28E agreement shall be authorized to expend its  
28 designated portion of the local option sales and services tax  
29 revenues for any valid purpose permitted in this chapter or  
30 authorized by the governing body of the city.

31 The governing body of a city may authorize the issuance of  
32 bonds which are payable from its designated portion of the  
33 revenues of the local option sales and services tax, and not  
34 from property tax, by following the authorization procedures  
35 set forth for cities in section 384.83. A city may pledge

1 irrevocably any amount derived from its designated portions of  
2 the revenues of the local option sales and services tax to the  
3 support or payment of such bonds.

4 Sec. 5. NEW SECTION. 422E.5 SCHOOL INFRASTRUCTURE SAFETY  
5 FUND.

6 1. There shall be distributed from the federal funds  
7 allocated to the state of Iowa as described in Conference  
8 Committee Report 105-390, accompanying H.R. 2264, making  
9 federal appropriations to the United States departments of  
10 labor, health and human services, and education, to the state  
11 department of education the sum of eight million dollars to  
12 establish a school infrastructure safety fund.

13 2. The funds shall be allocated to the school budget  
14 review committee to develop a school infrastructure safety  
15 fund grant program, in conjunction with the state fire  
16 marshal. For purposes of reviewing grant applications and  
17 making recommendations regarding the administration of the  
18 program, the state fire marshal shall be considered an  
19 additional voting member of the school budget review  
20 committee.

21 3. Top priority in awarding program grants shall be the  
22 making of school infrastructure improvements relating to fire  
23 and personal safety. School districts eligible for program  
24 grants shall have received an order or citation from the state  
25 fire marshal, or a fire department chief or fire prevention  
26 officer, for one or more fire safety violations regarding a  
27 school facility, or in the opinion of the state fire marshal  
28 shall be regarded as operating facilities subject to  
29 significant fire safety deficiencies. Grant awards shall also  
30 be available for defects or violations of the state building  
31 code revealed during an inspection of school facilities by a  
32 local building department, or for improvements consistent with  
33 the standards and specifications contained in the state  
34 building code regarding ensuring that buildings and facilities  
35 are accessible to and functional for persons with



1 disabilities. The school budget review committee shall  
2 allocate program funds to school districts which, in its  
3 discretion, are determined to be faced with the most severe  
4 deficiencies. School districts applying for program grants  
5 shall have developed and submitted to the state fire marshal  
6 or local building department a written plan to remedy fire or  
7 safety defects within a specified time frame. Approval of the  
8 written plan by the state fire marshal or local building  
9 department shall be obtained prior to receipt of a grant award  
10 by a school district.

11 4. Application forms, submission dates for applications  
12 and for written plans to remedy fire or safety defects, and  
13 grant award criteria shall be developed by the state  
14 department of education, in coordination with the state fire  
15 marshal, by rule.

16 5. The school budget review committee shall submit a  
17 progress report of the number and amount of grants awarded,  
18 and fire and safety improvements made, pursuant to the school  
19 infrastructure safety fund grant program, to the general  
20 assembly by January 1, 2000.

21 Sec. 6. EFFECTIVE DATE. This Act, being deemed of  
22 immediate importance, takes effect upon enactment.

23 EXPLANATION

24 This bill provides for the imposition of a local sales and  
25 services tax by a county to be utilized for school  
26 infrastructure purposes, separate and distinct from any other  
27 local sales and services tax otherwise imposed by a city or  
28 county pursuant to chapter 422B. The tax would be subject to  
29 a one percent maximum rate, be authorized for a maximum  
30 duration of 10 years, and be imposed countywide. Imposition  
31 of the tax could be requested by a petition signed by 5  
32 percent of the eligible electors of the whole county who voted  
33 at the last preceding state general election, or by a motion  
34 received by the county commissioner of elections adopted by  
35 the governing body of the county or of a school district or

1 school districts located within the county containing a total,  
2 or combined total, of at least one-half of the population of  
3 the county. The tax would be imposed if approved by a  
4 majority vote of those persons voting on the question within  
5 the county at a state general election or a special election  
6 called for imposition of the tax.

7 The bill provides for the crediting of tax receipts from a  
8 county-imposed tax to an account within the county's local  
9 sales and services tax fund, as created in section 422B.10,  
10 subsection 1, and specifies procedures for remittance of  
11 receipts by the director of revenue and finance to a school  
12 district. The bill authorizes the issuance of bonds payable  
13 from the local sales and services tax receipts. The bill  
14 provides that a school district in which a local option sales  
15 tax for school infrastructure purposes has been imposed shall  
16 be authorized to enter into a chapter 28E agreement with one  
17 or more cities whose boundaries encompass all or a part of the  
18 area of the school district. A city or cities entering into  
19 the chapter 28E agreement shall be authorized to expend its  
20 designated portion of the local option sales and services tax  
21 revenues for any valid purpose permitted in the bill or  
22 authorized by the governing body of the city.

23 The bill also provides that the state department of  
24 education shall receive, from the federal funds allocated to  
25 the state of Iowa as described in Conference Committee Report  
26 105-390, accompanying H.R. 2264, making federal appropriations  
27 to the United States departments of labor, health and human  
28 services, and education, the sum of \$8 million to establish a  
29 school infrastructure safety fund. The funds shall be  
30 allocated to the school budget review committee to develop a  
31 school infrastructure safety fund grant program, in  
32 conjunction with the state fire marshal. Top priority in  
33 awarding program grants shall be the making of school  
34 infrastructure improvements relating to fire and personal  
35 safety. Grant awards shall also be available for defects or

1 violations of the state building code revealed during an  
2 inspection of school facilities by a local building  
3 department, or for improvements consistent with the standards  
4 and specifications contained in the state building code  
5 regarding ensuring that buildings and facilities are  
6 accessible to and functional for persons with disabilities.

7 The bill defines "school infrastructure" as those  
8 activities for which a school district is authorized to  
9 contract indebtedness and to issue general obligation bonds  
10 under section 296.1, except activities related to a teacher's  
11 or superintendent's home or homes. These activities include  
12 the construction, reconstruction, repair, purchasing, or  
13 remodeling of schoolhouses, stadiums, gyms, fieldhouses, and  
14 bus garages and schoolhouse site procurement and the making of  
15 site improvements. Additionally, "school infrastructure"  
16 includes the payment or retirement of outstanding bonds  
17 previously and newly issued for school infrastructure  
18 purposes.

19 The bill takes effect upon enactment.

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

## HOUSE FILE 2282

H-8071

1 Amend House File 2282 as follows:

2 1. Page 8, by inserting after line 20 the  
3 following:

4 "6. In addition to the funds available in  
5 subsection 1, there shall be appropriated from the  
6 general fund of the state to the state department of  
7 education for the school infrastructure safety fund,  
8 for each fiscal year of the ten-year period beginning  
9 July 1, 1998, the sum of twenty million dollars to be  
10 utilized for school infrastructure needs. The moneys  
11 appropriated shall be allocated to school districts  
12 throughout the state on a per pupil basis, in the  
13 proportion that the basic enrollment of a district  
14 bears to the sum of the basic enrollments of all  
15 school districts in the state for the budget year, and  
16 shall be utilized for school infrastructure purposes  
17 as defined in section 422E.1, or for additional school  
18 infrastructure improvements relating to fire and  
19 personal safety.

20 The department of management shall allocate to each  
21 school district the amount calculated pursuant to this  
22 section in one payment on or about October 15  
23 annually, taking into consideration the relative  
24 budget and cash position of the state resources. By  
25 October 1 annually, prior to the receipt of funds,  
26 school districts shall submit to the department of  
27 education a school infrastructure progress report.  
28 The report shall provide adequate assurance that the  
29 school district has developed or is developing a  
30 school infrastructure plan containing an analysis of  
31 school district infrastructure needs, priorities, and  
32 an estimated timetable for completion of  
33 infrastructure projects or allocation of funds  
34 received by the school district pursuant to this  
35 subsection.

36 The school infrastructure progress report shall be  
37 in addition to the written plan to remedy fire or  
38 safety defects required in subsection 3. Moneys  
39 received under this subsection shall not be commingled  
40 with state aid payments made under section 257.16 to a  
41 school district, and shall be accounted for by the  
42 local school district separately from state aid  
43 payments. Payments made to school districts are  
44 miscellaneous income for purposes of chapter 257 or  
45 are considered encumbered. Each local school district  
46 shall maintain a separate listing within its budget  
47 for payments received and expenditures made pursuant  
48 to this subsection. Moneys received under this  
49 subsection shall not be used for payment of any  
50 collective bargaining agreement or arbitrator's

H-8071

-1-

H-8071

Page 2

1 decision negotiated or awarded under chapter 20."  
2 2. Title page, line 3, by inserting after the  
3 word "bonds," the following: "making an  
4 appropriation,".

By RICHARDSON of Warren

BELL of Jasper

BERNAU of Story

BRAND of Tama

BUKTA of Clinton

BURNETT of Story

CATALDO of Polk

CHAPMAN of Linn

CHIODO of Polk

COHOON of Des Moines

CONNORS of Polk

DODERER of Johnson

DOTZLER of Black Hawk

FALCK of Fayette

FALLON of Polk

FOEGE of Linn

FORD of Polk

FREVERT of Palo Alto

HOLVECK of Polk

HUSER of Polk

JOCHUM of Dubuque

KINZER of Scott

KOENIGS of Mitchell

KREIMAN of Davis

LARKIN of Lee

MASCHER of Johnson

MAY of Worth

MERTZ of Kossuth

MORELAND of Wapello

MUNDIE of Webster

MURPHY of Dubuque

MYERS of Johnson

O'BRIEN of Boone

OSTERHAUS of Jackson

REYNOLDS-KNIGHT of Van Buren

SCHERRMAN of Dubuque

SCHRADER of Marion

SHOULTZ of Black Hawk

TAYLOR of Linn

THOMAS of Clayton

WARNSTADT of Woodbury

WEIGEL of Chickasaw

WHITEAD of Woodbury

WISE of Lee

WITT of Black Hawk

H-8071 FILED FEBRUARY 18, 1998

Los 4 2/25/98 (p. 353)

HOUSE FILE 2282

H-8073

1 Amend House File 2282 as follows:

2 1. Page 8, by inserting after line 20 the  
3 following:

4 "Sec. \_\_\_\_ . NEW SECTION. 422E.6 STATE MATCHING  
5 FUND.

6 1. There is appropriated from the rebuild Iowa  
7 infrastructure fund created in section 8.57,  
8 subsection 5, to the department of revenue and  
9 finance, an amount sufficient to match with one dollar  
10 of state funding each dollar of local option sales tax  
11 for school infrastructure purposes collected in a  
12 county which has imposed the tax pursuant to section  
13 422E.2. The appropriated funds shall be allocated to  
14 a school district, or school districts, within a  
15 county having imposed the tax by the director of  
16 revenue and finance in the same manner that the local  
17 option sales tax for school infrastructure receipts  
18 are allocated pursuant to section 422E.3, subsection  
19 5, and shall be deposited into the account within the  
20 county's local sales and services tax fund maintained  
21 in the name of the school district or school  
22 districts, as provided in section 422E.3, subsection  
23 4.

24 2. The state match shall continue for the school  
25 district or school districts within a county until the  
26 repeal of the local option sales tax for school  
27 infrastructure purposes for that county. The funds  
28 shall be utilized solely for school infrastructure  
29 purposes as defined in section 422E.1, subsection 3."

30 2. Title page, line 4, by inserting after the  
31 word "providing" the following: "an appropriation  
32 and".

33 3. By renumbering as necessary.

By FALCK of Fayette

H-8073 FILED FEBRUARY 18, 1998

WITHDRAWN

2/25/98  
(p. 356)

WITHDRAWN

## HOUSE FILE 2282

H-8072

1 Amend House File 2282 as follows:

2 1. Page 8, by inserting after line 20 the  
3 following:

4 "Sec. \_\_\_\_ . NEW SECTION. 422E.6 STATE MATCHING  
5 FUND.

6 1. There is appropriated from the rebuild Iowa  
7 infrastructure fund created in section 8.57,  
8 subsection 5, to the department of revenue and  
9 finance, an amount sufficient to match with one dollar  
10 of state funding each dollar of local option sales tax  
11 for school infrastructure purposes collected in a  
12 county which has imposed the tax pursuant to section  
13 422E.2. The appropriated funds shall be allocated to  
14 a school district, or school districts, within a  
15 county having imposed the tax with an actual  
16 enrollment count per school district of less than, or  
17 equal to, two thousand pupils. School districts with  
18 an actual enrollment of greater than two thousand  
19 pupils shall not be eligible for receipt of state  
20 matching funds. The funds shall be allocated by the  
21 director of revenue and finance in the same manner  
22 that the local option sales tax for school  
23 infrastructure receipts are allocated pursuant to  
24 section 422E.3, subsection 5, and shall be deposited  
25 into the account within the county's local sales and  
26 services tax fund maintained in the name of the school  
27 district or school districts, as provided in section  
28 422E.3, subsection 4.

29 2. The state match shall continue for the school  
30 district or school districts within a county until the  
31 repeal of the local option sales tax for school  
32 infrastructure purposes for that county. The funds  
33 shall be utilized solely for school infrastructure  
34 purposes as defined in section 422E.1, subsection 3."

35 2. Title page, line 4, by inserting after the  
36 word "providing" the following: "an appropriation  
37 and".

38 3. By renumbering as necessary.

By FALCK of Fayette

H-8072 FILED FEBRUARY 18, 1998

**WITHDRAWN**

2/25/98 (p. 356)

## HOUSE FILE 2282

-8082

1 Amend House File 2282 as follows:

2 1. Page 8, by inserting after line 20 the  
3 following:

4 "Sec. \_\_\_\_\_. Section 298.2, Code Supplement 1997, is  
5 amended by adding the following new subsection:

6 NEW SUBSECTION. 7. There is appropriated annually  
7 from the general fund of the state to the department  
8 of management for the school budget year beginning  
9 July 1, 1998, and succeeding budget years, an amount  
10 sufficient to equalize the regular physical plant and  
11 equipment levy across all school districts having  
12 imposed the regular levy at the rate of ninety-two  
13 dollars and fifty cents per pupil. The funds  
14 appropriated shall be allocated as follows:

15 a. For each school district which has imposed the  
16 regular physical plant and equipment levy pursuant to  
17 this section for the budget year, the department of  
18 management shall, by April 15 of the base year,  
19 determine whether, and the amount by which, the  
20 regular physical plant and equipment levy property tax  
21 revenue generated in the school district for the  
22 budget year falls below the amount of ninety-two  
23 dollars and fifty cents per pupil. In making this  
24 determination, the department shall utilize the most  
25 recent figures available for the district's valuation  
26 of taxable property and the actual enrollment  
27 certified to the department by the department of  
28 education for the base year.

29 b. If it is determined that the property tax  
30 revenue generated by the regular physical plant and  
31 equipment levy for a school district is less than  
32 ninety-two dollars and fifty cents per pupil, the  
33 department of management shall deposit, for each  
34 school district experiencing a shortfall, an amount  
35 equal to the difference between the amount of revenue  
36 generated by the school district pursuant to the  
37 regular physical plant and equipment levy and the  
38 figure of ninety-two dollars and fifty cents per  
39 pupil, to the credit of the district in the physical  
40 plant and equipment levy fund by September 15 of the  
41 budget year. Amounts credited shall be added to the  
42 revenue generated from the regular and, if applicable,  
43 voter-approved physical plant and equipment levies as  
44 provided in this section and expended as provided in  
45 section 298.3."

46 2. Title page, line 1, by inserting after the  
47 word "Act" the following: "relating to the funds  
48 available to school districts for infrastructure  
49 needs,".

50 3. Title page, line 3, by inserting after the

-8082

-1-



H-8082

Page 2

- 1 word "bonds," the following: "providing for the
- 2 equalization of the regular physical plant and
- 3 equipment levy, making an appropriation,".
- 4 4. By renumbering as necessary.

By THOMAS of Clayton  
 BELL of Jasper  
 BRAND of Tama  
 BUKTA of Clinton  
 BURNETT of Story  
 CHAPMAN of Linn  
 COHOON of Des Moines  
 CONNORS of Polk  
 DOTZLER of Black Hawk  
 FALCK of Fayette  
 FOEGE of Linn  
 FREVERT of Palo Alto  
 HOLVECK of Polk  
 HUSER of Polk  
 JOCHUM of Dubuque

KREIMAN of Davis  
 LARKIN of Lee  
 MAY of Worth  
 MUNDIE of Webster  
 MURPHY of Dubuque  
 MYERS of Johnson  
 O'BRIEN of Boone  
 OSTERHAUS of Jackson  
 RICHARDSON of Warren  
 SCHERRMAN of Dubuque  
 SHOULTZ of Black Hawk  
 TAYLOR of Linn  
 WARNSTADT of Woodbury  
 WHITEAD of Woodbury  
 WISE of Lee

H-8082 FILED FEBRUARY 23, 1998

*Loet*  
*2/25/98*  
*(p. 356)*

## HOUSE FILE 2282

H-8086

1 Amend the amendment, H-8079, to House File 2282 as  
2 follows:  
3 1. Page 1, by striking lines 2 through 16 and  
4 inserting the following:  
5 "\_\_\_\_". Page 1, line 3, by striking the word  
6 "local" and inserting the following: "statewide".  
7 \_\_\_\_\_. Page 1, line 4, by striking the words "a  
8 county" and inserting the following: "the state".  
9 \_\_\_\_\_. Page 1, line 7, by inserting after the word  
10 "other" the following: "state or".  
11 \_\_\_\_\_. Page 1, line 8, by inserting after the word  
12 "chapter" the following: "422 or".  
13 \_\_\_\_\_. Page 1, line 11, by striking the word  
14 "Local" and inserting the following: "Statewide".  
15 \_\_\_\_\_. Page 1, lines 11 and 12, by striking the  
16 words "a county" and inserting the following: "the  
17 state".  
18 \_\_\_\_\_. Page 1, line 28, by striking the word  
19 "COUNTY" and inserting the following: "THE STATE".  
20 \_\_\_\_\_. Page 1, by striking lines 29 through 33 and  
21 inserting the following:  
22 "1. A statewide sales and services tax shall be  
23 imposed by the state only after an election at which  
24 at least sixty percent of those voting on the question  
25 favors imposition. A statewide sales and services tax  
26 approved by at least sixty percent vote shall apply to  
27 all incorporated and unincorporated areas of the  
28 state."  
29 \_\_\_\_\_. Page 1, line 34, by striking the words "a  
30 county board of supervisors" and inserting the  
31 following: "the department of education".  
32 \_\_\_\_\_. Page 1, line 35, by striking the word  
33 "local" and inserting the following: "statewide".  
34 \_\_\_\_\_. Page 2, line 2, by striking the word  
35 "county" and inserting the following: "state".  
36 \_\_\_\_\_. Page 2, line 3, by striking the word  
37 "county" and inserting the following: "state".  
38 \_\_\_\_\_. Page 2, line 4, by striking the word "board"  
39 and inserting the following: "department".  
40 \_\_\_\_\_. Page 2, line 5, by striking the word  
41 "county" and inserting the following: "state".  
42 \_\_\_\_\_. Page 2, line 7, by striking the word  
43 "county" and inserting the following: "state".  
44 \_\_\_\_\_. Page 2, line 8, by striking the word "local"  
45 and inserting the following: "statewide".  
46 \_\_\_\_\_. Page 2, line 12, by striking the word  
47 "county" and inserting the following: "state".  
48 \_\_\_\_\_. Page 2, lines 14 and 15, by striking the  
49 words "county, or by the county board of supervisors"  
50 and inserting the following: "state".

H-8086

-1-

H-8086

Page 2

- 1 \_\_\_\_\_. Page 2, line 17, by striking the words  
2 "board of supervisors" and inserting the following:  
3 "department of education".
- 4 \_\_\_\_\_. Page 2, line 18, by striking the words  
5 "county board of supervisors" and inserting the  
6 following: "department".
- 7 \_\_\_\_\_. Page 2, line 19, by striking the word  
8 "county" and inserting the following: "state".
- 9 \_\_\_\_\_. Page 2, line 20, by striking the word  
10 "local" and inserting the following: "statewide".
- 11 \_\_\_\_\_. Page 2, line 24, by striking the word  
12 "county" and inserting the following: "state".
- 13 \_\_\_\_\_. Page 2, line 25, by striking the word  
14 "local" and inserting the following: "statewide".
- 15 \_\_\_\_\_. Page 2, line 26, by striking the word "or".
- 16 \_\_\_\_\_. Page 2, by striking lines 27 and 28 and  
17 inserting the following: ". The election shall not  
18 be held".
- 19 \_\_\_\_\_. Page 2, lines 34 and 35, by striking the  
20 words "county board of supervisors" and inserting the  
21 following: "department of education".
- 22 \_\_\_\_\_. Page 3, line 14, by striking the words "a  
23 majority" and inserting the following: "at least  
24 sixty percent".
- 25 \_\_\_\_\_. Page 3, line 16, by striking the words  
26 "county board of supervisors" and inserting the  
27 following: "department of education".
- 28 \_\_\_\_\_. Page 3, line 19, by striking the word  
29 "county" and inserting the following: "state".
- 30 \_\_\_\_\_. Page 3, line 23, by striking the word  
31 "county" and inserting the following: "state".
- 32 \_\_\_\_\_. Page 3, line 24, by striking the words  
33 "local option" and inserting the following:  
34 "statewide".
- 35 \_\_\_\_\_. Page 3, line 31, by striking the words "a  
36 majority" and inserting the following: "at least  
37 sixty percent".
- 38 \_\_\_\_\_. Page 3, line 32, by striking the word  
39 "local" and inserting the following: "statewide".
- 40 \_\_\_\_\_. Page 3, lines 34 and 35, by striking the  
41 words "county board of supervisors within the county"  
42 and inserting the following: "department of revenue  
43 and finance within the state".
- 44 \_\_\_\_\_. Page 4, line 5, by striking the words  
45 "state, except" and inserting the following: "state."
- 46 \_\_\_\_\_. Page 4, by striking lines 6 through 14.
- 47 \_\_\_\_\_. Page 4, line 15, by striking the word  
48 "county" and inserting the following: "state".
- 49 \_\_\_\_\_. Page 4, line 24, by striking the word  
50 "local" and inserting the following: "statewide".

H-8086

-2-

H-8086

Page 3

- 1 \_\_\_\_\_. Page 4, by striking lines 26 through 32 and
- 2 inserting the following: "within the office of
- 3 treasurer of state in the name of each school
- 4 district."
- 5 \_\_\_\_\_. Page 5, by striking lines 15 and 16 and
- 6 inserting the following: "Tax receipts shall be".
- 7 \_\_\_\_\_. Page 5, line 18, by striking the word
- 8 "county".
- 9 \_\_\_\_\_. Page 5, line 21, by striking the word
- 10 "county" and inserting the following: "state".
- 11 \_\_\_\_\_. Page 5, by striking line 23 and inserting
- 12 the following: "state."
- 13 \_\_\_\_\_. Page 5, by striking lines 24 through 34.
- 14 \_\_\_\_\_. Page 5, line 35, by striking the word
- 15 "local" and inserting the following: "statewide".
- 16 \_\_\_\_\_. Page 6, by striking lines 11 through 14 and
- 17 inserting the following: "defined in section 422E.1,
- 18 subsection 3. The".
- 19 \_\_\_\_\_. Page 6, line 22, by striking the words
- 20 "local option" and inserting the following:
- 21 "statewide".
- 22 \_\_\_\_\_. Page 6, line 28, by striking the words
- 23 "local option" and inserting the following:
- 24 "statewide".
- 25 \_\_\_\_\_. Page 6, line 33, by striking the words
- 26 "local option" and inserting the following:
- 27 "statewide".
- 28 \_\_\_\_\_. Page 7, line 2, by striking the words "local
- 29 option" and inserting the following: "statewide".
- 30 \_\_\_\_\_. Title page, line 1, by striking the words
- 31 "local option" and inserting the following:
- 32 "statewide".

By DIX of Butler

H-8086 FILED FEBRUARY 24, 1998

*lost 2/24/98 (P. 337)*

## HOUSE FILE 2282

H-8089

- 1 Amend the amendment, H-8076, to House File 2282 as
- 2 follows:
- 3 1. Page 1, by striking line 15 and inserting the
- 4 following: "infrastructure purposes.
- 5 3. If federal rules or regulations are adopted
- 6 relating to the distribution or utilization of funds
- 7 allocated to the state department of education
- 8 pursuant to this section which are inconsistent with
- 9 the provisions of this section, the state department
- 10 of education shall adopt rules to comply with the
- 11 requirements of the federal rules or regulations."

By KREIMAN of Davis

H-8089 FILED FEBRUARY 24, 1998

*adopted 2/25/98 (P. 350)*

HOUSE FILE 2282

H-8090

1 Amend House File 2282 as follows:  
2 1. Page 8, by inserting after line 20 the  
3 following:  
4 "6. If federal rules or regulations are adopted  
5 relating to the distribution or utilization of funds  
6 allocated to the state department of education  
7 pursuant to this section which are inconsistent with  
8 the provisions of this section, the state department  
9 of education shall adopt rules to comply with the  
10 requirements of the federal rules or regulations."

By KREIMAN of Davis

H-8090 FILED FEBRUARY 24, 1998

*Adopted 2/25/98 (p. 356)*

HOUSE FILE 2282

H-8079

1 Amend House File 2282 as follows:  
2 1. Page 1, line 30, by striking the words "a  
3 majority" and inserting the following: "sixty  
4 percent".  
5 2. Page 1, line 32, by striking the word  
6 "majority" and inserting the following: "sixty  
7 percent".  
8 3. Page 3, line 5, by striking the words "a  
9 majority" and inserting the following: "sixty  
10 percent".  
11 4. Page 3, line 14, by striking the words "a  
12 majority" and inserting the following: "sixty  
13 percent".  
14 5. Page 3, line 31, by striking the words "a  
15 majority" and inserting the following: "sixty  
16 percent".

By GREIG of Emmet

H-8079 FILED FEBRUARY 23, 1998

*Lost 2/24/98 (p. 337)*

HOUSE FILE 2282

H-8076

1 Amend House File 2282 as follows:  
2 1. Page 7, line 4, by striking the word "SAFETY".  
3 2. Page 7, line 12, by striking the word "safety".  
4 3. By striking page 7, line 13 through page 8,  
5 line 20, and inserting the following:  
6 "2. The funds shall be allocated to school  
7 districts throughout the state on a per pupil basis,  
8 in the proportion that the basic enrollment of a  
9 school district bears to the sum of the basic  
10 enrollments of all school districts in the state for  
11 the budget year. The funds shall be utilized for  
12 school infrastructure purposes as defined in section  
13 422E.1, including the payment or retirement of  
14 outstanding bonds previously issued for school  
15 infrastructure purposes."

By MILLAGE of Scott

H-8076 FILED FEBRUARY 19, 1998

*Lost 2/25/98 (p. 350)*

## HOUSE FILE 2282

H-8117

1 Amend the amendment, H-8082, to House File 2282, as  
2 follows:

3 1. Page 1, by striking line 45 and inserting the  
4 following: "section 298.3.

5 Sec. \_\_\_\_ . Section 298.2, Code Supplement 1997, is  
6 amended by adding the following new subsection:

7 NEW SUBSECTION. 8. For a school district which  
8 has not imposed the regular physical plant and  
9 equipment levy, or has not imposed the levy at the  
10 thirty-three cent maximum level, there is appropriated  
11 annually from the general fund of the state to the  
12 department of management for the school budget year  
13 beginning July 1, 1998, and succeeding budget years,  
14 an amount equal to the difference between the ninety-  
15 two dollar and fifty cents per pupil rate applied in  
16 subsection 7 and the amount which would have been  
17 received by a school district if it had imposed the  
18 regular physical plant and equipment levy at the  
19 thirty-three cent maximum level. The funds  
20 appropriated shall be allocated as follows:

21 a. The department of management shall determine,  
22 by April 15 of the base year, the amount of regular  
23 physical plant and equipment levy property tax revenue  
24 which would have been generated in a school district  
25 if the district had imposed the levy at the maximum  
26 thirty-three cent rate. In making this determination,  
27 the department shall utilize the most recent figures  
28 available for the district's valuation of taxable  
29 property and the actual enrollment certified to the  
30 department by the department of education for the base  
31 year.

32 b. The department shall deposit, for each school  
33 district either not imposing the levy, or imposing the  
34 levy at a rate generating revenue below the ninety-two  
35 dollars and fifty cents per pupil level, the amount  
36 determined pursuant to this subsection to the credit  
37 of the district in the physical plant and equipment  
38 levy fund by September 15 of the budget year."

By SCHRADER of Marion

H-8117 FILED FEBRUARY 25, 1998

*adapted 2/25/98 (P. 355)*

5-3/28/98 Do Pass

HOUSE FILE 2282  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2076)

(As Amended and Passed by the House, February 25, 1998)

Passed House, Date \_\_\_\_\_ Passed Senate, Date <sup>(p.1138)</sup> 4/8/98  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes 37 Nays 13  
Approved April 20, 1998

**A BILL FOR**

1 An Act authorizing the imposition of a local option sales and  
2 services tax and use of certain federal funds for school  
3 infrastructure projects and the issuance of bonds, and  
4 providing an effective date.

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

- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20

New Language \_\_\_\_\_

1 Section 1. NEW SECTION. 422E.1 AUTHORIZATION -- RATE OF  
2 TAX -- USE OF REVENUES.

3 1. A local sales and services tax for school  
4 infrastructure purposes may be imposed by a county on behalf  
5 of school districts as provided in this chapter.

6 2. The maximum rate of tax shall be one percent. The tax  
7 shall be imposed without regard to any other local sales and  
8 services tax authorized in chapter 422B, and is repealed at  
9 the expiration of a period of ten years of imposition or a  
10 shorter period as provided in the ballot proposition.

11 3. Local sales and services tax moneys received by a  
12 county for school infrastructure purposes pursuant to this  
13 chapter shall be utilized solely for school infrastructure  
14 needs. For purposes of this chapter, "school infrastructure"  
15 means those activities for which a school district is  
16 authorized to contract indebtedness and issue general  
17 obligation bonds under section 296.1, except those activities  
18 related to a teacher's or superintendent's home or homes.  
19 These activities include the construction, reconstruction,  
20 repair, purchasing, or remodeling of schoolhouses, stadiums,  
21 gyms, fieldhouses, and bus garages and the procurement of  
22 schoolhouse construction sites and the making of site  
23 improvements. Additionally, "school infrastructure" includes  
24 the payment or retirement of outstanding bonds previously  
25 issued for school infrastructure purposes as defined in this  
26 subsection, and the payment or retirement of bonds issued  
27 under section 422E.4.

28 Sec. 2. NEW SECTION. 422E.2 IMPOSITION BY COUNTY.

29 1. A local sales and services tax shall be imposed by a  
30 county only after an election at which a majority of those  
31 voting on the question favors imposition. A local sales and  
32 services tax approved by a majority vote shall apply to all  
33 incorporated and unincorporated areas of that county.

34 2. a. Upon receipt by a county board of supervisors of a  
35 petition requesting imposition of a local sales and services



1 tax for infrastructure purposes, signed by eligible electors  
2 of the whole county equal in number to five percent of the  
3 persons in the whole county who voted at the last preceding  
4 state general election, the board shall within thirty days  
5 direct the county commissioner of elections to submit the  
6 question of imposition of the tax to the registered voters of  
7 the whole county.

8     b. Alternatively, the question of imposition of a local  
9 sales and services tax for school infrastructure purposes may  
10 be proposed by motion or motions, requesting such submission,  
11 adopted by the governing body of a school district or school  
12 districts located within the county containing a total, or a  
13 combined total in the case of more than one school district,  
14 of at least one-half of the population of the county, or by  
15 the county board of supervisors. Upon adoption of such  
16 motion, the governing body of a school district shall notify  
17 the board of supervisors of the adoption of the motion. The  
18 county board of supervisors shall submit the motion to the  
19 county commissioner of elections, who shall publish notice of  
20 the ballot proposition concerning the imposition of the local  
21 sales and services tax. A motion ceases to be valid at the  
22 time of the holding of the regular election for the election  
23 of members of the governing body which adopted the motion.

24     3. The county commissioner of elections shall submit the  
25 question of imposition of a local sales and services tax for  
26 school infrastructure purposes at a state general election or  
27 at a special election held at any time other than the time of  
28 a city regular election. The election shall not be held  
29 sooner than sixty days after publication of notice of the  
30 ballot proposition. The ballot proposition shall specify the  
31 rate of tax, the date the tax will be imposed and repealed,  
32 and shall contain a statement as to the specific purpose or  
33 purposes for which the revenues shall be expended. The rate  
34 of tax shall not be more than one percent as set by the county  
35 board of supervisors. The state commissioner of elections

1 shall establish by rule the form for the ballot proposition  
2 which form shall be uniform throughout the state.

3 4. a. The tax may be repealed or the rate increased, but  
4 not above one percent, or decreased after an election at which  
5 a majority of those voting on the question of repeal or rate  
6 change favored the repeal or rate change. The election at  
7 which the question of repeal or rate change is offered shall  
8 be called and held in the same manner and under the same  
9 conditions as provided in this section for the election on the  
10 imposition of the tax. The election may be held at any time  
11 but not sooner than sixty days following publication of the  
12 ballot proposition. However, the tax shall not be repealed  
13 before it has been in effect for one year.

14 b. Within ten days of the election at which a majority of  
15 those voting on the question favors the imposition, repeal, or  
16 change in the rate of the tax, the county board of supervisors  
17 shall give written notice to the director of revenue and  
18 finance of the result of the election. Election costs shall  
19 be apportioned among school districts within the county on a  
20 pro rata basis in proportion to the number of registered  
21 voters in each school district and the total number of  
22 registered voters in all of the school districts within the  
23 county.

24 A local option sales and services tax shall not be repealed  
25 or reduced in rate if obligations are outstanding which are  
26 payable as provided in section 422E.4, unless funds sufficient  
27 to pay the principal, interest, and premium, if any, on the  
28 outstanding obligations at and prior to maturity have been  
29 properly set aside and pledged for that purpose.

30 Sec. 3. NEW SECTION. 422E.3 COLLECTION OF TAX.

31 1. If a majority of those voting on the question of  
32 imposition of a local sales and services tax for school  
33 infrastructure purposes favors imposition of the tax, the tax  
34 shall be imposed by the county board of supervisors within the  
35 county pursuant to section 422E.2, at the rate specified for a

1 ten-year duration on the gross receipts taxed by the state  
2 under chapter 422, division IV.

3 2. The tax shall be imposed on the same basis as the state  
4 sales and services tax and shall not be imposed on the sale of  
5 any property or on any service not taxed by the state, except  
6 the tax shall not be imposed on the gross receipts from the  
7 sale of motor fuel or special fuel as defined in chapter 452A,  
8 on the gross receipts from the rental of rooms, apartments, or  
9 sleeping quarters which are taxed under chapter 422A during  
10 the period the hotel and motel tax is imposed, on the gross  
11 receipts from the sale of equipment by the state department of  
12 transportation, and on the gross receipts from the sale of a  
13 lottery ticket or share in a lottery game conducted pursuant  
14 to chapter 99E.

15 3. The tax is applicable to transactions within the county  
16 where it is imposed and shall be collected by all persons  
17 required to collect state gross receipts taxes. The amount of  
18 the sale, for purposes of determining the amount of the tax,  
19 does not include the amount of any state gross receipts taxes  
20 or other local option sales taxes. A tax permit other than  
21 the state tax permit required under section 422.53 shall not  
22 be required by local authorities.

23 4. The director of revenue and finance shall credit tax  
24 receipts and interest and penalties from the local sales and  
25 services tax for school infrastructure purposes to an account  
26 within the county's local sales and services tax fund, as  
27 created in section 422B.10, subsection 1, maintained in the  
28 name of the school district or school districts located within  
29 the county. If the director is unable to determine from which  
30 county any of the receipts were collected, those receipts  
31 shall be allocated among the possible counties based on  
32 allocation rules adopted by the director.

33 5. a. The director of revenue and finance within fifteen  
34 days of the beginning of each fiscal year shall send to each  
35 school district where the tax is imposed an estimate of the

1 amount of tax moneys each school district will receive for the  
2 year and for each month of the year. At the end of each  
3 month, the director may revise the estimates for the year and  
4 remaining months.

5 b. The director shall remit ninety-five percent of the  
6 estimated tax receipts for the school district to the school  
7 district on or before August 31 of the fiscal year and on or  
8 before the last day of each following month.

9 c. The director shall remit a final payment of the  
10 remainder of tax moneys due for the fiscal year before  
11 November 10 of the next fiscal year. If an overpayment has  
12 resulted during the previous fiscal year, the first payment of  
13 the new fiscal year shall be adjusted to reflect any  
14 overpayment.

15 If more than one school district, or a portion of a school  
16 district, is located within the county, tax receipts shall be  
17 remitted to each school district or portion of a school  
18 district in which the county tax is imposed in a pro rata  
19 share based upon the ratio which the percentage of actual  
20 enrollment for the school district that attends school in the  
21 county bears to the percentage of the total combined actual  
22 enrollments for all school districts that attend school in the  
23 county. The combined actual enrollment for a county, for  
24 purposes of this section, shall be determined for each county  
25 imposing a sales and services tax for school infrastructure  
26 purposes by the department of management based on the actual  
27 enrollment figures reported by October 1 to the department of  
28 management by the department of education pursuant to section  
29 257.6, subsection 1. The combined actual enrollment count  
30 shall be forwarded to the director of the department of  
31 management by March 1, annually, for purposes of supplying  
32 estimated tax payment figures and making estimated tax  
33 payments pursuant to this section for the following fiscal  
34 year.

35 6. The local sales and services tax for school

1 infrastructure purposes shall be administered as provided in  
2 section 422B.9.

3 Sec. 4. NEW SECTION. 422E.4 BONDING.

4 The board of directors of a school district shall be  
5 authorized to issue negotiable, interest-bearing school bonds,  
6 without election, and utilize tax receipts derived from the  
7 sales and services tax for school infrastructure purposes for  
8 principal and interest repayment. Proceeds of the bonds  
9 issued pursuant to this section shall be utilized solely for  
10 school infrastructure needs as school infrastructure is  
11 defined in section 422E.1, subsection 3. Issuance of bonds  
12 pursuant to this section shall be permitted only in a district  
13 which has imposed a local sales and services tax for school  
14 infrastructure purposes pursuant to section 422E.2. The  
15 provisions of sections 298.22 through 298.24 shall apply  
16 regarding the form, rate of interest, registration,  
17 redemption, and recording of bond issues pursuant to this  
18 section, with the exception that the maximum period during  
19 which principal on the bonds is payable shall not exceed a  
20 ten-year period, or the date of repeal stated on the ballot  
21 proposition.

22 A school district in which a local option sales tax for  
23 school infrastructure purposes has been imposed shall be  
24 authorized to enter into a chapter 28E agreement with one or  
25 more cities whose boundaries encompass all or a part of the  
26 area of the school district. A city or cities entering into a  
27 chapter 28E agreement shall be authorized to expend its  
28 designated portion of the local option sales and services tax  
29 revenues for any valid purpose permitted in this chapter or  
30 authorized by the governing body of the city.

31 The governing body of a city may authorize the issuance of  
32 bonds which are payable from its designated portion of the  
33 revenues of the local option sales and services tax, and not  
34 from property tax, by following the authorization procedures  
35 set forth for cities in section 384.83. A city may pledge

1 irrevocably any amount derived from its designated portions of  
2 the revenues of the local option sales and services tax to the  
3 support or payment of such bonds.

4 Sec. 5. NEW SECTION. 422E.5 SCHOOL INFRASTRUCTURE SAFETY  
5 FUND.

6 1. There shall be distributed from the federal funds  
7 allocated to the state of Iowa as described in Conference  
8 Committee Report 105-390, accompanying H.R. 2264, making  
9 federal appropriations to the United States departments of  
10 labor, health and human services, and education, to the state  
11 department of education the sum of eight million dollars to  
12 establish a school infrastructure safety fund.

13 2. The funds shall be allocated to the school budget  
14 review committee to develop a school infrastructure safety  
15 fund grant program, in conjunction with the state fire  
16 marshal. For purposes of reviewing grant applications and  
17 making recommendations regarding the administration of the  
18 program, the state fire marshal shall be considered an  
19 additional voting member of the school budget review  
20 committee.

21 3. Top priority in awarding program grants shall be the  
22 making of school infrastructure improvements relating to fire  
23 and personal safety. School districts eligible for program  
24 grants shall have received an order or citation from the state  
25 fire marshal, or a fire department chief or fire prevention  
26 officer, for one or more fire safety violations regarding a  
27 school facility, or in the opinion of the state fire marshal  
28 shall be regarded as operating facilities subject to  
29 significant fire safety deficiencies. Grant awards shall also  
30 be available for defects or violations of the state building  
31 code revealed during an inspection of school facilities by a  
32 local building department, or for improvements consistent with  
33 the standards and specifications contained in the state  
34 building code regarding ensuring that buildings and facilities  
35 are accessible to and functional for persons with

1 disabilities. The school budget review committee shall  
2 allocate program funds to school districts which, in its  
3 discretion, are determined to be faced with the most severe  
4 deficiencies. School districts applying for program grants  
5 shall have developed and submitted to the state fire marshal  
6 or local building department a written plan to remedy fire or  
7 safety defects within a specified time frame. Approval of the  
8 written plan by the state fire marshal or local building  
9 department shall be obtained prior to receipt of a grant award  
10 by a school district.

11 4. Application forms, submission dates for applications  
12 and for written plans to remedy fire or safety defects, and  
13 grant award criteria shall be developed by the state  
14 department of education, in coordination with the state fire  
15 marshal, by rule.

16 5. The school budget review committee shall submit a  
17 progress report of the number and amount of grants awarded,  
18 and fire and safety improvements made, pursuant to the school  
19 infrastructure safety fund grant program, to the general  
20 assembly by January 1, 2000.

21 6. If federal rules or regulations are adopted relating to  
22 the distribution or utilization of funds allocated to the  
23 state department of education pursuant to this section which  
24 are inconsistent with the provisions of this section, the  
25 state department of education shall adopt rules to comply with  
26 the requirements of the federal rules or regulations.

27 Sec. 6. EFFECTIVE DATE. This Act, being deemed of  
28 immediate importance, takes effect upon enactment.

29

30

31

32

33

34

35

HOUSE FILE 2282

S-5471

- 1 Amend House File 2282, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. by striking page 6, line 22, through page 7,
- 4 line 3.

By DERRYL McLAREN

S-5471 FILED APRIL 1, 1998

W/D 4-8-98  
(p. 1137)

111 Anuntiv



HOUSE FILE 2282

S-5458

1 Amend House File 2282, as amended, passed, and  
 2 reprinted by the House, as follows:  
 3 1. Page 1, by striking lines 29 through 33 and  
 4 inserting the following:  
 5 "1. A local sales and services tax imposed by a  
 6 county shall apply to all incorporated and  
 7 unincorporated areas of that county. The tax shall be  
 8 imposed after an election at which a majority of those  
 9 voting on the question of imposition of a local sales  
 10 and services tax for a duration of up to five years  
 11 favors imposition. A proposed tax for a duration of  
 12 six through ten years shall be approved if sixty  
 13 percent of those voting on the question of imposition  
 14 of the tax favors imposition."  
 15 2. Page 3, by striking lines 4 through 8 and  
 16 inserting the following: "not above one percent, or  
 17 decreased after an election called and held in the  
 18 same manner and under the same".  
 19 3. Page 3, line 10, by inserting after the word  
 20 "tax." the following: "A tax subject to a proposed  
 21 repeal, a rate decrease, or a rate increase for a  
 22 duration of five years or less shall be repealed or  
 23 changed in rate if a majority of those voting on the  
 24 question of the repeal or rate change favors the  
 25 repeal or rate change. A tax subject to a proposed  
 26 rate increase for a duration of six through ten years,  
 27 shall be subject to a sixty percent vote in favor of  
 28 the rate increase."  
 29 4. Page 3, line 14, by striking the words "a  
 30 majority" and inserting the following: "the requisite  
 31 percentage".  
 32 5. Page 3, line 33, by inserting after the word  
 33 "tax," the following: "in the case of a tax to be  
 34 imposed for up to a five-year duration, or if sixty  
 35 percent of those voting on the question of imposition  
 36 of the tax for a six through ten year duration favors  
 37 imposition of the tax,".  
 38 6. Page 3, line 35, by striking the words  
 39 "specified for a" and inserting the following: "and  
 40 for the time specified".  
 41 7. Page 4, line 1, by striking the words "ten-  
 42 year duration".  
 43 8. Page 6, line 4, by inserting before the word  
 44 "The" the following: "1."  
 45 9. Page 6, line 22, by inserting before the word  
 46 "A" the following: "2."

By JOANN DOUGLAS

S-5458 FILED APRIL 1, 1998

WITHDRAWN

4-7-98

(P. 1118)

## HOUSE FILE 2282

S-5564

1 Amend House File 2282, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 4, by striking lines 23 through 32 and  
4 inserting the following:

5 "4. a. Tax receipts from all counties imposing  
6 the local sales and services tax for school  
7 infrastructure purposes shall be collected by the  
8 department of revenue and finance, combined, and  
9 deposited into a single account within the department  
10 of the treasury. The receipts shall be distributed on  
11 a per pupil basis to each school district located  
12 within a county having approved imposition of the tax.  
13 Distribution shall be equal to the ratio which the  
14 portion of actual enrollment for a school district  
15 which attends school within a county where imposition  
16 of the tax has been approved, bears to the portion of  
17 total combined actual enrollments for all school  
18 districts which attend school within a county where  
19 imposition of the tax has been approved.

20 b. For purposes of this section, the actual  
21 enrollment for school districts with students  
22 attending school within a county, and the combined  
23 actual enrollment, shall be determined for each county  
24 imposing the tax by the department of management based  
25 on the actual enrollment figures reported by October 1  
26 to the department of management by the department of  
27 education pursuant to section 257.6, subsection 1.  
28 The combined actual enrollment counts for counties and  
29 for school districts with students attending school  
30 within a county, shall be forwarded to the director of  
31 the department of management by March 1 annually, for  
32 purposes of supplying estimated tax payment figures  
33 and making estimated tax payments pursuant to this  
34 section for the following fiscal year.

35 c. The department of revenue and finance shall  
36 calculate a reallocation formula for local sales and  
37 services tax receipts within thirty days prior to the  
38 beginning of each fiscal year. The formula shall  
39 incorporate the results of elections held during the  
40 preceding fiscal year approving imposition of the tax,  
41 the repeal, rate increase, or rate decrease of taxes  
42 which have previously been imposed, and shall reflect  
43 the updated actual enrollment and combined actual  
44 enrollment figures determined pursuant to paragraph  
45 "b".

46 2. Page 5, by striking lines 15 through 34.

By ROD HALVORSON

S-5564 FILED APRIL 7, 1998

DEFERRED

(p. 37)

## HOUSE FILE 2282

S-5565

1 Amend House File 2282, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 1, line 30, by striking the words "a  
4 majority" and inserting the following: "sixty  
5 percent".

6 2. Page 1, line 32, by striking the word  
7 "majority" and inserting the following: "sixty  
8 percent".

9 3. Page 3, line 5, by striking the words "a  
10 majority" and inserting the following: "sixty  
11 percent".

12 4. Page 3, line 14, by striking the words "a  
13 majority" and inserting the following: "sixty  
14 percent".

15 5. Page 3, line 31, by striking the words "a  
16 majority" and inserting the following: "sixty  
17 percent".

By STEVE KING

S-5565 FILED APRIL 7, 1998

*Lost*  
*4-8-98*  
*(R1137)*

## HOUSE FILE 2282

S-5568

1 Amend House File 2282, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. By striking everything after the enacting  
4 clause and inserting the following:

5 "Section 1. NEW SECTION. 422E.1 AUTHORIZATION --  
6 RATE OF TAX -- USE OF REVENUES.

7 1. A local school infrastructure tax for school  
8 infrastructure purposes may be imposed by a school  
9 district, or by a county on behalf of school districts  
10 as provided in this chapter. A local school  
11 infrastructure tax may be a local sales and services  
12 tax imposed by a county, or a local income surtax and  
13 property tax imposed by a school district, or a  
14 combination of these taxes.

15 2. a. The maximum rate of a local sales and  
16 services tax shall be one percent. The tax shall be  
17 imposed without regard to any other local sales and  
18 services tax authorized in chapter 422B.

19 b. The rates of a local income surtax and property  
20 tax are the rates specified on the ballot proposition.

21 c. Any local school infrastructure tax imposed is  
22 repealed at the expiration of a period of ten years of  
23 imposition or a shorter period as provided in the  
24 ballot proposition.

25 3. Local school infrastructure tax moneys received  
26 for school infrastructure purposes pursuant to this  
27 chapter shall be utilized solely for school  
28 infrastructure needs. For purposes of this chapter,  
29 "school infrastructure" means those activities for  
30 which a school district is authorized to contract  
31 indebtedness and issue general obligation bonds under  
32 section 296.1, except those activities related to a  
33 teacher's or superintendent's home or homes. These  
34 activities include the construction, reconstruction,  
35 repair, purchasing, or remodeling of schoolhouses,  
36 stadiums, gyms, fieldhouses, and bus garages and the  
37 procurement of schoolhouse construction sites and the  
38 making of site improvements. Additionally, "school  
39 infrastructure" includes the payment or retirement of  
40 outstanding bonds previously issued for school  
41 infrastructure purposes as defined in this subsection,  
42 and the payment or retirement of bonds issued under  
43 section 422E.7.

44 Sec. 2. NEW SECTION. 422E.2 LOCAL SALES AND  
45 SERVICES TAX.

46 1. A local sales and services school  
47 infrastructure tax shall only be imposed by a county  
48 and then only after an election at which at least  
49 sixty percent of those voting on the question favors  
50 imposition. A local sales and services school

S-5568

S-5568

Page 2

1 infrastructure tax approved by at least a sixty  
2 percent vote shall apply to all incorporated and  
3 unincorporated areas of that county.

4 2. a. Upon receipt by a county board of  
5 supervisors of a petition requesting imposition of a  
6 local sales and services school infrastructure tax,  
7 signed by eligible electors of the whole county equal  
8 in number to five percent of the persons in the whole  
9 county who voted at the last preceding state general  
10 election, the board shall within thirty days direct  
11 the county commissioner of elections to submit the  
12 question of imposition of the tax as specified by the  
13 county board of supervisors, to the registered voters  
14 of the whole county.

15 b. Alternatively, the question of imposition of a  
16 local sales and services school infrastructure tax may  
17 be proposed by motion or motions, requesting such  
18 submission, adopted by the governing body of a school  
19 district or school districts located within the county  
20 containing a total, or a combined total in the case of  
21 more than one school district, of at least sixty  
22 percent of the population of the county, or by the  
23 county board of supervisors. Upon adoption of such  
24 motion, the governing body of a school district shall  
25 notify the board of supervisors of the adoption of the  
26 motion. The county board of supervisors shall submit  
27 the motion to the county commissioner of elections,  
28 who shall publish notice of the ballot proposition  
29 concerning the imposition of the local sales and  
30 services school infrastructure tax as specified by the  
31 county board. A motion ceases to be valid at the time  
32 of the holding of the regular election for the  
33 election of members of the governing body which  
34 adopted the motion.

35 3. The county commissioner of elections shall  
36 submit the question of imposition of the local sales  
37 and services school infrastructure tax at a state  
38 general election or at a special election held at any  
39 time other than the time of a city regular election.  
40 The election shall not be held sooner than sixty days  
41 after publication of notice of the ballot proposition.  
42 The ballot proposition shall specify the type of tax,  
43 rate of tax, and the date the tax will be imposed and  
44 repealed, and shall contain a statement as to the  
45 specific purpose or purposes for which the revenues  
46 shall be expended. The rate of tax shall not be more  
47 than specified in section 422E.1, subsection 2, as set  
48 by the county board of supervisors. The state  
49 commissioner of elections shall establish by rule the  
50 form for the ballot proposition which form shall be

S-5568

S-5568

Page 3

1 uniform throughout the state.

2 4. a. The tax may be repealed or the rate  
3 increased, but not in excess of the maximum set in  
4 section 422E.1, subsection 2, or decreased as provided  
5 in this subsection. A rate shall be increased  
6 following an election at which at least sixty percent  
7 of those voting on the question of the rate increase  
8 favor the rate increase. A rate shall be decreased,  
9 or the tax repealed, following an election at which at  
10 least fifty percent of those voting on the question of  
11 the rate decrease or repeal favor the rate decrease or  
12 repeal. The election at which the question of repeal  
13 or rate change is offered shall be called and held in  
14 the same manner and under the same conditions as  
15 provided in this section for the election on the  
16 imposition of the tax. The election may be held at  
17 any time but not sooner than sixty days following  
18 publication of the ballot proposition. However, the  
19 tax shall not be repealed before it has been in effect  
20 for one year.

21 b. Within ten days of the election at which the  
22 imposition, repeal, or change in rate of tax has been  
23 approved, the county board of supervisors shall give  
24 written notice to the director of revenue and finance  
25 of the result of the election. Election costs shall  
26 be apportioned among school districts within the  
27 county on a pro rata basis in proportion to the number  
28 of registered voters in each school district and the  
29 total number of registered voters in all of the school  
30 districts within the county.

31 A local sales and services school infrastructure  
32 tax shall not be repealed or reduced in rate if  
33 obligations are outstanding which are payable as  
34 provided in section 422E.6, unless funds sufficient to  
35 pay the principal, interest, and premium, if any, on  
36 the outstanding obligations at and prior to maturity  
37 have been properly set aside and pledged for that  
38 purpose.

39 5. If at least sixty percent of those voting on  
40 the question of imposition of a local sales and  
41 services school infrastructure tax for school  
42 infrastructure purposes favors imposition of the tax,  
43 the tax shall be imposed by the county board of  
44 supervisors within the county pursuant to section  
45 422E.2, at the rate specified for not longer than a  
46 ten-year duration.

47 6. The sales and services school infrastructure  
48 tax shall be imposed on the same basis as the state  
49 sales and services tax and shall not be imposed on the  
50 sale of any property or on any service not taxed by

S-5568

-3-

S-5568

Page 4

1 the state, except the tax shall not be imposed on the  
2 gross receipts from the sale of motor fuel or special  
3 fuel as defined in chapter 452A, on the gross receipts  
4 from the rental of rooms, apartments, or sleeping  
5 quarters which are taxed under chapter 422A during the  
6 period the hotel and motel tax is imposed, on the  
7 gross receipts from the sale of equipment by the state  
8 department of transportation, and on the gross  
9 receipts from the sale of a lottery ticket or share in  
10 a lottery game conducted pursuant to chapter 99E.

11 7. The tax is applicable to transactions within  
12 the county where it is imposed and shall be collected  
13 by all persons required to collect state gross  
14 receipts taxes. The amount of the sale, for purposes  
15 of determining the amount of the tax, does not include  
16 the amount of any state gross receipts taxes or other  
17 local option sales taxes. A tax permit other than the  
18 state tax permit required under section 422.53 shall  
19 not be required by local authorities.

20 8. a. The director of revenue and finance within  
21 fifteen days of the beginning of each fiscal year  
22 shall send to each school district where the tax is  
23 imposed an estimate of the amount of tax moneys each  
24 school district will receive for the year and for each  
25 month of the year. At the end of each month, the  
26 director may revise the estimates for the year and  
27 remaining months.

28 b. The director shall remit ninety-five percent of  
29 the estimated tax receipts for the school district to  
30 the school district on or before August 31 of the  
31 fiscal year and on or before the last day of each  
32 following month.

33 c. The director shall remit a final payment of the  
34 remainder of tax moneys due for the fiscal year before  
35 November 10 of the next fiscal year. If an  
36 overpayment has resulted during the previous fiscal  
37 year, the first payment of the new fiscal year shall  
38 be adjusted to reflect any overpayment.

39 d. If the director is unable to determine from  
40 which county any of the receipts were collected, those  
41 receipts shall be allocated among the possible school  
42 districts based on allocation rules adopted by the  
43 director.

44 e. If more than one school district, or a portion  
45 of a school district, is located within the county,  
46 tax receipts shall be remitted to each school district  
47 or portion of a school district in which the county  
48 tax is imposed in a pro rata share based upon the  
49 ratio which actual enrollment for the school district  
50 that attends school in the county bears to the total

S-5568

S-5568

Page 5

1 combined actual enrollments for all school districts  
2 that attend school in the county. The combined actual  
3 enrollment for a county, for purposes of this section,  
4 shall be determined for each county imposing a sales  
5 and services tax for school infrastructure purposes by  
6 the department of management based on the actual  
7 enrollment figures reported to the department of  
8 management by the department of education pursuant to  
9 section 257.6, subsection 1. The combined actual  
10 enrollment count shall be forwarded to the director of  
11 the department of management by March 1, annually, for  
12 purposes of supplying estimated tax payment figures  
13 and making estimated tax payments pursuant to this  
14 section for the following fiscal year.

15 9. The local sales and services tax for school  
16 infrastructure purposes shall be administered as  
17 provided in section 422B.9.

18 Sec. 3. NEW SECTION. 422E.3 LOCAL INCOME SURTAX  
19 AND PROPERTY TAX.

20 1. a. A local income surtax and property tax for  
21 school infrastructure purposes may be imposed by a  
22 school district in addition to, or as an alternative  
23 to, the local sales and services tax imposed by the  
24 county pursuant to section 422E.2.

25 b. The local income surtax and property tax shall  
26 be imposed and subject to rate change or repeal  
27 pursuant to subsection 2, in combination and not as  
28 separate taxes.

29 c. The board of directors of the school district  
30 may, and upon the written request of not less than one  
31 hundred eligible electors or thirty percent of the  
32 number of eligible electors voting at the last regular  
33 school election, whichever is greater, shall, direct  
34 the county commissioner of elections in each county  
35 within which the school district is located to submit  
36 the question of imposition of both a local income  
37 surtax and property tax for school infrastructure  
38 purposes in the notice of the regular school election,  
39 or at a special election called for that purpose. The  
40 proposition shall specify that a combination of a  
41 local income surtax and a property tax will be  
42 imposed. The proposition to impose both taxes shall  
43 be adopted if sixty percent of those voting on the  
44 proposition at the election approves it.

45 2. Both taxes may be repealed or the rate of  
46 either tax decreased after an election at which fifty  
47 percent of those voting on the question of repeal or  
48 rate change favored the repeal or rate change. A rate  
49 increase for either tax shall require the approval of  
50 sixty percent of those voting on the rate increase.

S-5568



S-5568

Page 6

1 The election at which the question of repeal of both  
2 taxes or rate change in either or both taxes is  
3 offered shall be called and held in the same manner as  
4 provided in subsection 1 of this section regarding an  
5 initial vote to impose the taxes. The provisions of  
6 section 422E.2, subsection 4, shall apply regarding  
7 notification of the director of revenue and finance,  
8 apportionment of election costs, repeal of the taxes  
9 only after one year, and the restrictions on repeal  
10 regarding outstanding obligations pursuant to section  
11 422E.6.

12 3. If each school district involved in a school  
13 reorganization under chapter 275 has imposed an income  
14 surtax and property tax for school infrastructure  
15 purposes, and if the voters have not voted upon  
16 imposition of the taxes in the reorganized district,  
17 the existing income surtax and property tax for school  
18 infrastructure purposes shall be in effect for the  
19 reorganized district for the least amount and the  
20 shortest time for which it is in effect in any of the  
21 districts prior to reorganization.

22 4. If sixty percent of those voting on the  
23 question of imposition of a local income surtax and  
24 property tax for school infrastructure purposes favors  
25 imposition of the taxes, the taxes shall be imposed by  
26 the school board within the school district at the  
27 rate specified for up to a ten-year duration as  
28 provided in sections 422E.4 and 422E.5.

29 Sec. 4. NEW SECTION. 422E.4 LOCAL INCOME SURTAX.

30 1. A local income surtax shall be imposed, as  
31 provided in section 422E.3, on the state individual  
32 income tax for the calendar year beginning immediately  
33 following the election and shall be imposed on all  
34 individuals residing in a school district on the last  
35 day of the applicable tax year. As used in this  
36 section, "state individual income tax" means the taxes  
37 computed under section 422.5, less the credits allowed  
38 in sections 422.11A, 422.11B, 422.12, and 422.12B.

39 2. The director of revenue and finance shall  
40 administer the local income surtax imposed under this  
41 chapter, and sections 422.20, 422.22 to 422.31,  
42 422.68, and 422.72 to 422.75 shall apply with respect  
43 to administration of the income surtax. The  
44 provisions of section 298.14 shall apply regarding the  
45 cumulative total of the percents of income surtaxes  
46 imposed not exceeding twenty percent.

47 3. The income surtax shall be made a part of the  
48 Iowa individual income tax return subject to the  
49 conditions and restrictions set forth in section  
50 422.21.

S-5568

-6-

S-5568

Page 7

1 4. The director of revenue and finance shall  
2 deposit all moneys received as local income surtax to  
3 the credit of each school district from which the  
4 moneys are received, in the school district income  
5 surtax fund which is established in section 298.14.

6 The director of revenue and finance shall deposit  
7 local income surtax moneys received on or before  
8 November 1 of the year following the close of the  
9 calendar year for which the surtax is imposed to the  
10 credit of each school district from which the moneys  
11 are received in the school district income surtax  
12 fund.

13 Income surtax moneys received or refunded after  
14 November 1 of the year following the close of the  
15 calendar year for which the surtax is imposed shall be  
16 deposited in or withdrawn from the general fund of the  
17 state and shall be considered part of the cost of  
18 administering the income surtax.

19 5. On or before October 20 of each year, the  
20 director of revenue and finance shall make an  
21 accounting of the income surtax collected under this  
22 chapter applicable to tax returns for the last  
23 preceding calendar year from taxpayers in each school  
24 district in the state which has approved the income  
25 surtax, and shall certify to the department of  
26 management and the department of education the amount  
27 of total income surtax credited from the taxpayers of  
28 the school district.

29 Sec. 5. NEW SECTION. 422E.5 PROPERTY TAX.

30 The board of directors of a school district  
31 imposing a property tax for school infrastructure  
32 purposes, as provided in section 422E.3, shall certify  
33 for levy by April 15 following the favorable election  
34 and each year thereafter until the tax is repealed the  
35 amount of the tax as stated on the ballot proposition.  
36 Property tax receipts shall be distributed by the  
37 county treasurer to the school district located in the  
38 county.

39 Sec. 6. NEW SECTION. 422E.6 BONDING.

40 The board of directors of a school district shall  
41 be authorized to issue negotiable, interest-bearing  
42 school bonds, without election, and utilize tax  
43 receipts derived from local school infrastructure  
44 taxes for school infrastructure purposes for principal  
45 and interest repayment. Proceeds of the bonds issued  
46 pursuant to this section shall be utilized solely for  
47 school infrastructure needs as school infrastructure  
48 is defined in section 422E.1, subsection 3. Issuance  
49 of bonds pursuant to this section shall be permitted  
50 only in a district in which a local school

S-5568

S-5568

Page 8

1 infrastructure tax for school infrastructure purposes  
2 has been imposed pursuant to this chapter. The  
3 provisions of sections 298.22 through 298.24 shall  
4 apply regarding the form, rate of interest,  
5 registration, redemption, and recording of bond issues  
6 pursuant to this section, with the exception that the  
7 maximum period during which principal on the bonds is  
8 payable shall not exceed a ten-year period, or the  
9 date of repeal stated on the ballot proposition.

10 Sec. 7. NEW SECTION. 422E.7 SCHOOL

11 INFRASTRUCTURE SAFETY FUND.

12 1. There shall be distributed from the federal  
13 funds allocated to the state of Iowa as described in  
14 Conference Committee Report 105-390, accompanying H.R.  
15 2264, making federal appropriations to the United  
16 States departments of labor, health and human  
17 services, and education, to the state department of  
18 education the sum of eight million dollars to  
19 establish a school infrastructure safety fund.

20 2. The funds shall be allocated to the school  
21 budget review committee to develop a school  
22 infrastructure safety fund grant program, in  
23 conjunction with the state fire marshal. For purposes  
24 of reviewing grant applications and making  
25 recommendations regarding the administration of the  
26 program, the state fire marshal shall be considered an  
27 additional voting member of the school budget review  
28 committee.

29 3. Top priority in awarding program grants shall  
30 be the making of school infrastructure improvements  
31 relating to fire and personal safety. School  
32 districts eligible for program grants shall have  
33 received an order or citation from the state fire  
34 marshal, or a fire department chief or fire prevention  
35 officer, for one or more fire safety violations  
36 regarding a school facility, or in the opinion of the  
37 state fire marshal shall be regarded as operating  
38 facilities subject to significant fire safety  
39 deficiencies. Grant awards shall also be available  
40 for defects or violations of the state building code  
41 revealed during an inspection of school facilities by  
42 a local building department, or for improvements  
43 consistent with the standards and specifications  
44 contained in the state building code regarding  
45 ensuring that buildings and facilities are accessible  
46 to and functional for persons with disabilities. The  
47 school budget review committee shall allocate program  
48 funds to school districts which, in its discretion,  
49 are determined to be faced with the most severe  
50 deficiencies. School districts applying for program

S-5568

-8-

S-5568

Page 9

1 grants shall have developed and submitted to the state  
 2 fire marshal or local building department a written  
 3 plan to remedy fire or safety defects within a  
 4 specified time frame. Approval of the written plan by  
 5 the state fire marshal or local building department  
 6 shall be obtained prior to receipt of a grant award by  
 7 a school district.

8 4. Application forms, submission dates for  
 9 applications and for written plans to remedy fire or  
 10 safety defects, and grant award criteria shall be  
 11 developed by the state department of education, in  
 12 coordination with the state fire marshal, by rule.

13 5. The school budget review committee shall submit  
 14 a progress report of the number and amount of grants  
 15 awarded, and fire and safety improvements made,  
 16 pursuant to the school infrastructure safety fund  
 17 grant program, to the general assembly by January 1,  
 18 2000.

19 6. If federal rules or regulations are adopted  
 20 relating to the distribution or utilization of funds  
 21 allocated to the state department of education  
 22 pursuant to this section which are inconsistent with  
 23 the provisions of this section, the state department  
 24 of education shall adopt rules to comply with the  
 25 requirements of the federal rules or regulations.

26 Sec. 8. EFFECTIVE DATE. This Act, being deemed of  
 27 immediate importance, takes effect upon enactment."

By STEVE KING  
 NANCY BOETTGER  
 ALLEN BORLAUG  
 JEFF ANGELO  
 LYLE E. ZIEMAN

JERRY BEHN  
 NEAL SCHUERER  
 ANDY MCKEAN  
 KITTY REHBERG  
 MARY LOU FREEMAN

S-5568 FILED APRIL 8, 1998  
 LOST (P. 1137)

## HOUSE FILE 2282

S-5569

1 Amend House File 2282, as amended, passed, and  
 2 reprinted by the House, as follows:  
 3 1. Page 8, line 4, by inserting after the word  
 4 "deficiencies." the following: "In allocating program  
 5 funds, the school budget review committee shall give  
 6 additional consideration to school districts which  
 7 have made a significant financial commitment toward  
 8 addressing fire and personal safety defects within the  
 9 five-year period preceding application for program  
 10 grants."

By MAGGIE TINSMAN  
 JOANN DOUGLAS  
 SHELDON RITTMER

S-5569 FILED APRIL 8, 1998  
 WITHDRAWN

(P. 1137)

## HOUSE FILE 2282

S-5576

1 Amend the amendment, S-5568, to House File 2282, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

- 4 1. Page 5, lines 27 and 28, by striking the words  
5 "subsection 2, in combination and not as separate  
6 taxes." and inserting the following: "subsection 2."  
7 2. Page 5, line 36, by striking the word "both".  
8 3. Page 5, line 37, by striking the word "and"  
9 and inserting the following: "or".  
10 4. Page 5, by striking lines 39 through 50 and  
11 inserting the following: "or at a special election  
12 called for that purpose. Ballot propositions shall  
13 specify that a local income surtax, a property tax, or  
14 both taxes shall be imposed. A proposition to impose  
15 an income surtax shall be adopted if a majority of  
16 those voting on the proposition at the election  
17 approves it. A proposition to impose a property tax  
18 shall be adopted if sixty percent of those voting on  
19 the proposition at the election approves it.  
20 2. A local income surtax may be repealed or the  
21 rate of tax increased or decreased after an election  
22 at which a majority of those voting on the question of  
23 repeal or rate change favored the repeal or rate  
24 change. A property tax may be repealed or the rate of  
25 tax increased or decreased after an election at which  
26 sixty percent of those voting on the question of  
27 repeal or rate change favored the repeal or rate  
28 change."  
29 5. Page 6, by striking lines 1 and 2 and  
30 inserting the following: "The election at which the  
31 question of repeal or rate change is".  
32 6. Page 6, line 14, by striking the word "and"  
33 and inserting the following: "or".  
34 7. Page 6, line 17, by striking the word "and"  
35 and inserting the following: "or".  
36 8. Page 6, by striking lines 22 through 25 and  
37 inserting the following:  
38 "4. An income surtax or property tax for school  
39 infrastructure purposes shall be imposed by".

By MIKE CONNOLLY

S-5576 FILED APRIL 8, 1998  
WITHDRAWN

(P. 1136)

## HOUSE FILE 2282

S-5570

1 Amend the amendment, S-5568, to House File 2282, as  
2 amended, passed, and reprinted by the House, as  
3 follows:  
4 1. Page 8, line 50, by inserting after the word  
5 "deficiencies." the following: "In allocating program  
6 funds, the school budget review committee shall give  
7 additional consideration to school districts which  
8 have made a significant financial commitment toward  
9 addressing fire and personal safety defects within the  
10 five-year period preceding application for program  
11 grants."

By MAGGIE TINSMAN

S-5570 FILED APRIL 8, 1998

LOST (p. 1136)

## HOUSE FILE 2282

S-5571

1 Amend the amendment, S-5568, to House File 2282, as  
2 amended, passed, and reprinted by the House, as  
3 follows:  
4 1. Page 5, line 43, by striking the words "sixty  
5 percent" and inserting the following: "a majority".  
6 2. Page 5, by striking lines 45 through 50 and  
7 inserting the following:  
8 "2. Both taxes may be repealed or the rate of  
9 either tax increased or decreased after an election at  
10 which a majority of those voting on the question of  
11 repeal or rate change favored the repeal or rate  
12 change."  
13 3. page 6, line 22, by striking the words "sixty  
14 percent" and inserting the following: "a majority".

By MIKE CONNOLLY

S-5571 FILED APRIL 8, 1998

WITHDRAWN

(p. 1136)

Dix, Ch  
Huseman  
Connors

HSB 517  
LOCAL GOVERNMENT

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
LOCAL GOVERNMENT BILL BY  
CHAIRPERSON VANDE HOEF)

Suc d By  
SF 2283

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act providing for the determination of time for notice and  
2 service of process relating to residential property rentals  
3 and mobile home parks residential rentals.

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

5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

1 Section 1. NEW SECTION. 562A.29B DETERMINATION OF TIME.

2 In computing time for purposes of notice and service of  
3 process pursuant to this chapter, the first day is excluded  
4 and the last day included, unless the last day falls on  
5 Sunday, in which case the time prescribed shall be extended to  
6 include the whole of the following Monday. In the case of  
7 personal service, the first day is deemed to be the date of  
8 the personal service. In the case of service by certified or  
9 restricted certified mail, the first day is deemed to be the  
10 day after the date of mailing.

11 Sec. 2. NEW SECTION. 562B.27B DETERMINATION OF TIME.

12 In computing time for purposes of notice and service of  
13 process pursuant to this chapter, the first day is excluded  
14 and the last day included, unless the last day falls on  
15 Sunday, in which case the time prescribed shall be extended to  
16 include the whole of the following Monday. In the case of  
17 personal service, the first day is deemed to be the date of  
18 the personal service. In the case of service by certified or  
19 restricted certified mail, the first day is deemed to be the  
20 day after the date of mailing.

21 EXPLANATION

22 This bill provides the method for computing time for giving  
23 notice and service of process relating to residential real  
24 estate rentals and mobile home park residential rentals. This  
25 computation of time is consistent with the computation  
26 specified in section 4.1, subsection 34. For personal  
27 service, the first day is considered to be the date of  
28 personal service, and for service by certified or restricted  
29 certified mail, the first day is the day after the date of  
30 mailing.

31  
32  
33  
34  
35



HOUSE FILE 2282

AN ACT

AUTHORIZING THE IMPOSITION OF A LOCAL OPTION SALES AND SERVICES TAX AND USE OF CERTAIN FEDERAL FUNDS FOR SCHOOL INFRASTRUCTURE PROJECTS AND THE ISSUANCE OF BONDS, AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. NEW SECTION. 422E.1 AUTHORIZATION -- RATE OF TAX -- USE OF REVENUES.

1. A local sales and services tax for school infrastructure purposes may be imposed by a county on behalf of school districts as provided in this chapter.
2. The maximum rate of tax shall be one percent. The tax shall be imposed without regard to any other local sales and services tax authorized in chapter 422B, and is repealed at the expiration of a period of ten years of imposition or a shorter period as provided in the ballot proposition.
3. Local sales and services tax moneys received by a county for school infrastructure purposes pursuant to this chapter shall be utilized solely for school infrastructure needs. For purposes of this chapter, "school infrastructure" means those activities for which a school district is authorized to contract indebtedness and issue general obligation bonds under section 296.1, except those activities related to a teacher's or superintendent's home or homes. These activities include the construction, reconstruction, repair, purchasing, or remodeling of schoolhouses, stadiums, gyms, fieldhouses, and bus garages and the procurement of schoolhouse construction sites and the making of site improvements. Additionally, "school infrastructure" includes the payment or retirement of outstanding bonds previously issued for school infrastructure purposes as defined in this

subsection, and the payment or retirement of bonds issued under section 422E.4.

Sec. 2. NEW SECTION. 422E.2 IMPOSITION BY COUNTY.

1. A local sales and services tax shall be imposed by a county only after an election at which a majority of those voting on the question favors imposition. A local sales and services tax approved by a majority vote shall apply to all incorporated and unincorporated areas of that county.
2. a. Upon receipt by a county board of supervisors of a petition requesting imposition of a local sales and services tax for infrastructure purposes, signed by eligible electors of the whole county equal in number to five percent of the persons in the whole county who voted at the last preceding state general election, the board shall within thirty days direct the county commissioner of elections to submit the question of imposition of the tax to the registered voters of the whole county.  
b. Alternatively, the question of imposition of a local sales and services tax for school infrastructure purposes may be proposed by motion or motions, requesting such submission, adopted by the governing body of a school district or school districts located within the county containing a total, or a combined total in the case of more than one school district, of at least one-half of the population of the county, or by the county board of supervisors. Upon adoption of such motion, the governing body of a school district shall notify the board of supervisors of the adoption of the motion. The county board of supervisors shall submit the motion to the county commissioner of elections, who shall publish notice of the ballot proposition concerning the imposition of the local sales and services tax. A motion ceases to be valid at the time of the holding of the regular election for the election of members of the governing body which adopted the motion.
3. The county commissioner of elections shall submit the question of imposition of a local sales and services tax for

school infrastructure purposes at a state general election or at a special election held at any time other than the time of a city regular election. The election shall not be held sooner than sixty days after publication of notice of the ballot proposition. The ballot proposition shall specify the rate of tax, the date the tax will be imposed and repealed, and shall contain a statement as to the specific purpose or purposes for which the revenues shall be expended. The rate of tax shall not be more than one percent as set by the county board of supervisors. The state commissioner of elections shall establish by rule the form for the ballot proposition which form shall be uniform throughout the state.

4. a. The tax may be repealed or the rate increased, but not above one percent, or decreased after an election at which a majority of those voting on the question of repeal or rate change favored the repeal or rate change. The election at which the question of repeal or rate change is offered shall be called and held in the same manner and under the same conditions as provided in this section for the election on the imposition of the tax. The election may be held at any time but not sooner than sixty days following publication of the ballot proposition. However, the tax shall not be repealed before it has been in effect for one year.

b. Within ten days of the election at which a majority of those voting on the question favors the imposition, repeal, or change in the rate of the tax, the county board of supervisors shall give written notice to the director of revenue and finance of the result of the election. Election costs shall be apportioned among school districts within the county on a pro rata basis in proportion to the number of registered voters in each school district and the total number of registered voters in all of the school districts within the county.

A local option sales and services tax shall not be repealed or reduced in rate if obligations are outstanding which are

payable as provided in section 422E.4, unless funds sufficient to pay the principal, interest, and premium, if any, on the outstanding obligations at and prior to maturity have been properly set aside and pledged for that purpose.

Sec. 3. NEW SECTION. 422E.3 COLLECTION OF TAX.

1. If a majority of those voting on the question of imposition of a local sales and services tax for school infrastructure purposes favors imposition of the tax, the tax shall be imposed by the county board of supervisors within the county pursuant to section 422E.2, at the rate specified for a ten-year duration on the gross receipts taxed by the state under chapter 422, division IV.

2. The tax shall be imposed on the same basis as the state sales and services tax and shall not be imposed on the sale of any property or on any service not taxed by the state, except the tax shall not be imposed on the gross receipts from the sale of motor fuel or special fuel as defined in chapter 452A, on the gross receipts from the rental of rooms, apartments, or sleeping quarters which are taxed under chapter 422A during the period the hotel and motel tax is imposed, on the gross receipts from the sale of equipment by the state department of transportation, and on the gross receipts from the sale of a lottery ticket or share in a lottery game conducted pursuant to chapter 99E.

3. The tax is applicable to transactions within the county where it is imposed and shall be collected by all persons required to collect state gross receipts taxes. The amount of the sale, for purposes of determining the amount of the tax, does not include the amount of any state gross receipts taxes or other local option sales taxes. A tax permit other than the state tax permit required under section 422.53 shall not be required by local authorities.

4. The director of revenue and finance shall credit tax receipts and interest and penalties from the local sales and services tax for school infrastructure purposes to an account

within the county's local sales and services tax fund, as created in section 422B.10, subsection 1, maintained in the name of the school district or school districts located within the county. If the director is unable to determine from which county any of the receipts were collected, those receipts shall be allocated among the possible counties based on allocation rules adopted by the director.

5. a. The director of revenue and finance within fifteen days of the beginning of each fiscal year shall send to each school district where the tax is imposed an estimate of the amount of tax moneys each school district will receive for the year and for each month of the year. At the end of each month, the director may revise the estimates for the year and remaining months.

b. The director shall remit ninety-five percent of the estimated tax receipts for the school district to the school district on or before August 31 of the fiscal year and on or before the last day of each following month.

c. The director shall remit a final payment of the remainder of tax moneys due for the fiscal year before November 10 of the next fiscal year. If an overpayment has resulted during the previous fiscal year, the first payment of the new fiscal year shall be adjusted to reflect any overpayment.

If more than one school district, or a portion of a school district, is located within the county, tax receipts shall be remitted to each school district or portion of a school district in which the county tax is imposed in a pro rata share based upon the ratio which the percentage of actual enrollment for the school district that attends school in the county bears to the percentage of the total combined actual enrollments for all school districts that attend school in the county. The combined actual enrollment for a county, for purposes of this section, shall be determined for each county imposing a sales and services tax for school infrastructure

purposes by the department of management based on the actual enrollment figures reported by October 1 to the department of management by the department of education pursuant to section 257.6, subsection 1. The combined actual enrollment count shall be forwarded to the director of the department of management by March 1, annually, for purposes of supplying estimated tax payment figures and making estimated tax payments pursuant to this section for the following fiscal year.

6. The local sales and services tax for school infrastructure purposes shall be administered as provided in section 422B.9.

Sec. 4. NEW SECTION. 422E.4 BONDING.

The board of directors of a school district shall be authorized to issue negotiable, interest-bearing school bonds, without election, and utilize tax receipts derived from the sales and services tax for school infrastructure purposes for principal and interest repayment. Proceeds of the bonds issued pursuant to this section shall be utilized solely for school infrastructure needs as school infrastructure is defined in section 422E.1, subsection 3. Issuance of bonds pursuant to this section shall be permitted only in a district which has imposed a local sales and services tax for school infrastructure purposes pursuant to section 422E.2. The provisions of sections 298.22 through 298.24 shall apply regarding the form, rate of interest, registration, redemption, and recording of bond issues pursuant to this section, with the exception that the maximum period during which principal on the bonds is payable shall not exceed a ten-year period, or the date of repeal stated on the ballot proposition.

A school district in which a local option sales tax for school infrastructure purposes has been imposed shall be authorized to enter into a chapter 28E agreement with one or more cities whose boundaries encompass all or a part of the

area of the school district. A city or cities entering into a chapter 28E agreement shall be authorized to expend its designated portion of the local option sales and services tax revenues for any valid purpose permitted in this chapter or authorized by the governing body of the city.

The governing body of a city may authorize the issuance of bonds which are payable from its designated portion of the revenues of the local option sales and services tax, and not from property tax, by following the authorization procedures set forth for cities in section 384.83. A city may pledge irrevocably any amount derived from its designated portions of the revenues of the local option sales and services tax to the support or payment of such bonds.

Sec. 5. NEW SECTION. 422E.5 SCHOOL INFRASTRUCTURE SAFETY FUND.

1. There shall be distributed from the federal funds allocated to the state of Iowa as described in Conference Committee Report 105-390, accompanying H.R. 2264, making federal appropriations to the United States departments of labor, health and human services, and education, to the state department of education the sum of eight million dollars to establish a school infrastructure safety fund.

2. The funds shall be allocated to the school budget review committee to develop a school infrastructure safety fund grant program, in conjunction with the state fire marshal. For purposes of reviewing grant applications and making recommendations regarding the administration of the program, the state fire marshal shall be considered an additional voting member of the school budget review committee.

3. Top priority in awarding program grants shall be the making of school infrastructure improvements relating to fire and personal safety. School districts eligible for program grants shall have received an order or citation from the state fire marshal, or a fire department chief or fire prevention

officer, for one or more fire safety violations regarding a school facility, or in the opinion of the state fire marshal shall be regarded as operating facilities subject to significant fire safety deficiencies. Grant awards shall also be available for defects or violations of the state building code revealed during an inspection of school facilities by a local building department, or for improvements consistent with the standards and specifications contained in the state building code regarding ensuring that buildings and facilities are accessible to and functional for persons with disabilities. The school budget review committee shall allocate program funds to school districts which, in its discretion, are determined to be faced with the most severe deficiencies. School districts applying for program grants shall have developed and submitted to the state fire marshal or local building department a written plan to remedy fire or safety defects within a specified time frame. Approval of the written plan by the state fire marshal or local building department shall be obtained prior to receipt of a grant award by a school district.

4. Application forms, submission dates for applications and for written plans to remedy fire or safety defects, and grant award criteria shall be developed by the state department of education, in coordination with the state fire marshal, by rule.

5. The school budget review committee shall submit a progress report of the number and amount of grants awarded, and fire and safety improvements made, pursuant to the school infrastructure safety fund grant program, to the general assembly by January 1, 2000.

6. If federal rules or regulations are adopted relating to the distribution or utilization of funds allocated to the state department of education pursuant to this section which are inconsistent with the provisions of this section, the state department of education shall adopt rules to comply with the requirements of the federal rules or regulations.

Sec. 6. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

---

RON J. CORBETT  
Speaker of the House

---

MARY E. KRAMER  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2282, Seventy-seventh General Assembly.

---

ELIZABETH ISAACSON  
Chief Clerk of the House

Approved April 20, 1998

---

TERRY E. BRANSTAD  
Governor