

**FEB 20 1998
APPROPRIATIONS**

HOUSE FILE 2379
BY WARNSTADT, WHITEAD, CATALDO,
KOENIGS, and SHOULTZ

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the appropriations of moneys from the rebuild
2 Iowa infrastructure fund for payments related to bonds issued
3 for vertical infrastructure projects by school districts,
4 designating certain amounts of gambling revenues to be
5 deposited into the rebuild Iowa infrastructure fund,
6 designating certain federal appropriations for school
7 infrastructure purposes, and providing an effective date.

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

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1 Section 1. Section 8.57, subsection 5, paragraph e, Code
2 1997, is amended to read as follows:

3 e. Notwithstanding provisions to the contrary in sections
4 99D.17 and 99F.11, for the fiscal years beginning July 1, 1995
5 1997, and July 1, ~~1996~~ 1998, not more than a total of sixty
6 million dollars; ~~and for each fiscal year thereafter~~ for the
7 fiscal year beginning July 1, 1999, not more than forty-five
8 million dollars; for the fiscal year beginning July 1, 2000,
9 not more than thirty million dollars; and for the fiscal year
10 beginning July 1, 2001, not more than fifteen million dollars
11 shall be deposited in the general fund of the state in any
12 fiscal year pursuant to sections 99D.17 and 99F.11. The total
13 moneys in excess of the moneys deposited in the general fund
14 in a fiscal year shall be deposited in the infrastructure fund
15 and shall be used as provided in this section, notwithstanding
16 section 8.60. Notwithstanding provisions to the contrary in
17 sections 99D.17 and 99F.11, for the fiscal year beginning July
18 1, 2002, and each subsequent fiscal year all moneys shall be
19 deposited into the infrastructure fund and shall be used as
20 provided in this section, notwithstanding section 8.60.

21 Sec. 2. Section 8.57, subsection 5, Code 1997, is amended
22 by adding the following new paragraph:

23 NEW PARAGRAPH. f. For the fiscal year beginning July 1,
24 1999, and for each subsequent fiscal year, there is
25 appropriated from the rebuild Iowa infrastructure fund to the
26 department of education for deposit into the school investment
27 fund created in section 256.39A the sum of sixty million
28 dollars.

29 Sec. 3. NEW SECTION. 256.39A SCHOOL INVESTMENT FUND.

30 1. A school investment fund is established in the state
31 treasury under the control of the department of education.
32 The department shall deposit into the fund moneys appropriated
33 to the fund from the rebuild Iowa infrastructure fund and from
34 any other appropriations made for deposit into the fund.
35 Section 8.33 shall not apply to any moneys appropriated to or

1 deposited into the fund.

2 2. Moneys in the school investment fund shall be used by
3 the department of education to provide grants to school
4 districts in an amount up to twenty percent of the principal
5 of bonds issued after July 1, 1998, which meet all of the
6 following requirements:

7 a. The proceeds of the bonds shall be used solely for
8 vertical infrastructure projects, as defined in section 8.57,
9 subsection 5, paragraph "c", and shall not be used for
10 refunding any other bonds.

11 b. The bonds were authorized by a vote of the eligible
12 electors of the school district.

13 c. The principal and interest on the bonds were to be paid
14 from property taxes.

15 3. a. Prior to the school budget year beginning July 1,
16 1998, and each school budget year thereafter, each school
17 district seeking a grant from the school investment fund for
18 bonds to be issued in the coming school budget year shall
19 notify the department of education of the amount of the bonds
20 to be issued. After verification that the bonds will qualify
21 for a grant under this section, the department shall set aside
22 twenty percent of the amount of the gross receipts from the
23 bonds to be issued. However, if the total amount of moneys
24 available in the school investment fund for the fiscal year is
25 insufficient to provide twenty percent for all school
26 districts, the department shall prorate the amount available
27 so that each qualified school district will receive the same
28 percentage amount.

29 b. The amount to be awarded a school district as provided
30 in paragraph "a" shall be awarded to the school district
31 within fifteen days of the notice by the school district of
32 the sale of the bonds.

33 c. The grant awarded to the school district shall be
34 deposited into a separate account of the school district and
35 used solely for the payment of principal and interest on the

1 bonds for which the grant was awarded.

2 Sec. 3. APPROPRIATIONS.

3 1. There is appropriated from the rebuild Iowa
4 infrastructure fund to the department of education for the
5 fiscal year beginning July 1, 1998, and ending June 30, 1999,
6 the sum of fifty-two million dollars for deposit into the
7 school investment fund created in section 3 of this Act.

8 2. There is appropriated from the federal funds allocated
9 to the state of Iowa as described in Conference Committee
10 Report 105-390, accompanying H.R. 2264, making federal
11 appropriations to the United States departments of labor,
12 health and human services, and education, to the state
13 department of education the sum of eight million dollars for
14 deposit into the school investment fund created in section 3
15 of this Act.

16 Sec. 4. This Act, being deemed of immediate importance,
17 takes effect upon enactment.

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EXPLANATION

19 The bill requires the deposit of larger amounts of gambling
20 revenues into the rebuild Iowa infrastructure fund. Beginning
21 with the fiscal year 1999-2000, a \$60 million standing
22 appropriation is made to a newly created school investment
23 fund. For the fiscal year 1998-1999, \$52 million is
24 appropriated from the rebuild Iowa infrastructure fund and \$8
25 million of federal funds allocated to Iowa is designated for
26 the school investment fund. The moneys in the school
27 investment fund are to be used to provide to each school
28 district up to 20 percent of the principal of bonds to be
29 issued by the school district in a school budget year for
30 vertical infrastructure purposes. These bonds must have been
31 authorized at an election and were to be paid from property
32 taxes.

33 The bill takes effect upon enactment.

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