EDUCATION

FILED FEB 2 1999

SENATE FILE 78

BY CONNOLLY

Passed Senate, Date ____________ Passed House, Date ____________

Vote: Ayes _______ Nays ________ Vote: Ayes _______ Nays ________

Approved ______________________________

## A BILL FOR

An Act relating to the use of a portion of state sales tax revenues for school district purposes and including effective and applicability date provisions.

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

SF 78 EDUCATION

TLSB 1734SS 78

mg/cf/24

S.F. 78 H.F. ________

Section 1. <u>NEW SECTION</u>. 256.95 SCHOOL ASSISTANCE FUND.

1. A school assistance fund is established in the state treasury under the control of and administered by the department. State sales tax revenues shall be deposited in the school assistance fund as provided in section 422.43, subsection 8. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the school assistance fund shall be credited to that fund.

2. There is appropriated annually all moneys deposited in the school assistance fund to the department for distribution to all school districts in the state as provided in this section. The moneys appropriated for a fiscal year shall be distributed to each school district on the basis of the ratio which the percentage of actual enrollment for that school district bears to the total combined actual enrollment of all school districts in the state. For purposes of this section, "actual enrollment" means the same as defined in section 257.6, subsection 1, for the school year preceding the fiscal year for which the moneys in the school assistance fund are distributed.

3. a. The director within fifteen days of the beginning of each fiscal year shall send to each school district 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 monthly tax receipts for a school district to the school district on or before August 31 of the fiscal year and on or before the last day of each of the following ten months.

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.

4. Moneys received by a school district under this section are miscellaneous income and may be used for any purpose of the school district.

Sec. 2. Section 422.43, subsection 8, Code 1999, is amended to read as follows:

8. ~~All~~ Eighty percent of all revenues arising under the operation of the provisions of this section shall ~~become part of~~ be deposited in the ~~state~~ general fund of the state. The remaining twenty percent of the revenues shall be deposited in the school assistance fund established in section 256.95.

Sec. 3. This Act, being deemed of immediate importance, takes effect upon enactment, and applies to state sales tax revenues collected in fiscal years beginning on or after July 1, 1999.

EXPLANATION

The bill provides that 20 percent (one penny) of the state sales tax revenues is to be deposited in a special fund to be distributed on a monthly basis to each school district based upon the school district's actual enrollment for the previous year. The moneys received by each school district are miscellaneous income and may be used for any purpose.

The bill takes effect upon enactment and applies to sales tax revenues collected in fiscal years beginning on or after July 1, 1999.