

Senate Study Bill 3184

Bill Text

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1 1 Section 1. NEW SECTION. 297.37 FIRE SAFETY FUND.
1 2 1. A fire safety fund is created as a revolving loan fund
1 3 within the state treasury under the control of the department
1 4 of education. There is appropriated from the rebuild Iowa
1 5 infrastructure fund created in section 8.57, subsection 5, for
1 6 the fiscal year beginning July 1, 2000, and ending June 30,
1 7 2001, to the school budget review committee, notwithstanding
1 8 any other provision to the contrary, five million dollars, to
1 9 be used as provided in this section. The purpose of the fire
1 10 safety fund is to provide school districts in the state which
1 11 lack resources to address and remedy fire safety violations or
1 12 deficiencies with financial assistance in the form of no-
1 13 interest or low-interest loans.
1 14 2. A school district may use loan moneys received from the
1 15 fund to make school infrastructure improvements relating to
1 16 fire safety. In order to be eligible for moneys from the
1 17 fund, a school district shall have received an order or
1 18 citation from the state fire marshal, or a fire department
1 19 chief or fire prevention officer, for one or more fire safety
1 20 violations regarding a school facility, or the school
1 21 district, in the opinion of the state fire marshal, shall be
1 22 regarded as operating facilities subject to significant fire
1 23 safety deficiencies.
1 24 3. The school budget review committee shall award loans
1 25 from the fund to school districts which, in its discretion,
1 26 face the most severe violations or deficiencies, and which
1 27 demonstrate to the committee that the district lacks
1 28 sufficient financial resources from any other source to
1 29 address the violations or deficiencies. School districts
1 30 applying for moneys from the fund shall have developed and
1 31 submitted to the state fire marshal a written plan to remedy
1 32 the violations or deficiencies within a specified time frame.
1 33 Approval of the written plan by the state fire marshal shall
1 34 be obtained prior to receipt of moneys from the fund by a
1 35 school district. Application forms, submission dates for
2 1 applications and for written plans to remedy the violations or
2 2 deficiencies, and approval criteria shall be developed by the
2 3 department of education, in coordination with the state fire
2 4 marshal, and adopted by rule.
2 5 4. Moneys received from the fund by a school district
2 6 shall be repaid pursuant to a five-year repayment schedule
2 7 whereby no less than twenty percent of the amount received
2 8 shall be repaid annually, with full repayment after five
2 9 years. Interest shall not be charged on the principal balance
2 10 provided that a minimum of twenty percent of the total moneys
2 11 received from the fund is repaid by the district annually. A
2 12 school district may repay moneys received from the fund at a
2 13 rate exceeding twenty percent per year, at the school
2 14 district's discretion. If a school district does not make the
2 15 twenty percent per year repayment, the following shall apply:
2 16 a. If a school district has not repaid twenty percent of
2 17 the total moneys received from the fund within one year from
2 18 the date the moneys were initially received, interest shall be
2 19 charged on the principal balance in the amount of eight
2 20 percent per year, beginning in the second year of repayment.
2 21 b. A school district that initially repaid twenty percent

2 22 of the total moneys received from the fund within one year
2 23 from the date the moneys were received, but fails to maintain
2 24 a twenty percent annual repayment at some point thereafter,
2 25 shall be charged interest on the principal balance in the
2 26 amount of eight percent annually, beginning in the year
2 27 following a year in which less than twenty percent of the
2 28 outstanding balance was repaid.

2 29 5. Loans from the fire safety fund may be awarded by the
2 30 school budget review committee during the five-year period
2 31 beginning on the effective date of this Act. During that
2 32 five-year period, moneys remaining in the fund at the end of a
2 33 fiscal year shall not revert to any other fund but shall
2 34 remain available in the fund for the next fiscal year for
2 35 utilization in awarding additional loans. For the fiscal year
3 1 beginning July 1, 2005, and subsequent fiscal years, moneys
3 2 remaining in the fund at the end of a fiscal year, comprised
3 3 of unexpended amounts from the initial appropriation made
3 4 pursuant to subsection 1 and amounts repaid by school
3 5 districts pursuant to the repayment schedule contained in
3 6 subsection 4, shall annually revert to the rebuild Iowa
3 7 infrastructure fund until such time as all loans awarded from
3 8 the fund have been fully repaid.

3 9 6. The school budget review committee shall submit a
3 10 progress report on the number and amount of fire safety fund
3 11 applications approved and resulting fire and safety
3 12 improvements made to the general assembly by January 1, 2001.

3 13 EXPLANATION

3 14 This bill provides for the establishment of a fire safety
3 15 fund within the state treasury under the control of the
3 16 department of education to assist school districts lacking
3 17 adequate resources to address fire safety violations and
3 18 deficiencies. The fund would be a revolving loan fund,
3 19 consisting of a one-time appropriation of \$5 million to the
3 20 school budget review committee for the fiscal year beginning
3 21 July 1, 2000, from the rebuild Iowa infrastructure fund
3 22 created in section 8.57.

3 23 The bill provides that moneys received by a school district
3 24 may be utilized for the making of school infrastructure
3 25 improvements relating to fire safety. Eligible school
3 26 districts must have received an order or citation from the
3 27 state fire marshal, or a fire department chief or fire
3 28 prevention officer for one or more fire safety violations
3 29 regarding a school facility or the school district, in the
3 30 opinion of the state fire marshal, must be regarded as
3 31 operating facilities subject to significant fire safety
3 32 deficiencies.

3 33 The moneys in the fund will be loaned by the school budget
3 34 review committee to school districts which, in the committee's
3 35 discretion, face the most severe violations or deficiencies
4 1 and which demonstrate that they lack sufficient financial
4 2 resources from any other source to address them. School
4 3 districts applying for moneys will be required to receive
4 4 approval from the state fire marshal regarding a written plan
4 5 to remedy fire defects within a specified time frame.

4 6 The bill provides that moneys received by a school district
4 7 must be repaid pursuant to a five-year repayment schedule
4 8 requiring no less than 20 percent annual repayment of the
4 9 moneys initially received in order to avoid incurring an
4 10 interest charge. The bill applies an 8 percent interest rate
4 11 if the 20 percent annual repayment schedule is not adhered to.

4 12 The bill provides that loans may be awarded by the school
4 13 budget review committee during the five-year period beginning
4 14 on the effective date of the bill, and that during that five-
4 15 year period, moneys remaining in the fund at the end of a
4 16 fiscal year shall not revert to any other fund but shall
4 17 remain available in the fund for utilization in awarding
4 18 additional loans. The bill provides that for the fiscal year

4 19 beginning July 1, 2005, and subsequent fiscal years, moneys
4 20 remaining in the fund at the end of a fiscal year, comprised
4 21 of unexpended amounts from the initial appropriation and
4 22 amounts annually repaid by school districts pursuant to the
4 23 repayment schedule, shall annually revert to the rebuild Iowa
4 24 infrastructure fund until all loans awarded from the fund have
4 25 been fully repaid.

4 26 The bill additionally requires that the school budget
4 27 review committee submit a progress report on the number and
4 28 amount of fire safety fund applications approved and resulting
4 29 fire and safety improvements made to the general assembly by
4 30 January 1, 2001.

4 31 LSB 5267XC 78

4 32 rn/gg/8.3