HOUSE FILE **323**

BY WENDT

Passed House, Date _____   Passed Senate, Date _____

Vote: Ayes _____ Nays _____   Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act establishing a school infrastructure assistance program,
2   and making an appropriation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1   Section 1. <u>NEW SECTION</u>. 256.24 SCHOOL INFRASTRUCTURE
2 ASSISTANCE PROGRAM.
3   1. The department shall establish a school infrastructure
4 assistance program. The purpose of the program shall be to
5 provide financial assistance to school districts facing school
6 infrastructure needs which are determined to fall below the
7 median property tax infrastructure capacity per pupil for the
8 state. For the purposes of this section, "school
9 infrastructure" means activities initiated on or after July 1,
10 2003, as authorized in section 296.1 but does not include
11 those activities related to stadiums, bus barns, a home or
12 homes of a teacher or superintendent, procuring and improving
13 a site for an athletic field, or improving a site already
14 owned for an athletic field.
15   2. A school district shall be eligible to participate in
16 the school infrastructure assistance program if the school
17 district has imposed a local sales and services tax for school
18 infrastructure pursuant to chapter 422E which is in effect on
19 the program application date, and the district's property tax
20 infrastructure capacity per pupil, as defined in section
21 292.1, falls below the median property tax infrastructure
22 capacity per pupil calculated for each school district in the
23 state. A school district with a combined tax capacity, as
24 determined pursuant to subsection 3, which equals or exceeds
25 the median property tax infrastructure capacity per pupil for
26 the state shall not be eligible for assistance pursuant to
27 this section.
28   3. In order to determine the amount of funding an eligible
29 school district may receive, the department shall determine a
30 combined tax capacity for each school district in the state.
31 The combined tax capacity shall equal the district's property
32 tax infrastructure capacity per pupil plus the per pupil
33 amount generated in the district by the local sales and
34 services tax for school infrastructure. An eligible school
35 district may receive an amount up to that amount necessary to

1 raise the district's combined tax capacity up to the median
2 property tax infrastructure capacity per pupil for the state.
3   4. A school district wishing to participate in the school
4 infrastructure assistance program shall submit an application
5 to the department on a form developed by the department by
6 October 15 annually. In the event that the amount
7 appropriated annually to fund the program pursuant to section
8 256.25 is insufficient to raise all eligible applicant school
9 districts up to the median property tax infrastructure
10 capacity for the state, the department shall prorate
11 allocations from the fund to all eligible applicant school
12 districts.
13   Sec. 2. NEW SECTION. 256.25 SCHOOL INFRASTRUCTURE
14 ASSISTANCE PROGRAM -- APPROPRIATION.
15   Each school district whose combined tax capacity, as
16 determined pursuant to section 256.24, subsection 3, exceeds
17 the median property tax infrastructure capacity per pupil for
18 the state shall be identified.
19   For each school district identified, an amount shall be
20 subtracted from the amount which would otherwise be paid to
21 the school district pursuant to section 257.16. The amount
22 subtracted shall correspond to the proportion by which the
23 amount of the excess for the school district bears to the
24 total amount of the excess for all school districts in the
25 state which exceed the median property tax infrastructure
26 capacity per pupil, which total amount is necessary to provide
27 funding to bring all school districts up to the median
28 property tax infrastructure capacity per pupil for the state.
29   The amounts subtracted for each school district exceeding
30 the median property tax infrastructure capacity per pupil are
31 appropriated to the department for allocation to those school
32 districts participating in the school infrastructure
33 assistance program pursuant to section 256.24.
34   EXPLANATION
35   This bill provides for the creation of a school

1 infrastructure assistance program to be administered by the
2 department of education. The bill provides that the purpose
3 of the program shall be to supply financial assistance to
4 school districts facing school infrastructure needs which are
5 determined to fall below the median property tax
6 infrastructure capacity per pupil for the state. The bill
7 references Code section 296.1 regarding a definition of
8 "school infrastructure" for activities initiated on or after
9 July 1, 2003, but provides that school infrastructure shall
10 not include activities related to stadiums, bus barns, a home
11 or homes of a teacher or superintendent, procuring and
12 improving a site for an athletic field, or improving a site
13 already owned for an athletic field.
14   The bill provides that a school district shall be eligible
15 to participate in the school infrastructure assistance program
16 if the district has imposed a local sales and services tax for
17 school infrastructure which is in effect on the program
18 application date, and if the district's property tax
19 infrastructure capacity per pupil, as determined pursuant to
20 Code section 292.1, subsection 7, falls below the median
21 property tax infrastructure capacity per pupil calculated for
22 all school districts in the state. Code section 292.1,
23 subsection 7, provides that a school district's property tax
24 infrastructure capacity per pupil equals the sum of a school
25 district's levies under Code sections 298.2 and 298.18 if
26 imposed to the maximum extent permissible in a school budget
27 year, divided by a school district's basic enrollment for the
28 budget year.
29   The bill provides that to determine the amount of funding
30 which an eligible school district may receive, the department
31 shall determine a combined tax capacity for each school
32 district in the state. The bill provides that the combined
33 tax capacity shall equal a district's property tax
34 infrastructure capacity per pupil plus the per pupil amount
35 generated in the district by the local sales and services tax

1 for school infrastructure. The bill provides that an eligible
2 school district may receive an amount up to that necessary to
3 raise the district's combined tax capacity up to the median
4 property tax infrastructure capacity per pupil for the state.
5   The bill provides that a school district wishing to
6 participate in the school infrastructure assistance program
7 shall submit an application to the department on a form
8 developed by the department by October 15 annually, and
9 provides for proration of amounts appropriated for the program
10 in the event such amounts are insufficient to fully fund
11 allocations to all eligible applicant school districts. The
12 bill further provides that a school district with a combined
13 tax capacity which equals or exceeds the median property tax
14 infrastructure capacity per pupil for the state shall not be
15 eligible for assistance pursuant to the program.
16   The bill provides an annual appropriation to fund the
17 program from the general fund of the state to the department
18 of education corresponding to a proportionate reduction in
19 state aid otherwise payable to school districts having imposed
20 the local sales and services tax for school infrastructure
21 with a combined tax capacity exceeding the median property tax
22 infrastructure capacity per pupil for the state.
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