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WAYS & MEANS CALENDAR

HOUSE FILE

663

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 571)

(SUCCESSOR TO HF 262)

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the establishment of a school infrastructure
 2 financing program by providing for the sharing of revenues
 3 from local option sales and services taxes for school
 4 infrastructure purposes and providing for the use of the
 5 revenues from the local option tax for school infrastructure
 6 or property tax relief purposes and including an effective
 7 date.

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

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HF 663

1 Section 1. Section 296.1, Code 2003, is amended to read as
2 follows:

3 296.1 INDEBTEDNESS AUTHORIZED.

4 Subject to the approval of the voters thereof, school
5 districts are hereby authorized to contract indebtedness and
6 to issue general obligation bonds to provide funds to defray
7 the cost of purchasing, building, furnishing, reconstructing,
8 repairing, improving or remodeling a schoolhouse or
9 schoolhouses and additions thereto, gymnasium, stadium, field
10 house, school bus garage, ~~teachers'-or-superintendent's-home~~
11 ~~or-homes~~, and procuring a site or sites therefor, or
12 purchasing land to add to a site already owned, or procuring
13 and improving a site for an athletic field, or improving a
14 site already owned for an athletic field, and for any one or
15 more of such purposes. Taxes for the payment of ~~said~~ the
16 bonds shall be levied in accordance with chapter 76, and ~~said~~
17 the bonds shall mature within a period not exceeding twenty
18 years from date of issue, shall bear interest at a rate or
19 rates not exceeding that permitted by chapter 74A and shall be
20 of such form as the board of directors of ~~such~~ the school
21 district shall by resolution provide, but the aggregate
22 indebtedness of any school district shall not exceed five
23 percent of the actual value of the taxable property within
24 ~~said~~ the school district, as ascertained by the last preceding
25 state and county tax lists.

26 Sec. 2. Section 422E.1, subsections 2 and 3, Code 2003,
27 are amended to read as follows:

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

33 However, all local option sales and services taxes for school
34 infrastructure purposes are repealed December 31, 2022.

35 3. Local sales and services tax moneys received by a

1 county for school infrastructure purposes pursuant to this
2 chapter shall be utilized ~~solely~~ for school infrastructure
3 needs or property tax relief. For purposes of this chapter,
4 "school infrastructure" means those activities for which a
5 school district is authorized to contract indebtedness and
6 issue general obligation bonds under section 296.1, except
7 those activities related to a teacher's or superintendent's
8 home or homes. These activities include the construction,
9 reconstruction, repair, purchasing, or remodeling of
10 schoolhouses, stadiums, gyms, fieldhouses, and bus garages and
11 the procurement of schoolhouse construction sites and the
12 making of site improvements and those activities for which
13 revenues under section 298.3 or 300.2 may be spent.

14 Additionally, "school infrastructure" includes the payment or
15 retirement of outstanding bonds previously issued for school
16 infrastructure purposes as defined in this subsection, and the
17 payment or retirement of bonds issued under section 422E.4.

18 Sec. 3. Section 422E.2, subsection 3, Code 2003, is
19 amended to read as follows:

20 3. The county commissioner of elections shall submit the
21 question of imposition of a local sales and services tax for
22 school infrastructure purposes at a state general election or
23 at a special election held at any time other than the time of
24 a city regular election. The election shall not be held
25 sooner than sixty days after publication of notice of the
26 ballot proposition. The ballot proposition shall specify the
27 rate of tax, the date the tax will be imposed and repealed,
28 and shall contain a statement as to the specific purpose or
29 purposes for which the revenues shall be expended. The
30 content of the ballot proposition shall be substantially
31 similar to the petition of the board of supervisors or motions
32 of a school district or school districts requesting the
33 election as provided in subsection 2, as applicable, including
34 the rate of tax, imposition and repeal date, and the specific
35 purpose or purposes for which the revenues will be expended.

1 The dates for the imposition and repeal of the tax shall be as
2 provided in subsection 1. The rate of tax shall not be more
3 than one percent ~~as set by the county board of supervisors~~.
4 The state commissioner of elections shall establish by rule
5 the form for the ballot proposition which form shall be
6 uniform throughout the state.

7 Sec. 4. Section 422E.2, Code 2003, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 3A. a. Each school district located
10 within the county may submit a revenue purpose statement to
11 the county commissioner of elections no later than sixty days
12 prior to the election indicating the specific purpose or
13 purposes for which the local sales and services tax for school
14 infrastructure revenue and supplemental school infrastructure
15 amount revenue will be expended. The revenues received
16 pursuant to this chapter shall be expended for the purposes
17 indicated in the revenue purpose statement. The revenue
18 purpose statement may include information regarding the school
19 district's use of the revenues to provide for property tax
20 relief or debt reduction. A copy of the revenue purpose
21 statement shall be made available for public inspection in
22 accordance with chapter 22, shall be posted at the appropriate
23 polling places of each school district during the hours that
24 the polls are open, and be published in a newspaper of general
25 circulation in the school district no sooner than twenty days
26 and no later than ten days prior to the election.

27 b. If a revenue purpose statement is not submitted sixty
28 days prior to the election or revenues remain after fulfilling
29 the purpose specified in the revenue purpose statement, the
30 revenues shall be used to reduce the following levies in the
31 following order:

32 (1) Bond levies under sections 298.18 and 298.18A and all
33 other debt levies, until the moneys received or the levies are
34 reduced to zero.

35 (2) The regular physical plant and equipment levy under

1 section 298.2, until the moneys received or the levy is
2 reduced to zero.

3 (3) The voter-approved physical plant and equipment levy
4 and income surtax, if any, under section 298.2, until the
5 moneys received or the levy and income surtax, if any, is
6 reduced to zero.

7 (4) The public educational and recreational levy under
8 section 300.2, until the moneys received or the levy is
9 reduced to zero.

10 (5) The schoolhouse tax levy under section 278.1,
11 subsection 7, Code 1989, until the moneys received or the levy
12 is reduced to zero.

13 Any money remaining after the reduction of the levies
14 specified in this paragraph "b" may be used for any authorized
15 infrastructure purpose of the school district.

16 c. Counties holding an election on the local sales and
17 services tax for school infrastructure purposes on or after
18 April 1, 2003, but before July 1, 2003, which approve the
19 imposition of the tax at the election shall expend the
20 revenues for any authorized infrastructure purpose of the
21 school district.

22 Sec. 5. Section 422E.2, subsection 4, Code 2003, is
23 amended to read as follows:

24 4. a. The tax may be repealed or the rate increased, but
25 not above one percent, or decreased, or the use of the
26 revenues changed after an election at which a majority of
27 those voting on the question of repeal, or rate change, or
28 change in use favored the repeal, or rate change, or change in
29 use. The election at which the question of repeal, or rate
30 change, or change in use is offered shall be called and held
31 in the same manner and under the same conditions as provided
32 in this section for the election on the imposition of the tax.
33 However, an election on the change in use shall only be held
34 in the school district where the change in use is proposed to
35 occur. The election may be held at any time but not sooner

1 on goods, wares, or merchandise under the conditions specified
2 in section 422B.11. The refund shall be paid by the
3 department from the appropriate school district's account in
4 the ~~local-sales-and-services-tax~~ secure an advanced vision for
5 education fund. The penalty provisions contained in section
6 422B.11, subsection 3, shall apply regarding an erroneous
7 application for refund of local sales and services tax paid
8 under this chapter.

9 Sec. 9. NEW SECTION. 422E.3A SECURE AN ADVANCED VISION
10 FOR EDUCATION FUND.

11 1. A secure an advanced vision for education fund is
12 created as a separate and distinct fund in the state treasury
13 under the control of the department of revenue and finance.
14 Moneys in the fund include revenues credited to the fund
15 pursuant to this chapter, appropriations made to the fund, and
16 other moneys deposited into the fund. Any amounts disbursed
17 from the fund shall be utilized for school infrastructure
18 purposes or property tax relief.

19 2. The moneys credited in a fiscal year to the secure an
20 advanced vision for education fund shall be distributed as
21 follows:

22 a. A school district that is located in whole or in part
23 in a county that voted on and approved prior to April 1, 2003,
24 the local sales and services tax for school infrastructure
25 purposes and that has a sales tax capacity per student above
26 the guaranteed school infrastructure amount shall receive an
27 amount equal to its pro rata share of the local sales and
28 services tax receipts as provided in section 422E.3,
29 subsection 5, paragraph "d".

30 b. (1) A school district that is located in whole or in
31 part in a county that voted on and approved prior to April 1,
32 2003, the local sales and services tax for school
33 infrastructure purposes and that has a sales tax capacity per
34 student below its guaranteed school infrastructure amount
35 shall receive an amount equal to its pro rata share of the

1 local sales and services tax receipts as provided in section
2 422E.3, subsection 5, paragraph "d", plus an amount equal to
3 its supplemental school infrastructure amount.

4 (2) A school district that is located in whole or in part
5 in a county that voted on and approved on or after April 1,
6 2003, the local sales and services tax for school
7 infrastructure purposes shall receive an amount equal to its
8 pro rata share of the local sales and services tax receipts as
9 provided in section 422E.3, subsection 5, paragraph "d", not
10 to exceed its guaranteed school infrastructure amount.
11 However, if the school district's pro rata share is less than
12 its guaranteed school infrastructure amount, the district
13 shall receive an additional amount equal to its supplemental
14 school infrastructure amount.

15 (3) A school district that is located in whole or in part
16 in a county that voted on and approved the continuation of on
17 or after April 1, 2003, the local sales and services tax for
18 school infrastructure purposes shall receive an amount equal
19 to its pro rata share of the local sales and services tax
20 receipts as provided in section 422E.3, subsection 5,
21 paragraph "d", not to exceed its guaranteed school
22 infrastructure amount. However, if the school district's pro
23 rata share is less than its guaranteed school infrastructure
24 amount, the district shall receive an additional amount equal
25 to its supplemental school infrastructure amount.

26 (4) The amount distributed under this paragraph "b" which
27 a school district receives shall not exceed the guaranteed
28 school infrastructure amount. A school district qualifying
29 for a supplemental school infrastructure amount pursuant to
30 this paragraph "b" shall not receive more than the guaranteed
31 school infrastructure amount in any subsequent year.

32 c. In the case of a school district located in more than
33 one county, the amount to be distributed to the school
34 district shall be separately computed for each county based
35 upon the school district's actual enrollment that attends

1 school in the county.

2 3. a. The director of revenue and finance by June 1
3 preceding each fiscal year shall compute the guaranteed school
4 infrastructure amount for each school district, each school
5 district's sales tax capacity per student for each county, the
6 statewide tax revenues per student, and the supplemental
7 school infrastructure amount for the coming fiscal year.

8 b. For purposes of distributions under subsection 2:

9 (1) "Guaranteed school infrastructure amount" means for a
10 school district the statewide tax revenues per student,
11 multiplied by the quotient of the tax rate percent imposed in
12 the county, divided by one percent and multiplied by the
13 quotient of the number of quarters the tax is imposed during
14 the fiscal year divided by four quarters.

15 (2) "Sales tax capacity per student" means for a school
16 district the estimated amount of revenues that a school
17 district receives or would receive if a local sales and
18 services tax for school infrastructure purposes is imposed at
19 one percent in the county pursuant to section 422E.2, divided
20 by the school district's actual enrollment as determined in
21 section 422E.3, subsection 5, paragraph "d".

22 (3) "Statewide tax revenues per student" means the amount
23 determined by estimating the total revenues that would be
24 generated by a one percent local option sales and services tax
25 for school infrastructure purposes if imposed by all the
26 counties during the entire fiscal year and dividing this
27 estimated revenue amount by the sum of the combined actual
28 enrollment for all counties as determined in section 422E.3,
29 subsection 5, paragraph "d", subparagraph (2).

30 (4) "Supplemental school infrastructure amount" means the
31 guaranteed school infrastructure amount for the school
32 district less its pro rata share of local sales and services
33 tax for school infrastructure purposes as provided in section
34 422E.3, subsection 5, paragraph "d".

35 4. a. For the purposes of distribution under subsection

1 2, paragraph "b", subparagraph (1), a school district with a
2 sales tax capacity per student below its guaranteed school
3 infrastructure amount shall use the amount equal to the
4 guaranteed school infrastructure amount less the pro rata
5 share amount in accordance with section 422E.3, subsection 5,
6 paragraph "d", for the purpose of paying principal and
7 interest on outstanding bonds previously issued for school
8 infrastructure purposes as defined in section 422E.1,
9 subsection 3. Any money remaining after the payment of all
10 principal and interest on outstanding bonds previously issued
11 for infrastructure purposes may be used for any authorized
12 infrastructure purpose of the school district. If a majority
13 of the voters in the school district approves the use of
14 revenue pursuant to a revenue purpose statement in an election
15 held after July 1, 2003, in the school district pursuant to
16 section 422E.2, the school district may use the amount for the
17 purposes specified in its revenue purpose statement.

18 b. Nothing in this section shall prevent a school district
19 from using its sales tax capacity per student or guaranteed
20 school infrastructure amount to pay principal and interest on
21 obligations issued pursuant to section 422E.4.

22 5. In the case of a deficiency in the fund to pay the
23 supplemental school infrastructure amounts in full, the amount
24 available in the fund less the sales and services tax revenues
25 for school infrastructure purposes attributed to each school
26 district should be allocated based on the proportion of actual
27 enrollment in the district to the combined actual enrollment
28 in the counties where the sales and services tax for school
29 infrastructure purposes has been imposed and the school
30 districts in the counties qualify for the supplemental school
31 infrastructure amount.

32 6. A school district with less than two hundred fifty
33 actual enrollment or less than one hundred actual enrollment
34 in the high school shall not expend the supplemental school
35 infrastructure amount received for new construction or for

1 expend its designated portion of the local option sales and
2 services tax for infrastructure purposes. The area education
3 agency shall only expend its designated portion of the local
4 option school infrastructure sales tax for infrastructure and
5 maintenance purposes.

6 Sec. 11. NEW SECTION. 422E.6 REPEAL.

7 This chapter is repealed June 30, 2023, for fiscal years
8 beginning after that date.

9 Sec. 12. EFFECTIVE DATE. This Act, being deemed of
10 immediate importance, takes effect upon enactment.

11 EXPLANATION

12 This bill amends the current local option sales and
13 services tax for school infrastructure purposes by
14 establishing a shared financing program. Specifically, the
15 bill provides that counties that impose the local option sales
16 and services tax on or after April 1, 2003, will have their
17 tax collections placed in a "secure an advanced vision for
18 education" fund created in the bill. Each school district
19 within such counties will receive from this fund the amount
20 per pupil collected in its county not to exceed the school
21 district's guaranteed per pupil amount. If the amount per
22 pupil amount collected is less than the guaranteed per pupil
23 amount, the school district would receive a supplemental
24 amount per pupil equal to the difference. School districts
25 located in counties that have imposed the tax prior to April
26 1, 2003, would also have their tax collections deposited into
27 the fund but would receive all of the tax collected in the
28 county without limitation by the guaranteed per pupil amount.
29 However, a school district that receives less than its
30 guaranteed per pupil amount would receive a supplemental
31 amount per pupil equal to the difference. A school district's
32 guaranteed per pupil amount equals the amount per pupil that a
33 statewide one cent local option sales and services tax would
34 raise if the school district has imposed the full one cent tax
35 for the entire fiscal year. If the tax is imposed for less

1 than one cent or for less than the entire fiscal year, a
2 proportional amount would be the guaranteed per pupil amount.

3 The bill provides for the school districts to file a
4 revenue purpose statement that would indicate how much may be
5 used for infrastructure purposes and how much may be used for
6 property tax relief. This statement must be approved by the
7 electorate and can be part of the ballot proposition on the
8 question of the imposition of the tax. If such a statement is
9 not voted on or if any moneys remain after using revenue for
10 the purposes indicated on the statement, the moneys received
11 or in excess are to be used to reduce property tax levies.
12 These levies and the order to be reduced are: bond levies,
13 physical plant and equipment levy, public educational and
14 recreational levy, and the schoolhouse levy.

15 The bill prohibits school districts of 250 pupils or less
16 or less than 100 pupils in high school from using any moneys
17 received which are in excess of their guaranteed per pupil
18 amount for new construction without receiving a certificate of
19 need for such new construction.

20 The bill also eliminates the authority of a school district
21 to incur indebtedness for the purpose of a teacher's or a
22 superintendent's housing.

23 The bill provides for the repeal of all local option taxes
24 on December 31, 2022.

25 The bill takes effect upon enactment.

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H-1360

1 Amend House File 663 as follows:

2 1. Page 6, by striking lines 25 through 30 and
3 inserting following:

4 "e. The amount of tax receipts credited to the
5 account within the secure an advanced vision for
6 education fund maintained in the name of a school
7 district shall be distributed to that school district
8 as provided in paragraphs "a", "b", and "c". Any
9 additional moneys available to the school district
10 from the fund shall be determined and distributed as a
11 supplemental school infrastructure amount as provided
12 in section 422E.3A, subsection 3."

13 2. Page 7, line 16, by inserting after the word
14 "fund." the following: "Appropriations made to the
15 fund shall be credited to a separate appropriations
16 account."

17 3. By striking page 7, line 19 through page 10,
18 line 31 and inserting the following:

19 "2. a. For purposes of the distributions in
20 subsection 3, the department of education, in
21 consultation with the departments of management and
22 revenue and finance, shall compute by June 1 preceding
23 each budget year the income surtax capacity, property
24 tax infrastructure capacity, and sales tax capacity
25 for each school district in the state even if the
26 school district is not located in whole or in part in
27 a county that has imposed the local sales and services
28 tax for school infrastructure purposes under this
29 chapter.

30 (1) "Actual enrollment for a school district"
31 means the actual enrollment as reported by October 1
32 to the department of management by the department of
33 education pursuant to section 257.6, subsection 1.

34 (2) "Income surtax capacity" means the estimated
35 amount of revenues that a school district would
36 receive if an income surtax of twenty percent was
37 imposed on the individual income tax liability for the
38 preceding calendar year of individuals residing in the
39 school district divided by the school district's
40 actual enrollment.

41 (2) "Property tax infrastructure capacity" means
42 the sum of a school district's levies under sections
43 298.2 and 298.18 when the levies are imposed to the
44 maximum extent allowable under law in the budget year
45 on property located within the school district divided
46 by the school district's actual enrollment.

47 (3) "Sales tax capacity" means the estimated
48 amount of revenues that a school district receives or
49 would receive if a local sales and services tax for
50 school infrastructure is imposed at one percent

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1 pursuant to this chapter, divided by the school
2 district's actual enrollment.

3 (4) "Tax capacity inequity" means the difference
4 between the highest total tax capacity in the state
5 and a school district's total tax capacity.

6 (5) "Total tax capacity" means the sum of a school
7 district's income surtax capacity plus property tax
8 infrastructure capacity plus sales tax capacity.

9 3. The appropriations credited in a fiscal year to
10 the appropriations account of the secure an advanced
11 vision for education fund shall be distributed as a
12 supplemental school infrastructure amount as follows:

13 a. The department of education shall compute the
14 total tax capacity and the tax capacity inequity of
15 each school district located in the state.

16 b. The department of revenue and finance, in
17 conjunction with the department of education, shall
18 distribute a supplemental school infrastructure amount
19 to each school district that has a tax capacity
20 inequity. The amount of the supplemental school
21 infrastructure amount distributed shall be an equal
22 percentage of the tax capacity inequity to each of
23 such school districts. However, a school district
24 shall not receive more than its tax capacity inequity
25 amount."

26 4. Page 11, line 35, by striking the words and
27 figure "2, paragraph "b"" and inserting the following:
28 "3".

By HOGG of Linn

HOUSE FILE 663

H-1227

1 Amend House File 663 as follows:

2 1. Page 1, by inserting after line 25 the
3 following:

4 "Sec. ____ . NEW SECTION. 298.2A PHYSICAL PLANT
5 AND EQUIPMENT LEVY STATE FUND -- DISTRIBUTION.

6 1. A physical plant and equipment levy state fund
7 is created as a separate and distinct fund in the
8 state treasury under the control of the department of
9 education. Any moneys disbursed from the fund shall
10 be used as provided in section 298.3.

11 2. For the school budget year beginning July ,
12 2004, and for each succeeding budget year, the county
13 treasurer shall remit to the department of education
14 for deposit into the physical plant and equipment levy
15 state fund the property tax revenues received from the
16 collection during the school budget year of the
17 regular physical plant and equipment levy.

18 3. The amount deposited in the physical plant and
19 equipment levy state fund in a budget year shall be
20 distributed as follows:

21 a. Each school district that has imposed the
22 regular physical plant and equipment levy shall
23 receive an amount per pupil equal to the amount in the
24 state fund divided by the combined actual enrollment
25 of all school districts that impose such levy. The
26 actual enrollment figures for each such school
27 district reported by October 1 to the department of
28 education pursuant to section 257.6, subsection 1,
29 shall be used to determine the combined actual
30 enrollment.

31 b. Notwithstanding the computation of the amount
32 per pupil in paragraph "a", if a school district has
33 incurred indebtedness or issued bonds which were
34 incurred or issued prior to April 1, 2003, and that
35 certifies that the amount to be received pursuant to
36 paragraph "a" plus any amount to be received from the
37 voter-approved physical plant and equipment levy is
38 insufficient to pay principal and interest on the
39 indebtedness or bonds, the school district may certify
40 such fact to the department of education and the
41 department shall provide the amount needed to pay
42 principal and interest but not to exceed the amount
43 collected from the school district's regular physical
44 plant and equipment levy. The amounts paid under this
45 subject to all school districts shall be paid from the
46 state fund prior to determining the actual per pupil
47 amount to be distributed to each district.

48 c. Distributions to school districts shall be made
49 approximately one-half by September 15 and the
50 remainder by March 15 of the budget year.

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1 d. This section does not apply to the collection
2 and distribution of any voter-approved physical plant
3 and equipment levy."

4 2. Title page, line 4, by inserting after the
5 word "purposes" the following: "and the regular
6 physical plant and equipment levies".

By WENDT of Woodbury

H-1227 FILED APRIL 2, 2003

Out of order

HOUSE FILE 663

H-1278

1 Amend House File 663 as follows:
2 1. Page 1, by inserting after line 25 the
3 following:
4 "Sec. ____ . NEW SECTION. 298.2A PHYSICAL PLANT
5 AND EQUIPMENT LEVY STATE FUND -- DISTRIBUTION.
6 1. A physical plant and equipment levy state fund
7 is created as a separate and distinct fund in the
8 state treasury under the control of the department of
9 education. Moneys in the fund include revenues
10 deposited into the fund pursuant to subsection 2,
11 appropriations made to the fund, and other moneys
12 deposited into the fund. Any moneys disbursed from
13 the fund shall be used as provided in section 298.3.
14 2. For the school budget year beginning July 1,
15 2004, and for each succeeding budget year, the county
16 treasurer shall remit to the department of education
17 for deposit into the physical plant and equipment levy
18 state fund the property tax revenues received from the
19 collection during the school budget year of the
20 regular physical plant and equipment levy.
21 3. The amount deposited in the physical plant and
22 equipment levy state fund in a budget year shall be
23 distributed as follows:
24 a. A school district that imposed during the
25 budget year beginning July 1, 2003, the regular
26 physical plant and equipment levy and that has an
27 infrastructure tax capacity per student above the
28 guaranteed school infrastructure amount shall receive
29 an amount equal to the amount raised by its regular
30 physical plant and equipment levy.
31 b. (1) A school district that imposed during the
32 budget year beginning July 1, 2003, the regular
33 physical plant and equipment levy and that has an
34 infrastructure tax capacity per student below its
35 guaranteed school infrastructure amount shall receive
36 an amount equal to the amount raised by its regular
37 physical plant and equipment levy plus an amount equal
38 to its supplemental school infrastructure amount.
39 (2) A school district that did not impose during
40 but imposed after the budget year beginning July 1,
41 2003, the regular physical plant and equipment levy
42 shall receive an amount equal to the amount raised by
43 the regular physical plant and equipment levy, not to
44 exceed its guaranteed school infrastructure amount.
45 However, if the amount raised is less than its
46 guaranteed school infrastructure amount, the district
47 shall receive an additional amount equal to its
48 supplemental school infrastructure amount.
49 (3) A school district that had not imposed during
50 the prior budget year the regular physical plant and

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1 equipment levy shall receive an amount equal to the
2 amount raised by the regular physical plant and
3 equipment levy not to exceed its guaranteed school
4 infrastructure amount. However, if the amount raised
5 is less than its guaranteed school infrastructure
6 amount, the district shall receive an additional
7 amount equal to its supplemental school infrastructure
8 amount.

9 (4) The amount distributed under this paragraph
10 "b" which a school district receives shall not exceed
11 the guaranteed school infrastructure amount. A school
12 district qualifying for a supplemental school
13 infrastructure amount pursuant to this paragraph "b"
14 shall not receive more than the guaranteed school
15 infrastructure amount in any subsequent year.

16 4. a. The department of education by June 1
17 preceding each budget year shall compute the
18 guaranteed school infrastructure amount for each
19 school district, each school district's infrastructure
20 tax capacity per student, the statewide tax revenues
21 per student, and the supplemental school
22 infrastructure amount for the coming budget year.

23 b. For purposes of distributions under subsection
24 2:

25 (1) "Guaranteed school infrastructure amount"
26 means for a school district the statewide tax revenues
27 per student, multiplied by the quotient of the regular
28 physical plant and equipment levy rate per thousand
29 dollars imposed in the school district, divided by
30 thirty-three cents per thousand dollars.

31 (2) "Infrastructure tax capacity per student"
32 means for a school district the estimated amount of
33 revenues that a school district receives or would
34 receive if the regular physical plant and equipment
35 levy of thirty-three cents per thousand dollars is
36 imposed divided by the school district's actual
37 enrollment as determined in section 257.6, subsection
38 1.

39 (3) "Statewide tax revenues per student" means the
40 amount determined by estimating the total revenues
41 that would be generated by a regular physical plant
42 and equipment levy of thirty-three cents per thousand
43 dollars if imposed by all the school districts during
44 the budget year and dividing this estimated revenue
45 amount by the sum of the combined actual enrollment
46 for all school districts as determined in section
47 257.6, subsection 1.

48 (4) "Supplemental school infrastructure amount"
49 means the guaranteed school infrastructure amount for
50 the school district less the amount raised by its

1 regular physical plant and equipment levy.

2 5. In the case of a deficiency in the fund to pay
3 the supplemental school infrastructure amounts in
4 full, the amount available in the fund less the amount
5 raised by the regular levy attributed to each school
6 district should be allocated based on the proportion
7 of actual enrollment in the district to the combined
8 actual enrollment of the school districts that qualify
9 for the supplemental school infrastructure amount.

10 6. A school district with less than two hundred
11 fifty actual enrollment or less than one hundred
12 actual enrollment in the high school shall not expend
13 the supplemental school infrastructure amount received
14 for new construction or for payments for bonds issued
15 for new construction against the supplemental school
16 infrastructure amount without prior application to the
17 department of education and receipt of a certificate
18 of need pursuant to this subsection. However, a
19 certificate of need is not required for the payment of
20 outstanding bonds issued for new construction pursuant
21 to section 296.1, before April 1, 2003. A
22 certification of need is also not required for
23 repairing schoolhouses or buildings, equipment,
24 technology, or transportation equipment for
25 transporting students as provided in section 298.3, or
26 for construction necessary for compliance with the
27 federal Americans With Disabilities Act pursuant to 42
28 U.S.C. § 12101-12117. In determining whether a
29 certificate of need shall be issued, the department
30 shall consider all of the following:

31 a. Enrollment trends in the grades that will be
32 served at the new construction site.

33 b. The infeasibility of remodeling,
34 reconstructing, or repairing existing buildings.

35 c. The fire and health safety needs of the school
36 district.

37 d. The distance, convenience, cost of
38 transportation, and accessibility of the new
39 construction site to the students to be served at the
40 new construction site.

41 e. Availability of alternative, less costly, or
42 more effective means of serving the needs of the
43 students.

44 f. Any other criteria deemed appropriate as set by
45 rules of the state board of education.

46 7. This section does not apply to the collection
47 and distribution of any voter-approved physical plant
48 and equipment levy."

49 2. Title page, line 4, by inserting after the
50 word "purposes" the following: "and the regular

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Page 4

1 physical plant and equipment levies".

By WENDT of Woodbury

H-1278 FILED APRIL 7, 2003

Out of order

HOUSE FILE 663

H-1351

1 Amend House File 663 as follows:

2 1. Page 11, line 7, by striking the word

3 "certification" and inserting the following:

4 "certificate".

5 2. Page 11, line 14, by inserting after the word

6 "issued" the following: "or denied".

7 3. Page 11, by striking lines 26 and 27 and

8 inserting the following:

9 "f. The financial condition of the district,
10 including the effect of the decline of the budget
11 guarantee and unspent balance.

12 g. Broad and long-term ability of the district to
13 support the facility and the quality of the academic
14 program.

15 h. Cooperation with other educational entities
16 including other school districts, area education
17 agencies, postsecondary institutions, and local
18 communities."

By TYMESON of Madison

H-1351 FILED APRIL 16, 2003

Out of order

HOUSE FILE 663

H-1286

1 Amend House File 663 as follows:

2 1. Page 1, line 34, by striking the word and
3 figures "December 31, 2022" and inserting the
4 following: "June 30, 2013".

5 2. Page 5, line 21, by striking the word and
6 figures "December 31, 2022" and inserting the
7 following: "June 30, 2013".

8 3. Page 13, line 7, by striking the figure "2023"
9 and inserting the following: "2013".

10 4. Page 13, by inserting after line 8 the
11 following:

12 "Sec. ____ . NEW SECTION. 422F.1 SCHOOL
13 MISCELLANEOUS INCOME FUND -- STATE SALES TAX REVENUES.

14 1. A school miscellaneous income fund is created
15 as a separate and distinct fund in the state treasury
16 under the control of the department of revenue and
17 finance. Moneys in the fund include revenues
18 appropriated to the fund as provided in subsection 2
19 and other moneys deposited into or appropriated to the
20 fund.

21 2. For the fiscal year beginning July 1, 2013, and
22 for each subsequent fiscal year, there is appropriated
23 from the general fund of the state to the school
24 miscellaneous income fund an amount equal to the
25 amount raised during the fiscal year by a one percent
26 sales tax pursuant to chapter 422, division IV.

27 3. The moneys in the school miscellaneous income
28 fund shall be distributed during the fiscal year to
29 each school district on a per pupil basis. The amount
30 per pupil shall be determined by dividing the total
31 amount in the fund by the combined actual enrollment
32 for all school districts in the state. The actual
33 enrollment for each school district is the actual
34 enrollment figures reported by October 1 to the
35 department of management by the department of
36 education pursuant to section 257.6, subsection 1.
37 The combined actual enrollment count shall be
38 forwarded to the department of revenue and finance by
39 March 1, annually, for purposes of supplying estimated
40 tax payment figures and making estimated tax payments
41 pursuant to section 422F.2 for the following fiscal
42 year.

43 Sec. ____ . NEW SECTION. 422F.2 DISTRIBUTION OF
44 FUND MONEYS.

45 1. The director of revenue and finance by August
46 15 of each fiscal year shall send to each school
47 district an estimate of the amount of moneys from the
48 school miscellaneous income fund each school district
49 will receive for the year and for each month of the
50 year. At the end of each month, the director may

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1 revise the estimates for the year and remaining
2 months.

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

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

14 4. Moneys received by a school district pursuant
15 to this chapter may be used for any educational
16 purposes for which the school district may spend
17 moneys.

18 Sec. ____ . NEW SECTION. 422F.3 EFFECTIVE DATE.

19 This chapter takes effect January 1, 2013."

20 5. Title page, line 6, by inserting after the
21 word "purposes" the following: ", and providing for
22 state sales tax revenues to be used for school
23 educational purposes,".

By HOGG of Linn

H-1286 FILED APRIL 8, 2003

Out of order

H-1375

1 Amend House File 663 as follows:

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

4 "Section 1. Section 422E.1, subsections 2 and 3,
5 Code 2003, are amended to read as follows:

6 2. The maximum rate of tax shall be one percent.
7 The tax shall be imposed without regard to any other
8 local sales and services tax authorized in chapter
9 422B, and is repealed at the expiration of a period of
10 ten years of imposition or a shorter period as
11 provided in the ballot proposition. However, all
12 local option sales and services taxes for school
13 infrastructure purposes are repealed December 31,
14 2022.

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

35 Sec. 2. Section 422E.2, subsection 3, Code 2003,
36 is amended to read as follows:

37 3. The county commissioner of elections shall
38 submit the question of imposition of a local sales and
39 services tax for school infrastructure purposes at a
40 state general election or at a special election held
41 at any time other than the time of a city regular
42 election. The election shall not be held sooner than
43 sixty days after publication of notice of the ballot
44 proposition. The ballot proposition shall specify the
45 rate of tax, the date the tax will be imposed and
46 repealed, and shall contain a statement as to the
47 specific purpose or purposes for which the revenues
48 shall be expended. The content of the ballot
49 proposition shall be substantially similar to the
50 petition of the board of supervisors or motions of a

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1 school district or school districts requesting the
2 election as provided in subsection 2, as applicable,
3 including the rate of tax, imposition and repeal date,
4 and the specific purpose or purposes for which the
5 revenues will be expended. The dates for the
6 imposition and repeal of the tax shall be as provided
7 in subsection 1. The rate of tax shall not be more
8 than one percent ~~as set by the county board of~~
9 ~~supervisors.~~ The state commissioner of elections
10 shall establish by rule the form for the ballot
11 proposition which form shall be uniform throughout the
12 state.

13 Sec. 3. Section 422E.2, Code 2003, is amended by
14 adding the following new subsection:

15 NEW SUBSECTION. 3A. a. Each school district
16 located within the county may submit a revenue purpose
17 statement to the county commissioner of elections no
18 later than sixty days prior to the election indicating
19 the specific purpose or purposes for which the local
20 sales and services tax for school infrastructure
21 revenue and supplemental school infrastructure amount
22 revenue will be expended. The revenues received
23 pursuant to this chapter shall be expended for the
24 purposes indicated in the revenue purpose statement.
25 The revenue purpose statement may include information
26 regarding the school district's use of the revenues to
27 provide for property tax relief or debt reduction. A
28 copy of the revenue purpose statement shall be made
29 available for public inspection in accordance with
30 chapter 22, shall be posted at the appropriate polling
31 places of each school district during the hours that
32 the polls are open, and be published in a newspaper of
33 general circulation in the school district no sooner
34 than twenty days and no later than ten days prior to
35 the election.

36 b. If a revenue purpose statement is not submitted
37 sixty days prior to the election or revenues remain
38 after fulfilling the purpose specified in the revenue
39 purpose statement, the revenues shall be used to
40 reduce the following levies in the following order:

41 (1) Bond levies under sections 298.18 and 298.18A
42 and all other debt levies, until the moneys received
43 or the levies are reduced to zero.

44 (2) The regular physical plant and equipment levy
45 under section 298.2, until the moneys received or the
46 levy is reduced to zero.

47 (3) The voter-approved physical plant and
48 equipment levy and income surtax, if any, under
49 section 298.2, until the moneys received or the levy
50 and income surtax, if any, is reduced to zero.

1 (4) The public educational and recreational levy
2 under section 300.2, until the moneys received or the
3 levy is reduced to zero.

4 (5) The schoolhouse tax levy under section 278.1,
5 subsection 7, Code 1989, until the moneys received or
6 the levy is reduced to zero.

7 Any money remaining after the reduction of the
8 levies specified in this paragraph "b" may be used for
9 any authorized infrastructure purpose of the school
10 district.

11 c. Counties holding an election on the local sales
12 and services tax for school infrastructure purposes on
13 or after April 1, 2003, but before July 1, 2003, which
14 approve the imposition of the tax at the election
15 shall expend the revenues for any authorized
16 infrastructure purpose of the school district.

17 Sec. 4. Section 422E.2, subsection 4, Code 2003,
18 is amended to read as follows:

19 4. a. The tax may be repealed or the rate
20 increased, but not above one percent, or decreased, or
21 the use of the revenues changed after an election at
22 which a majority of those voting on the question of
23 repeal, ~~or~~ rate change, or change in use favored the
24 repeal, ~~or~~ rate change, or change in use. The
25 election at which the question of repeal, ~~or~~ rate
26 change, or change in use is offered shall be called
27 and held in the same manner and under the same
28 conditions as provided in this section for the
29 election on the imposition of the tax. However, an
30 election on the change in use shall only be held in
31 the school district where the change in use is
32 proposed to occur. The election may be held at any
33 time but not sooner than sixty days following
34 publication of the ballot proposition. However, the
35 tax shall not be repealed before it has been in effect
36 for one year.

37 b. Within ten days of the election at which a
38 majority of those voting on the question favors the
39 imposition, repeal, or change in the rate of the tax,
40 the county auditor shall give written notice of the
41 result of the election by sending a copy of the
42 abstract of the votes from the favorable election to
43 the director of revenue and finance. Election costs
44 shall be apportioned among school districts within the
45 county on a pro rata basis in proportion to the number
46 of registered voters in each school district who
47 reside within the county and the total number of
48 registered voters within the county.

49 c. A local option sales and services tax shall not
50 be repealed or reduced in rate if obligations are

1 outstanding which are payable as provided in section
2 422E.4, unless funds sufficient to pay the principal,
3 interest, and premium, if any, on the outstanding
4 obligations at and prior to maturity have been
5 properly set aside and pledged for that purpose.
6 However, this paragraph does not apply to the repeal
7 of the tax on December 31, 2022, as specified in
8 section 422E.1, subsection 2.

9 Sec. 5. Section 422E.3, subsection 4, Code 2003,
10 is amended to read as follows:

11 4. The director of revenue and finance shall
12 credit tax receipts and interest and penalties from
13 the local sales and services tax for school
14 infrastructure purposes to an account within the
15 ~~county's local sales and services tax fund, as created~~
16 ~~in section 422B.10, subsection 1~~ secure an advanced
17 vision for education fund, as provided in section
18 422E.3A, maintained in the name of the school district
19 or school districts located within the county. If the
20 director is unable to determine from which county any
21 of the receipts were collected, those receipts shall
22 be allocated among the possible counties based on
23 allocation rules adopted by the director.

24 Sec. 6. Section 422E.3, subsection 5, unnumbered
25 paragraph 1, Code 2003, is amended to read as follows:

26 d. (1) If more than one school district, or a
27 portion of a school district, is located within the
28 county, tax receipts shall be remitted to each school
29 district or portion of a school district in which the
30 county tax is imposed in a pro rata share based upon
31 the ratio which the ~~percentage of~~ actual enrollment
32 for the school district that attends school in the
33 county bears to the ~~percentage of~~ the total combined
34 actual enrollments for all school districts that
35 attend school in the county.

36 (2) The combined actual enrollment for a county,
37 for purposes of this section, shall be determined for
38 each county ~~imposing a sales and services tax for~~
39 ~~school infrastructure purposes~~ by the department of
40 management based on the actual enrollment figures
41 reported by October 1 to the department of management
42 by the department of education pursuant to section
43 257.6, subsection 1. The combined actual enrollment
44 count shall be forwarded to the director of ~~the~~
45 ~~department of management~~ revenue and finance by March
46 1, annually, for purposes of supplying estimated tax
47 payment figures and making estimated tax payments
48 pursuant to this section for the following fiscal
49 year.

50 e. Notwithstanding the amount of tax receipts

1 credited to the account within the secure an advanced
2 vision for education fund maintained in the name of a
3 school district, the amount of tax receipts the school
4 district shall receive from the tax imposed in the
5 county shall be determined as provided in section
6 422E.3A, subsection 2.

7 Sec. 7. Section 422E.3, subsection 7, Code 2003,
8 is amended to read as follows:

9 7. Construction contractors may make application
10 to the department for a refund of the additional local
11 sales and services tax paid under this chapter by
12 reason of taxes paid on goods, wares, or merchandise
13 under the conditions specified in section 422B.11.
14 The refund shall be paid by the department from the
15 appropriate school district's account in the ~~local~~
16 ~~sales and services tax~~ secure an advanced vision for
17 education fund. The penalty provisions contained in
18 section 422B.11, subsection 3, shall apply regarding
19 an erroneous application for refund of local sales and
20 services tax paid under this chapter.

21 Sec. 8. NEW SECTION. 422E.3A SECURE AN ADVANCED
22 VISION FOR EDUCATION FUND.

23 1. A secure an advanced vision for education fund
24 is created as a separate and distinct fund in the
25 state treasury under the control of the department of
26 revenue and finance. Moneys in the fund include
27 revenues credited to the fund pursuant to this
28 chapter, appropriations made to the fund, and other
29 moneys deposited into the fund. Any amounts disbursed
30 from the fund shall be utilized for school
31 infrastructure purposes or property tax relief.

32 2. The moneys credited in a fiscal year to the
33 secure an advanced vision for education fund shall be
34 distributed as follows:

35 a. A school district that is located in whole or
36 in part in a county that voted on and approved prior
37 to April 1, 2003, the local sales and services tax for
38 school infrastructure purposes and that has a sales
39 tax capacity per student above the guaranteed school
40 infrastructure amount shall receive an amount equal to
41 its pro rata share of the local sales and services tax
42 receipts as provided in section 422E.3, subsection 5,
43 paragraph "d".

44 b. (1) A school district that is located in whole
45 or in part in a county that voted on and approved
46 prior to April 1, 2003, the local sales and services
47 tax for school infrastructure purposes and that has a
48 sales tax capacity per student below its guaranteed
49 school infrastructure amount shall receive an amount
50 equal to its pro rata share of the local sales and

1 services tax receipts as provided in section 422E.3,
2 subsection 5, paragraph "d", plus an amount equal to
3 its supplemental school infrastructure amount.

4 (2) A school district that is located in whole or
5 in part in a county that voted on and approved on or
6 after April 1, 2003, the local sales and services tax
7 for school infrastructure purposes shall receive an
8 amount equal to its pro rata share of the local sales
9 and services tax receipts as provided in section
10 422E.3, subsection 5, paragraph "d", not to exceed its
11 guaranteed school infrastructure amount. However, if
12 the school district's pro rata share is less than its
13 guaranteed school infrastructure amount, the district
14 shall receive an additional amount equal to its
15 supplemental school infrastructure amount.

16 (3) A school district that is located in whole or
17 in part in a county that voted on and approved the
18 continuation of the tax on or after April 1, 2003, the
19 local sales and services tax for school infrastructure
20 purposes shall receive an amount equal to its pro rata
21 share of the local sales and services tax receipts as
22 provided in section 422E.3, subsection 5, paragraph
23 "d", not to exceed its guaranteed school
24 infrastructure amount. However, if the school
25 district's pro rata share is less than its guaranteed
26 school infrastructure amount, the district shall
27 receive an additional amount equal to its supplemental
28 school infrastructure amount.

29 (4) The amount distributed under this paragraph
30 "b" which a school district receives shall not exceed
31 the guaranteed school infrastructure amount. A school
32 district qualifying for a supplemental school
33 infrastructure amount pursuant to this paragraph "b"
34 shall not receive more than the guaranteed school
35 infrastructure amount in any subsequent year.

36 c. In the case of a school district located in
37 more than one county, the amount to be distributed to
38 the school district shall be separately computed for
39 each county based upon the school district's actual
40 enrollment that attends school in the county.

41 3. a. The director of revenue and finance by June
42 1 preceding each fiscal year shall compute the
43 guaranteed school infrastructure amount for each
44 school district, each school district's sales tax
45 capacity per student for each county, the statewide
46 tax revenues per student, and the supplemental school
47 infrastructure amount for the coming fiscal year.

48 b. For purposes of distributions under subsection
49 2:

50 (1) "Guaranteed school infrastructure amount"

1 means for a school district the statewide tax revenues
2 per student, multiplied by the quotient of the tax
3 rate percent imposed in the county, divided by one
4 percent and multiplied by the quotient of the number
5 of quarters the tax is imposed during the fiscal year
6 divided by four quarters.

7 (2) "Sales tax capacity per student" means for a
8 school district the estimated amount of revenues that
9 a school district receives or would receive if a local
10 sales and services tax for school infrastructure
11 purposes is imposed at one percent in the county
12 pursuant to section 422E.2, divided by the school
13 district's actual enrollment as determined in section
14 422E.3, subsection 5, paragraph "d".

15 (3) "Statewide tax revenues per student" means the
16 amount determined by estimating the total revenues
17 that would be generated by a one percent local option
18 sales and services tax for school infrastructure
19 purposes if imposed by all the counties during the
20 entire fiscal year and dividing this estimated revenue
21 amount by the sum of the combined actual enrollment
22 for all counties as determined in section 422E.3,
23 subsection 5, paragraph "d", subparagraph (2).

24 (4) "Supplemental school infrastructure amount"
25 means the guaranteed school infrastructure amount for
26 the school district less its pro rata share of local
27 sales and services tax for school infrastructure
28 purposes as provided in section 422E.3, subsection 5,
29 paragraph "d".

30 4. a. For the purposes of distribution under
31 subsection 2, paragraph "b", subparagraph (1), a
32 school district with a sales tax capacity per student
33 below its guaranteed school infrastructure amount
34 shall use the amount equal to the guaranteed school
35 infrastructure amount less the pro rata share amount
36 in accordance with section 422E.3, subsection 5,
37 paragraph "d", for the purpose of paying principal and
38 interest on outstanding bonds previously issued for
39 school infrastructure purposes as defined in section
40 422E.1, subsection 3. Any money remaining after the
41 payment of all principal and interest on outstanding
42 bonds previously issued for infrastructure purposes
43 may be used for any authorized infrastructure purpose
44 of the school district. If a majority of the voters
45 in the school district approves the use of revenue
46 pursuant to a revenue purpose statement in an election
47 held after July 1, 2003, in the school district
48 pursuant to section 422E.2, the school district may
49 use the amount for the purposes specified in its
50 revenue purpose statement.

1 b. Nothing in this section shall prevent a school
2 district from using its sales tax capacity per student
3 or guaranteed school infrastructure amount to pay
4 principal and interest on obligations issued pursuant
5 to section 422E.4.

6 5. In the case of a deficiency in the fund to pay
7 the supplemental school infrastructure amounts in
8 full, the amount available in the fund less the sales
9 and services tax revenues for school infrastructure
10 purposes attributed to each school district should be
11 allocated based on the proportion of actual enrollment
12 in the district to the combined actual enrollment in
13 the counties where the sales and services tax for
14 school infrastructure purposes has been imposed and
15 the school districts in the counties qualify for the
16 supplemental school infrastructure amount.

17 6. A school district with less than two hundred
18 fifty actual enrollment or less than one hundred
19 actual enrollment in the high school shall not expend
20 the supplemental school infrastructure amount received
21 for new construction or for payments for bonds issued
22 for new construction against the supplemental school
23 infrastructure amount without prior application to the
24 department of education and receipt of a certificate
25 of need pursuant to this subsection. However, a
26 certificate of need is not required for the payment of
27 outstanding bonds issued for new construction pursuant
28 to section 296.1, before April 1, 2003. A certificate
29 of need is also not required for repairing
30 schoolhouses or buildings, equipment, technology, or
31 transportation equipment for transporting students as
32 provided in section 298.3, or for construction
33 necessary for compliance with the federal Americans
34 With Disabilities Act pursuant to 42 U.S.C. § 12101-
35 12117. In determining whether a certificate of need
36 shall be issued or denied, the department shall
37 consider all of the following:

38 a. Enrollment trends in the grades that will be
39 served at the new construction site.

40 b. The infeasibility of remodeling,
41 reconstructing, or repairing existing buildings.

42 c. The fire and health safety needs of the school
43 district.

44 d. The distance, convenience, cost of
45 transportation, and accessibility of the new
46 construction site to the students to be served at the
47 new construction site.

48 e. Availability of alternative, less costly, or
49 more effective means of serving the needs of the
50 students.

1 f. The financial condition of the district,
2 including the effect of the decline of the budget
3 guarantee and unspent balance.

4 g. Broad and long-term ability of the district to
5 support the facility and the quality of the academic
6 program.

7 h. Cooperation with other educational entities
8 including other school districts, area education
9 agencies, postsecondary institutions, and local
10 communities.

11 Sec. 9. Section 422E.4, unnumbered paragraphs 1
12 and 2, Code 2003, are amended to read as follows:

13 The board of directors of a school district shall
14 be authorized to issue negotiable, interest-bearing
15 school bonds, without election, and utilize tax
16 receipts derived from the sales and services tax for
17 school infrastructure purposes and the supplemental
18 school infrastructure amount distributed pursuant to
19 section 422E.3A, subsection 2, paragraph "b", for
20 principal and interest repayment. Proceeds of the
21 bonds issued pursuant to this section shall be
22 utilized solely for school infrastructure needs as
23 school infrastructure is defined in section 422E.1,
24 subsection 3. Issuance of bonds pursuant to this
25 section shall be permitted only in a district which
26 has imposed a local sales and services tax for school
27 infrastructure purposes pursuant to section 422E.2.
28 The provisions of sections 298.22 through 298.24 shall
29 apply regarding the form, rate of interest,
30 registration, redemption, and recording of bond issues
31 pursuant to this section, with the exception that the
32 maximum period during which principal on the bonds is
33 payable shall not exceed ~~a ten-year period, or the~~
34 date of repeal stated on the ballot proposition.

35 A school district in which a local option sales tax
36 for school infrastructure purposes has been imposed
37 shall be authorized to enter into a chapter 28E
38 agreement with one or more cities or a county whose
39 boundaries encompass all or a part of the area of the
40 school district. A city or cities entering into a
41 chapter 28E agreement shall be authorized to expend
42 its designated portion of the local option sales and
43 services tax revenues for any valid purpose permitted
44 in this chapter or authorized by the governing body of
45 the city. A county entering into a chapter 28E
46 agreement with a school district in which a local
47 option sales tax for school infrastructure purposes
48 has been imposed shall be authorized to expend its
49 designated portion of the local option sales and
50 services tax revenues to provide property tax relief

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1 within the boundaries of the school district located
2 in the county. A school district where a local option
3 sales and services tax is imposed is also authorized
4 to enter into a chapter 28E agreement with another
5 school district, a community college, or an area
6 education agency which is located partially or
7 entirely in or is contiguous to the county where the
8 tax is imposed. The school district or community
9 college shall only expend its designated portion of
10 the local option sales and services tax for
11 infrastructure purposes. The area education agency
12 shall only expend its designated portion of the local
13 option school infrastructure sales tax for
14 infrastructure and maintenance purposes.

15 Sec. 10. NEW SECTION. 422E.6 REPEAL.

16 This chapter is repealed June 30, 2023, for fiscal
17 years beginning after that date.

18 Sec. 11. EFFECTIVE DATE. This Act, being deemed
19 of immediate importance, takes effect upon enactment."

By TYMESON of Madison

H-1375 FILED APRIL 21, 2003

Adopted 4/23/03