

Senate File 365 - Introduced

SENATE FILE 365
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SF 301)

A BILL FOR

1 An Act relating to the voter-approved physical plant and
2 equipment levy by authorizing school districts to exceed
3 the statutory levy rate limit following the refunding
4 or refinancing of certain loan agreements and including
5 effective date provisions.

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

1 Section 1. Section 298.2, subsection 1, Code 2015, is
2 amended to read as follows:

3 1. a. A physical plant and equipment levy of not exceeding
4 one dollar and sixty-seven cents per thousand dollars of
5 assessed valuation in the district is established except as
6 otherwise provided in this subsection. The physical plant
7 and equipment levy consists of the regular physical plant
8 and equipment levy of not exceeding thirty-three cents per
9 thousand dollars of assessed valuation in the district and
10 a voter-approved physical plant and equipment levy of not
11 exceeding one dollar and thirty-four cents per thousand
12 dollars of assessed valuation in the district. However, the
13 voter-approved physical plant and equipment levy may consist
14 of a combination of a physical plant and equipment property
15 tax levy and a physical plant and equipment income surtax as
16 provided in subsection 4 with the maximum amount levied and
17 imposed limited to an amount that could be raised by a one
18 dollar and thirty-four cent property tax levy.

19 b. For school budget years beginning on or after July 1,
20 2015, a school district may by resolution of the board of
21 directors adopted prior to April 15 preceding the budget year
22 impose a physical plant and equipment levy at a rate in excess
23 of the levy rate limitations under paragraph "a" if the board
24 has refunded or refinanced a loan agreement entered into under
25 section 297.36 and such refunding or refinancing complies with
26 the maturity period authorized under section 297.36, subsection
27 1, paragraph "c", and results in a lower amount of interest on
28 the amount of the loan agreement. However, the rate imposed
29 by a school district under this paragraph shall not exceed the
30 rate imposed during the budget year in which the loan agreement
31 was refunded or refinanced. Authorization to exceed the levy
32 rate limitations of paragraph "a" shall terminate upon the
33 maturity of the loan agreement after refunding or refinancing.
34 Upon adoption of the resolution under this paragraph "b", the
35 board shall comply with the requirements of section 297.36,

1 subsection 1, paragraph "b".

2 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
3 immediate importance, takes effect upon enactment.

4 EXPLANATION

5 The inclusion of this explanation does not constitute agreement with
6 the explanation's substance by the members of the general assembly.

7 Current Code section 298.2 authorizes a physical plant and
8 equipment levy of not exceeding \$1.67 per \$1,000 of assessed
9 valuation in the district. The physical plant and equipment
10 levy consists of the regular physical plant and equipment levy
11 of not exceeding \$0.33 per \$1,000 of assessed valuation in the
12 district and a voter-approved physical plant and equipment
13 levy of not exceeding \$1.34 per \$1,000 of assessed valuation
14 in the district. However, the voter-approved physical plant
15 and equipment levy may consist of a combination of a physical
16 plant and equipment property tax levy and a physical plant and
17 equipment income surtax. In anticipation of revenues received
18 from the physical plant and equipment levy, Code section 297.36
19 authorizes school districts to borrow money and enter into loan
20 agreements.

21 This bill provides that for school budget years beginning
22 on or after July 1, 2015, a school district may by resolution
23 of the board of directors adopted prior to April 15 preceding
24 the budget year impose a physical plant and equipment levy at a
25 rate in excess of the levy rate limitations under Code section
26 298.2 if the board has refunded or refinanced a loan agreement
27 entered into under Code section 297.36 and such refunding or
28 refinancing complies with the maturity period authorized by
29 voters and results in a lower amount of interest on the amount
30 of the loan agreement. The bill provides, however, that the
31 rate imposed by a school district under the provisions of the
32 bill shall not exceed the rate imposed during the budget year
33 in which the loan agreement was refunded or refinanced. The
34 authorization to exceed the levy rate limitations terminates
35 upon the maturity of the loan agreement after refunding or

1 refinancing. After adoption of the resolution to exceed the
2 levy rate limits, the bill requires the board of directors
3 to comply with Code section 297.36(1)(b) relating to the
4 certification of amounts to the county auditor.
5 The bill takes effect upon enactment.