

**Senate File 389 - Introduced**

SENATE FILE 389

BY QUIRMBACH

**A BILL FOR**

1 An Act relating to school district funding by establishing  
2 a voter-approved district cost equity tax and levy or  
3 reduction, modifying provisions establishing the district  
4 cost per pupil, and including applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 257.10, subsection 2, paragraphs a and b,  
2 Code 2017, are amended to read as follows:

3 a. For the budget year beginning July 1, 1992, and  
4 succeeding budget years beginning before July 1, 2028, the  
5 regular program district cost per pupil for each school  
6 district for a budget year is the regular program district  
7 cost per pupil for the base year plus the regular program  
8 supplemental state aid for the budget year except as otherwise  
9 provided in this subsection or otherwise adjusted under section  
10 298.12, subsection 5.

11 b. If the regular program district cost per pupil of a  
12 school district for the budget year under paragraph "a" exceeds  
13 one hundred five percent of the regular program state cost  
14 per pupil for the budget year and the state percent of growth  
15 for the budget year is greater than two percent, the regular  
16 program district cost per pupil for the budget year for that  
17 district shall be reduced to one hundred five percent of the  
18 regular program state cost per pupil for the budget year.  
19 However, under such conditions, if the difference between the  
20 regular program district cost per pupil for the budget year and  
21 the regular program state cost per pupil for the budget year  
22 is greater than an amount equal to two percent multiplied by  
23 the regular program state cost per pupil for the base year, the  
24 regular program district cost per pupil for the budget year  
25 shall be reduced by the amount equal to two percent multiplied  
26 by the regular program state cost per pupil for the base year.

27 Sec. 2. Section 257.10, subsection 2, Code 2017, is amended  
28 by adding the following new paragraph:

29 NEW PARAGRAPH. c. For the budget year beginning July 1,  
30 2028, and each succeeding budget year, the regular program  
31 district cost per pupil for each school district for a budget  
32 year is the regular program state cost per pupil for the budget  
33 year.

34 Sec. 3. NEW SECTION. 298.12 District cost equity levy —  
35 election.

1 1. In order to provide regular program district cost per  
2 pupil equity among all school districts in the state, the  
3 board of directors of a school district, following approval  
4 at election under subsection 2, may certify for levy by April  
5 15 of the school year preceding the budget year, a tax on all  
6 taxable property in the school district for a district cost  
7 equity levy or following approval at an election held pursuant  
8 to subsection 5, shall reduce the school district's regular  
9 program district cost per pupil to an amount not less than the  
10 regular program state cost per pupil.

11 2. *a.* The board of directors of a school district may, on  
12 its own motion, or shall, upon receipt of a petition signed by  
13 eligible electors equal in number to at least thirty percent of  
14 the number of voters who voted at the last preceding regular  
15 school election, direct the county commissioner of elections  
16 to submit to the registered voters of the school district the  
17 question of whether to levy the district cost equity tax not to  
18 exceed an amount authorized under subsection 3 and for a period  
19 of time authorized by the voters, not to exceed ten years.  
20 The question shall be submitted at an election held on a date  
21 specified in section 39.2, subsection 4, paragraph "c".

22 *b.* If a majority of the votes cast upon the proposition is  
23 in favor of the proposition, the board shall annually certify  
24 the amount required for a fiscal year to the county board of  
25 supervisors. The board of supervisors shall levy the amount  
26 certified. The amount shall be deposited in the general fund  
27 of the school district and may be used for any school general  
28 fund purpose.

29 *c.* The proposition to levy the district cost equity tax  
30 is not affected by a change in the boundaries of a school  
31 district, except as otherwise provided in this section.  
32 The district cost equity tax shall not be imposed in any  
33 reorganized school district unless the voters of each district  
34 involved in the reorganization had previously adopted the  
35 district cost equity tax. If each district involved in school

1 reorganization under chapter 275 has adopted the district  
2 cost equity tax, and if the voters have not voted upon the  
3 proposition to levy the district cost equity tax in the  
4 reorganized district, the existing district cost equity tax  
5 shall be in effect for the reorganized district for the fewest  
6 number of approved years remaining in any of the districts and  
7 until discontinued pursuant to this section and for the lowest  
8 amount per pupil approved by the school districts involved in  
9 the reorganization.

10 *d.* Once approved at an election, the authority of the  
11 board to levy and collect the district cost equity tax shall  
12 continue for the number of years authorized at election unless  
13 the board votes to rescind the levy and collection of the tax  
14 or the voters of the school district by majority vote approve  
15 the discontinuance of the levy and collection of the tax. The  
16 tax may be discontinued before the end of the period of years  
17 authorized at election in the manner provided for imposition  
18 of the tax under this section.

19 3. *a.* For budget years beginning on or after July 1, 2018,  
20 but before July 1, 2028, the amount certified by a school  
21 district for levy under this section for a school budget year  
22 shall not exceed an amount equal to the difference between  
23 the school district's regular program district cost per pupil  
24 and the highest regular program district cost per pupil among  
25 all school districts in the state, not to exceed one hundred  
26 seventy-five dollars, multiplied by the school district's  
27 weighted enrollment for the budget year.

28 *b.* For budget years beginning on or after July 1, 2028,  
29 the amount certified by a school district for levy under this  
30 section for a school budget year shall not exceed an amount  
31 equal to one hundred seventy-five dollars multiplied by the  
32 school district's weighted enrollment for the budget year.

33 4. Revenues received by a school district under this section  
34 are miscellaneous income and shall not be included in any  
35 computation of a school district's cost for any future budget

1 year.

2 5. *a.* The board of directors of a school district may, on  
3 its own motion, or shall, upon receipt of a petition signed by  
4 eligible electors equal in number to at least thirty percent of  
5 the number of voters who voted at the last preceding regular  
6 school election, direct the county commissioner of elections  
7 to submit to the registered voters of the school district the  
8 question of whether to reduce the school district's regular  
9 program district cost per pupil to an amount not less than  
10 the regular program state cost per pupil for a period of  
11 time authorized by the voters, but ending not later than the  
12 conclusion of the budget year beginning July 1, 2027. The  
13 question shall be submitted at an election held on a date  
14 specified in section 39.2, subsection 4, paragraph "c".

15 *b.* If a majority of the votes cast upon the proposition  
16 is in favor of the proposition, the school district's regular  
17 program district cost per pupil under section 257.10,  
18 subsection 2, paragraph "a", shall be reduced to the amount  
19 approved at election, subject to the durational limitation in  
20 paragraph "a".

21 *c.* The reduction of a school district's regular program  
22 district cost per pupil is not affected by a change in the  
23 boundaries of a school district, except as otherwise provided  
24 in this section. A reduction of the school district's  
25 regular program district cost per pupil shall not apply to any  
26 reorganized school district unless the voters of each district  
27 involved in the reorganization had previously approved such a  
28 reduction. If each district involved in school reorganization  
29 under chapter 275 has approved such a reduction, and if the  
30 voters have not voted upon the reduction proposition in the  
31 reorganized district, the reduction shall be in effect for  
32 the reorganized district for the fewest number of approved  
33 years remaining in any of the districts and until discontinued  
34 pursuant to this section and for the highest regular program  
35 district cost per pupil approved by the school districts

1 involved in the reorganization.

2 *d.* Once approved at an election, the reduction shall  
3 continue for the number of years authorized at election unless  
4 the board votes to rescind the reduction or the voters of the  
5 school district by majority vote approve the discontinuance of  
6 the reduction. The reduction may be discontinued before the  
7 end of the period of years authorized at election in the manner  
8 provided for imposition of the tax under this section.

9 Sec. 4. APPLICABILITY. This Act applies to school budget  
10 years beginning on or after July 1, 2018.

11 EXPLANATION

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

14 This bill authorizes the board of directors of a school  
15 district, following voter approval, to certify for levy a tax  
16 on all taxable property in the school district for a district  
17 cost equity levy or to reduce the district's regular program  
18 district cost per pupil.

19 The board of directors of a school district may, on its  
20 own motion, or shall, upon receipt of a petition signed by  
21 eligible electors equal in number to at least 30 percent of the  
22 number of voters who voted at the last preceding regular school  
23 election, direct the county commissioner of elections to submit  
24 to the registered voters of the school district the question of  
25 whether to levy the district cost equity tax and the length of  
26 time authorized to impose the levy, not to exceed 10 years. If  
27 the proposition is approved by majority vote, the board shall  
28 annually certify the amount required for a fiscal year to the  
29 county board of supervisors, not to exceed the maximum annual  
30 amount determined in the bill.

31 The amount collected from the levy shall be placed in the  
32 general fund of the school district and may be used for any  
33 authorized school purpose. Once approved at an election, the  
34 authority of the board to levy and collect the district cost  
35 equity tax shall continue for the number of years authorized

1 at election unless the board votes to rescind the levy or the  
2 voters of the school district by majority vote approve the  
3 discontinuance of the levy.

4 For budget years beginning or after July 1, 2018, but before  
5 July 1, 2028, the amount certified by a school district for  
6 levy for a school budget year shall not exceed an amount  
7 equal to the difference between the school district's regular  
8 program district cost per pupil and the highest regular program  
9 district cost per pupil among all school districts in the  
10 state, not to exceed \$175, multiplied by the school district's  
11 budget enrollment. For budget years beginning on or after July  
12 1, 2028, the amount certified by a school district for levy for  
13 a school budget year shall not exceed an amount equal to \$175  
14 multiplied by the school district's weighted enrollment for the  
15 budget year.

16 The bill specifies that revenues received by a school  
17 district from a district cost equity levy are miscellaneous  
18 income and shall not be included in the calculation of district  
19 cost in any future budget year.

20 The bill also provides that the board of directors of a  
21 school district may, on its own motion, or shall, upon receipt  
22 of a petition signed by eligible electors equal in number to  
23 at least 30 percent of the number of voters who voted at the  
24 last preceding regular school election, direct the county  
25 commissioner of elections to submit to the registered voters  
26 of the school district the question of whether to reduce the  
27 school district's regular program district cost per pupil to an  
28 amount not less than the regular program state cost per pupil  
29 for a period of time authorized by the voters, but ending not  
30 later than the conclusion of the budget year beginning July 1,  
31 2027. If a majority of the votes cast upon the proposition  
32 is in favor of the proposition, the school district's regular  
33 program district cost per pupil shall be reduced to the amount  
34 approved at election subject to the time limitation in the  
35 bill. Once approved at an election, the reduction shall

1 continue for the number of years authorized at election unless  
2 the board votes to rescind the reduction or the voters of the  
3 school district by majority vote approve the discontinuance of  
4 the reduction.

5 The bill also provides that for the budget year beginning  
6 July 1, 2028, and each succeeding budget year, the regular  
7 program district cost per pupil for each school district for a  
8 budget year is the regular program state cost per pupil for the  
9 budget year.

10 The bill applies to school budget years beginning on or after  
11 July 1, 2018.