

House File 425 - Introduced

HOUSE FILE 425
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 18)

A BILL FOR

1 An Act relating to school funding by modifying provisions
2 relating to the collection of sales tax for deposit in the
3 secure an advanced vision for education fund, provisions
4 relating to the use of tax revenue from the secure an
5 advanced vision for education fund, and provisions relating
6 to the calculation of the additional property tax levy, and
7 making appropriations.

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

1 Section 1. Section 257.2, subsection 8, Code 2019, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. e. Foundation base supplement payments
4 received under section 257.16D.

5 Sec. 2. Section 257.4, subsection 1, paragraph a, Code 2019,
6 is amended by adding the following new subparagraph:

7 NEW SUBPARAGRAPH. (10) The amount of the foundation base
8 supplement payment to be received by the school district under
9 section 257.16D.

10 Sec. 3. Section 257.4, subsection 1, paragraph b, Code 2019,
11 is amended to read as follows:

12 b. For the budget year beginning July 1, 2008, and
13 succeeding budget years, the department of management shall
14 annually determine an adjusted additional property tax levy
15 and a statewide maximum adjusted additional property tax
16 levy rate, not to exceed the statewide average additional
17 property tax levy rate, calculated by dividing the total
18 adjusted additional property tax levy dollars statewide by the
19 statewide total net taxable valuation. For purposes of this
20 paragraph, the adjusted additional property tax levy shall be
21 that portion of the additional property tax levy corresponding
22 to the state cost per pupil multiplied by a school district's
23 weighted enrollment, and then multiplied by one hundred
24 percent less the regular program foundation base per pupil
25 percentage pursuant to [section 257.1](#), and then reduced by the
26 amount of the property tax replacement payment to be received
27 under [section 257.16B](#) and the amount of the foundation base
28 supplement payment to be received under section 257.16D. The
29 district shall receive adjusted additional property tax levy
30 aid in an amount equal to the difference between the adjusted
31 additional property tax levy rate and the statewide maximum
32 adjusted additional property tax levy rate, as applied per
33 thousand dollars of assessed valuation on all taxable property
34 in the district. The statewide maximum adjusted additional
35 property tax levy rate shall be annually determined by the

1 department taking into account amounts allocated pursuant to
2 section 257.15, subsection 4, and the balance of the property
3 tax equity and relief fund created in [section 257.16A](#) at the
4 end of the calendar year.

5 Sec. 4. Section 257.15, subsection 4, paragraph b, Code
6 2019, is amended to read as follows:

7 *b.* After lowering all school district adjusted additional
8 property tax levy rates to the statewide maximum adjusted
9 additional property tax levy rate under paragraph "a", the
10 department of management shall use any remaining funds at the
11 end of the calendar year to further lower additional property
12 taxes by increasing for the budget year beginning the following
13 July 1, the state regular program foundation base per pupil
14 percentage under section 257.1. Moneys used pursuant to this
15 paragraph shall supplant an equal amount of the appropriation
16 made from the general fund of the state pursuant to section
17 257.16 that represents the increase in state foundation aid.

18 Sec. 5. NEW SECTION. **257.16D Foundation base supplement**
19 **fund.**

20 1. A foundation base supplement fund is created as a
21 separate and distinct fund in the state treasury under the
22 control of the department of management. Moneys in the fund
23 include revenues credited to the fund, appropriations made to
24 the fund, and other moneys deposited into the fund.

25 2. *a.* There is appropriated annually from the fund to
26 the department of management an amount necessary to make all
27 foundation base supplement payments under this section. The
28 department of management shall calculate each school district's
29 foundation base supplement payment based on the distribution
30 methodology under paragraph "b".

31 *b.* The moneys available in a fiscal year in the foundation
32 base supplement fund shall be distributed by the department
33 of management to each school district on a per pupil basis
34 calculated using each school district's weighted enrollment,
35 as defined in section 257.6, for that fiscal year. However,

1 the amount of a school district's foundation base supplement
2 payment for a budget year shall not exceed an amount equal to
3 the school district's weighted enrollment for the budget year
4 multiplied by the amount for the budget year calculated under
5 section 257.16B, subsection 2, paragraph "f", subparagraph
6 (2), minus the amount of the school district's property tax
7 replacement payment under section 257.16B for the budget year.

8 3. Notwithstanding section 8.33, any moneys remaining in
9 the foundation base supplement fund at the end of a fiscal year
10 shall not revert to any other fund but shall remain in the
11 foundation base supplement fund for use as provided in this
12 section for the following fiscal year.

13 Sec. 6. NEW SECTION. 257.51 Career academy fund — grant
14 program.

15 1. A career academy fund is created and established as
16 a separate and distinct fund in the state treasury under the
17 control of the department of education.

18 2. a. In addition to moneys deposited in the career
19 academy fund pursuant to section 423F.2, the department of
20 education may accept gifts, grants, bequests, and other private
21 contributions, as well as state or federal funds, and shall
22 deposit the moneys in the fund to be used for purposes of
23 this section. Moneys in the fund are appropriated to the
24 department of education and shall be used for the purposes of
25 this section.

26 b. Notwithstanding section 8.33, moneys in the fund
27 that remain unencumbered or unobligated at the close of the
28 fiscal year shall not revert but shall remain available for
29 expenditure for the purposes of this section in succeeding
30 fiscal years. Notwithstanding section 12C.7, subsection 2,
31 interest earned on moneys in the career academy fund shall be
32 credited to the fund.

33 3. The department of education shall adopt rules to
34 establish and administer a career academy grant program
35 to provide for the allocation of money in the fund in

1 the form of competitive grants, not to exceed one million
2 dollars per grant, to school corporations for career academy
3 infrastructure, career academy equipment, or both, in
4 accordance with the goals of this section and to further the
5 goals of the establishment and operation of career academies
6 under section 258.15. The rules adopted by the department
7 of education shall specify the eligibility of applicants
8 and eligible items for grant funding. Priority for grants
9 shall first be given to applications to establish new career
10 academies that are organized as regional career and technical
11 education planning partnerships pursuant to section 258.14 with
12 three or more school districts. Subsequent priority shall
13 be given to applications for expanding and updating existing
14 facilities and infrastructure to serve as career academies.

15 Sec. 7. Section 423.2, subsection 12, Code 2019, is amended
16 to read as follows:

17 12. The sales tax rate of six percent is reduced to five
18 percent on January 1, ~~2030~~ 2051.

19 Sec. 8. Section 423.2A, subsection 2, paragraph c, Code
20 2019, is amended to read as follows:

21 c. Transfer one-sixth of the remaining revenues to the
22 secure an advanced vision for education fund created in section
23 423F.2. This paragraph "c" is repealed ~~December 31, 2029~~
24 January 1, 2051.

25 Sec. 9. Section 423.5, subsection 4, Code 2019, is amended
26 to read as follows:

27 4. The use tax rate of six percent is reduced to five
28 percent on January 1, ~~2030~~ 2051.

29 Sec. 10. Section 423.43, subsection 1, paragraph b, Code
30 2019, is amended to read as follows:

31 b. Subsequent to the deposit into the general fund of
32 the state and after the transfer of such revenues collected
33 under [chapter 423B](#), the department shall transfer one-sixth of
34 such remaining revenues to the secure an advanced vision for
35 education fund created in [section 423F.2](#). This paragraph is

1 repealed ~~December 31, 2029~~ January 1, 2051.

2 Sec. 11. Section 423F.2, subsection 3, Code 2019, is amended
3 to read as follows:

4 3. a. The moneys available in a fiscal year in the secure
5 an advanced vision for education fund shall be distributed by
6 the department of revenue to each school district on a per
7 pupil basis calculated using each school district's budget
8 enrollment, as defined in [section 257.6](#), for that fiscal year.

9 b. (1) Prior to distribution of moneys in the secure an
10 advanced vision for education fund to school districts, ~~two~~
11 ~~and one-tenths percent of the moneys available in a~~ an amount
12 equal to the equity transfer amount for the fiscal year minus
13 the foundation base transfer amount for the fiscal year shall
14 be distributed and credited to the property tax equity and
15 relief fund created in [section 257.16A](#), an amount equal to
16 the foundation base transfer amount shall be distributed and
17 credited to the foundation base supplement fund created in
18 section 257.16D, and an amount equal to the career academy
19 transfer amount for the fiscal year shall be distributed and
20 credited to the career academy fund created in section 257.51.

21 (2) For purposes of this subsection, the equity transfer
22 amount is determined by multiplying the equity transfer
23 percentage by the amount of moneys available in the secure an
24 advanced vision for education fund in the fiscal year.

25 (a) For the fiscal year beginning July 1, 2018, the equity
26 transfer percentage is two and one-tenth percent.

27 (b) For each fiscal year beginning on or after July 1, 2019,
28 the equity transfer percentage is equal to the equity transfer
29 percentage for the immediately preceding fiscal year, unless
30 the amount of moneys available in the secure an advanced vision
31 for education fund in the fiscal year equals or exceeds one
32 hundred two percent of the amount of moneys available in the
33 fund for the immediately preceding fiscal year, in which case
34 the equity transfer percentage shall be the equity transfer
35 percentage for the immediately preceding fiscal year plus one

1 percent subject to the limitation in subparagraph division (c).

2 (c) If the equity transfer percentage calculated under
3 subparagraph division (b) exceeds twelve percent, the equity
4 transfer percentage for that fiscal year shall be twelve
5 percent.

6 (3) For purposes of this subsection, the foundation
7 base transfer amount equals the equity transfer amount for
8 the fiscal year under subparagraph (2) minus the sum of the
9 following:

10 (a) Two and one-tenth percent of the amount of the moneys
11 available in the secure an advanced vision for education fund
12 in the fiscal year.

13 (b) Two-thirds of the product of the equity transfer
14 percentage for the fiscal year minus two and one-tenth percent
15 multiplied by the moneys available in the secure an advanced
16 vision for education fund in the fiscal year.

17 (4) (a) For purposes of this subsection, the career academy
18 transfer amount for the fiscal year beginning July 1, 2019, is
19 one million dollars.

20 (b) For each fiscal year beginning on or after July 1,
21 2020, the career academy transfer amount is equal to the lesser
22 of five million dollars or the amount of the career academy
23 transfer amount for the immediately preceding fiscal year,
24 unless the amount of moneys available in the secure an advanced
25 vision for education fund in the fiscal year equals or exceeds
26 one hundred two and one-half percent of the amount of moneys
27 available in the fund for the immediately preceding fiscal
28 year, in which case the career academy transfer amount equals
29 the lesser of five million dollars or the sum of the amount
30 of the career academy transfer amount for the immediately
31 preceding fiscal year plus one-half percent of the amount of
32 moneys available in the secure an advanced vision for education
33 fund in the fiscal year following the deposit of revenues in
34 the property tax equity and relief fund and the foundation base
35 supplement fund.

1 Sec. 12. Section 423F.3, subsection 3, paragraph b, Code
2 2019, is amended to read as follows:

3 **b. (1)** If the board of directors intends to use funds for
4 purposes other than those listed in paragraph "a", or change the
5 use of funds to purposes other than those listed in paragraph
6 "a", the board shall adopt a revenue purpose statement or amend
7 an existing revenue purpose statement, subject to approval of
8 the electors, listing the proposed use of the funds. ~~School~~
9 ~~districts shall submit the statement to the voters no later~~
10 ~~than sixty days prior to the expiration of any existing revenue~~
11 ~~purpose statement or change in use not included in the existing~~
12 ~~revenue purpose statement.~~

13 **(2) (a)** Notwithstanding any provision of law to the
14 contrary, for each school district with an existing revenue
15 purpose statement for the use of revenues from the secure an
16 advanced vision for education fund adopted under this paragraph
17 or adopted under another provision of law before July 1,
18 2019, such revenue purpose statement shall terminate and be
19 of no further force and effect on January 1, 2031, or the
20 expiration date of the revenue purpose statement, whichever is
21 earlier. If such a school district intends to use funds for
22 purposes other than those listed in paragraph "a" and does not
23 intend to operate without a revenue purpose statement on or
24 after January 1, 2031, or the expiration date of the revenue
25 purpose statement, whichever is earlier, the board of directors
26 shall submit a revenue purpose statement for approval by the
27 electors under subparagraph (1) on or after July 1, 2019,
28 and such revenue purpose statement submitted to the electors
29 shall include all proposed uses including those previously
30 approved by the electors, if applicable. The following, in
31 substantially the following form, shall be included in the
32 notice of the election published under paragraph "d" and
33 published on the school district's internet site:

34 If a majority of eligible electors voting on the question
35 fail to approve this revenue purpose statement, revenues

1 received by the school district from the secure an advanced
2 vision for education fund shall first be expended for
3 (State the purposes in the order listed in subsection 1 and as
4 required by subsection 4 of this section for which the revenues
5 received by the school district under this chapter will be
6 expended.)

7 (b) Unless a new revenue purpose statement is adopted by
8 the electors, the existing revenue purpose statement remains
9 in effect until January 1, 2031, or the expiration date of the
10 revenue purpose statement, whichever is earlier. If a revenue
11 purpose statement is terminated under the provisions of this
12 subparagraph, such termination shall not affect the validity
13 of or a first lien on bonds issued under section 423E.5, Code
14 2019, or section 423F.5 prior to the date the revenue purpose
15 statement is terminated under subparagraph division (a), or
16 the validity of a contract or other obligation of the school
17 district secured in whole or in part by or requiring the
18 payment of funds received under this chapter in effect prior
19 to the date the revenue purpose statement is terminated under
20 subparagraph division (a).

21 Sec. 13. Section 423F.3, subsection 5, paragraph b, Code
22 2019, is amended to read as follows:

23 b. The infeasibility cost-benefit analysis of remodeling,
24 reconstructing, or repairing existing buildings.

25 Sec. 14. Section 423F.3, subsection 5, Code 2019, is amended
26 by adding the following new paragraph:

27 NEW PARAGRAPH. i. Benefits and effects of the new
28 construction on student learning.

29 Sec. 15. Section 423F.3, subsection 6, Code 2019, is amended
30 by adding the following new paragraph:

31 NEW PARAGRAPH. *od.* Additionally, "school infrastructure"
32 includes school safety and security infrastructure. For
33 purposes of this paragraph, "school safety and security
34 infrastructure" includes but is not limited to safe rooms,
35 remote entry technology and equipment, security camera systems,

1 card access systems, and communication systems with access to
2 fire and police emergency frequencies. For purposes of this
3 paragraph, "*school safety and security infrastructure*" does
4 not include the cost of personnel, development of safety and
5 security plans, or training related to the implementation of
6 safety and security plans. It is the intent of the general
7 assembly that each school district prioritize the use of
8 revenues under this chapter for secure entries for the
9 district's attendance centers before expending such revenues
10 for athletic facility infrastructure projects.

11 Sec. 16. Section 423F.3, Code 2019, is amended by adding the
12 following new subsection:

13 NEW SUBSECTION. 6A. a. Prior to approving the use
14 of revenues received under this chapter for an athletic
15 facility infrastructure project within the scope of the
16 school district's approved revenue purpose statement or
17 pursuant to subsection 4 for a school district without an
18 approved revenue statement, the board of directors shall adopt
19 a resolution setting forth the proposal for the athletic
20 facility infrastructure project and hold an additional public
21 hearing on the issue of construction of the athletic facility.
22 Notice of the time and place of the public hearing shall be
23 published not less than ten nor more than twenty days before
24 the public hearing in a newspaper which is a newspaper of
25 general circulation in the school district. If at any time
26 prior to the fifteenth day following the hearing, the secretary
27 of the board of directors receives a petition containing the
28 required number of signatures and asking that the question
29 of the approval of the use of revenues for the athletic
30 facility infrastructure project be submitted to the voters
31 of the school district, the board of directors shall either
32 rescind the board's resolution for the use of revenues for
33 the athletic facility infrastructure project or direct the
34 county commissioner of elections to submit the question to the
35 registered voters of the school district at an election held

1 on a date specified in section 39.2, subsection 4, paragraph
2 "c". The petition must be signed by eligible electors equal
3 in number to not less than one hundred or thirty percent of
4 the number of voters at the last preceding election of school
5 officials under section 277.1, whichever is greater. If a
6 majority of those voting on the question favors the use of the
7 revenues for the athletic facility infrastructure project, the
8 board shall be authorized to approve such use by resolution of
9 the board. If a majority of those voting on the question does
10 not favor the use of the revenues for the athletic facility
11 infrastructure project, the board of directors shall rescind
12 the board's resolution for the use of revenues for the athletic
13 facility infrastructure project. If a petition is not received
14 by the board of directors within the prescribed time period,
15 the board of directors may approve the use of revenues for
16 the athletic facility infrastructure project without voter
17 approval.

18 *b.* After fourteen days from the date of the hearing under
19 paragraph "a" or fourteen days after the date of the election
20 held under paragraph "a", if applicable, whichever is later, an
21 action shall not be brought questioning the board of directors'
22 authority to use funds for the athletic facility infrastructure
23 project or questioning the legality of any proceedings in
24 connection with the authorization of such use.

25 *c.* For purposes of this subsection:

26 (1) "*Athletic facility*" means a building or structure, or
27 portion thereof, that is not physically attached to a student
28 attendance center.

29 (2) "*Athletic facility infrastructure project*" means a school
30 infrastructure project that includes in whole or in part the
31 construction of an athletic facility.

32 (3) "*Construction*" does not include repair or maintenance
33 of an existing facility.

34 Sec. 17. Section 423F.4, Code 2019, is amended to read as
35 follows:

1 **423F.4 Borrowing authority for school districts.**

2 1. A Subject to the conditions established under subsection
3 2, a school district may anticipate its share of the revenues
4 under section 423F.2 by issuing bonds in the manner provided in
5 section 423E.5, Code 2019. However, to the extent any school
6 district has issued bonds anticipating the proceeds of an
7 extended local sales and services tax for school infrastructure
8 purposes imposed by a county pursuant to former chapter 423E,
9 Code and Code Supplement 2007, prior to July 1, 2008, the
10 pledge of such revenues for the payment of principal and
11 interest on such bonds shall be replaced by a pledge of its
12 share of the revenues under section 423F.2.

13 2. a. Bonds issued on or after July 1, 2019, shall not be
14 sold at public sale as provided in chapter 75, or at a private
15 sale, without notice and hearing. Notice of the time and place
16 of the public hearing shall be published not less than ten nor
17 more than twenty days before the public hearing in a newspaper
18 which is a newspaper of general circulation in the school
19 district.

20 b. For bonds subject to the requirements of paragraph
21 "a", if at any time prior to the fifteenth day following the
22 hearing, the secretary of the board of directors receives a
23 petition containing the required number of signatures and
24 asking that the question of the issuance of such bonds be
25 submitted to the voters of the school district, the board shall
26 either rescind its adoption of the resolution or direct the
27 county commissioner of elections to submit the question to the
28 registered voters of the school district at an election held
29 on a date specified in section 39.2, subsection 4, paragraph
30 "c". The petition must be signed by eligible electors equal
31 in number to not less than one hundred or thirty percent of
32 the number of voters at the last preceding election of school
33 officials under section 277.1, whichever is greater. If the
34 board submits the question at an election and a majority of
35 those voting on the question favors issuance of the bonds, the

1 board shall be authorized to issue the bonds.

2 c. After fourteen days from the date of the hearing under
3 paragraph "a" or fourteen days after the date of the election
4 held under paragraph "b", if applicable, whichever is later,
5 an action shall not be brought questioning the legality of
6 any bonds or the power of the authority to issue any bonds
7 or to the legality of any proceedings in connection with the
8 authorization or issuance of the bonds.

9 Sec. 18. Section 423F.6, Code 2019, is amended to read as
10 follows:

11 **423F.6 Repeal.**

12 This chapter is repealed ~~December 31, 2029~~ January 1, 2051.

13 Sec. 19. STATE MANDATE FUNDING SPECIFIED. In accordance
14 with section 25B.2, subsection 3, the state cost of requiring
15 compliance with any state mandate included in this Act shall
16 be paid by a school district from state school foundation aid
17 received by the school district under section 257.16. This
18 specification of the payment of the state cost shall be deemed
19 to meet all of the state funding-related requirements of
20 section 25B.2, subsection 3, and no additional state funding
21 shall be necessary for the full implementation of this Act
22 by and enforcement of this Act against all affected school
23 districts.

24 **EXPLANATION**

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

27 Code section 423.2 imposes a state tax of 6 percent upon
28 the sales price of all sales of tangible personal property,
29 consisting of goods, wares, merchandise, and other items
30 designated by statute, sold at retail in the state to consumers
31 or users, except as otherwise provided by Code chapter 423.
32 Generally, by operation of law, a sale subject to the sales
33 tax is also subject to the use tax. Following the transfer
34 of amounts required by statute, if applicable, one-sixth of
35 the remaining state sales tax revenue from the 6 percent tax

1 is transferred to the secure an advanced vision for education
2 (SAVE) fund created in Code section 423F.2. Moneys in the SAVE
3 fund are allocated to school districts on a per pupil basis to
4 be used for infrastructure and property tax reduction purposes
5 specified in Code chapter 423F. Under current law, the sales
6 tax rate of 6 percent is reduced to 5 percent on January 1,
7 2030, and Code chapter 423F, along with other corresponding
8 provisions, is repealed December 31, 2029.

9 This bill extends the 6 percent sales tax rate, the
10 allocation to the SAVE fund, and the statutory repeal of Code
11 chapter 423F until January 1, 2051.

12 Code section 423F.2 provides that prior to distribution of
13 SAVE revenues to school districts, 2.1 percent of the moneys
14 available in the SAVE fund are distributed and credited to
15 the property tax equity and relief (PTER) fund to be used for
16 additional property tax levy aid. The bill provides that for
17 each fiscal year beginning on or after July 1, 2019, the equity
18 transfer amount, as created in the bill, is distributed and
19 credited to the PTER fund and foundation base supplement fund
20 in amounts specified in the bill. The bill creates the equity
21 transfer percentage, which is used to determine the amount of
22 the equity transfer amount, and is equal to the equity transfer
23 percentage for the immediately preceding fiscal year, unless
24 the amount of money available in the SAVE fund in the fiscal
25 year is equal to or exceeds 102 percent of the amount of money
26 available in the SAVE fund for the immediately preceding fiscal
27 year, in which case the equity transfer percentage shall be the
28 equity transfer percentage for the immediately preceding fiscal
29 year plus 1 percent. However, the bill caps the percentage at
30 12 percent. The equity transfer percentage for the fiscal year
31 beginning July 1, 2018, is 2.1 percent. The amount required to
32 be transferred from the SAVE fund to the PTER fund is equal to
33 the equity transfer amount minus the foundation base transfer
34 amount.

35 The bill also establishes a foundation base transfer amount

1 that equals the equity transfer amount minus the sum of 2.1
2 percent of the amount of the moneys available in the SAVE fund
3 in the fiscal year plus two-thirds of the product of the equity
4 transfer percentage minus 2.1 percent multiplied by the moneys
5 available in the SAVE fund in the fiscal year. An amount equal
6 to the foundation base transfer amount is credited to the
7 foundation base supplement fund to be used by the department of
8 management for purposes of making foundation base supplement
9 payments to school districts on a per pupil basis calculated
10 using each school district's weighted enrollment and subject to
11 specified total foundation base supplement limits in the bill.

12 The bill also establishes a career academy transfer amount
13 that for the fiscal year beginning July 1, 2019, is \$1 million.
14 For each fiscal year beginning on or after July 1, 2020, the
15 career academy transfer amount is equal to the lesser of \$5
16 million or the amount of the career academy transfer amount
17 for the immediately preceding fiscal year, unless the amount
18 of moneys available in the SAVE fund in the fiscal year equals
19 or exceeds 102.5 percent of the amount of moneys available in
20 the fund for the immediately preceding fiscal year, in which
21 case the career academy transfer amount equals the lesser of
22 \$5 million or the sum of the amount of the career academy
23 transfer amount for the immediately preceding fiscal year plus
24 0.5 percent of the amount of moneys available in the SAVE fund
25 in the fiscal year following the deposit of revenues in the
26 property tax equity and relief fund and the foundation base
27 supplement fund.

28 An amount equal to the career academy transfer amount
29 is credited to the career academy fund to be used by the
30 department of education for purposes of providing competitive
31 grants, not to exceed \$1 million per grant, to school districts
32 for career academy infrastructure, career academy equipment, or
33 both, in accordance with the bill and to further the goals of
34 the establishment and operation of career academies under Code
35 section 258.15.

1 Under the bill, existing revenue purpose statements for the
2 use of SAVE fund revenues adopted before July 1, 2019, shall
3 terminate and be of no further force and effect on January 1,
4 2031, or the expiration date of the revenue purpose statement,
5 whichever is earlier. If a school district intends to use
6 SAVE fund revenues for purposes other than those which can
7 be approved by the school board alone and does not intend to
8 operate without a revenue purpose statement on or after January
9 1, 2031, or the expiration of the revenue purpose statement,
10 whichever is earlier, the school board must submit a revenue
11 purpose statement for approval by the electors on or after
12 July 1, 2019, and such revenue purpose statement submitted to
13 the electors shall include all proposed uses including those
14 previously approved by the electors, if applicable. The bill
15 specifies that if a revenue purpose statement is terminated
16 under the provisions of the bill, such termination shall
17 not affect the validity of or a first lien on bonds issued
18 under Code sections 423E.5 and 423F.5 prior to the date of
19 termination, or the validity of a contract or other obligation
20 of the school district secured in whole or in part by or
21 requiring the payment of SAVE revenues in effect prior to the
22 date of termination.

23 The bill provides that prior to approving the use of SAVE
24 revenues for an athletic facility infrastructure project
25 that is defined in the bill to mean a school infrastructure
26 project that includes in whole or in part, the construction
27 of an athletic facility, the board of directors must first
28 hold an additional public hearing on the issue of the athletic
29 facility. The bill defines "athletic facility" to mean
30 a building or structure, or portion thereof, that is not
31 physically attached to a student attendance center. If at any
32 time prior to the 15th day following the hearing, the secretary
33 of the board of directors receives a petition containing the
34 required number of signatures and asking that the question of
35 the approval of the use of revenues for the athletic facility

1 infrastructure project be submitted to the voters of the school
2 district, the board of directors shall either rescind the
3 resolution for use of SAVE revenues for the athletic facility
4 infrastructure project or direct the county commissioner of
5 elections to submit the question to the registered voters of
6 the school district. If a majority of those voting on the
7 question favors the use of the SAVE revenues for the athletic
8 facility infrastructure project, the board shall be authorized
9 to approve such use by resolution of the board. If a majority
10 of those voting on the question does not favor the use of the
11 SAVE revenues for the school infrastructure project, the board
12 of directors shall rescind the board's resolution for use of
13 SAVE revenues for the athletic facility infrastructure project.
14 If a petition is not received by the board of directors
15 within the prescribed time period, the board of directors may
16 approve the use of SAVE revenues for the athletic facility
17 infrastructure project without voter approval. The bill also
18 establishes limitations on the period of time to bring an
19 action to question the authority to use funds for such purpose
20 or the legality of any proceedings in connection with the
21 authorization of such use.

22 Code section 423F.3 defines "school infrastructure" for
23 purposes of the uses for which school districts are permitted
24 to expend SAVE revenues. The bill adds "school safety and
25 security infrastructure", as defined in the bill, to the
26 definition of "school infrastructure". The bill specifies
27 that it is the intent of the general assembly that each school
28 district prioritize the use of SAVE revenues for secure entries
29 for the district's attendance centers before expending such
30 revenues for athletic facility infrastructure projects.

31 Current law authorizes a school district to anticipate
32 its share of SAVE fund revenues by issuing bonds without
33 voter approval. The bill provides that revenue bonds issued
34 on or after July 1, 2019, shall not be sold at public sale
35 or at a private sale without notice and a public hearing.

1 Additionally, if at any time prior to the 15th day following
2 the hearing, the secretary of the board of directors receives
3 a petition containing the required number of signatures and
4 asking that the question of the issuance of such bonds be
5 submitted to the voters of the school district, the school
6 board shall either rescind its adoption of the resolution or
7 direct the county commissioner of elections to submit the
8 question to the registered voters of the school district. The
9 petition must be signed by eligible electors equal in number
10 to not less than 100 or 30 percent of the number of voters at
11 the last preceding election of school officials, whichever
12 is greater. If the school board submits the question at an
13 election and a majority of those voting on the question favors
14 issuance of the bonds, the board shall be authorized to issue
15 the bonds. The bill also places limitations on the period
16 of time during which an action questioning the legality or
17 procedural compliance for the issuance of such bonds may be
18 brought.

19 Currently, a school district with a certified enrollment
20 of fewer than 250 pupils in the entire district or certified
21 enrollment of fewer than 100 pupils in high school must apply
22 to the department of education for a certificate of need
23 before the school district can expend the supplemental school
24 infrastructure amount received for new construction or for
25 payments for bonds issued for new construction against the
26 supplemental school infrastructure amount. The bill modifies
27 the criteria to be used by the department of education in
28 determining whether to issue a certificate of need to include
29 the cost-benefit analysis of remodeling, reconstructing, or
30 repairing existing buildings versus new construction and
31 consideration of the benefit of the new construction on student
32 learning.

33 The bill may include a state mandate as defined in Code
34 section 25B.3. The bill requires that the state cost of
35 any state mandate included in the bill be paid by a school

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1 district from state school foundation aid received by the
2 school district under Code section 257.16. The specification
3 is deemed to constitute state compliance with any state mandate
4 funding-related requirements of Code section 25B.2. The
5 inclusion of this specification is intended to reinstate the
6 requirement of political subdivisions to comply with any state
7 mandates included in the bill.