

**House Study Bill 107 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
EDUCATION BILL)

**A BILL FOR**

1 An Act striking certain reporting requirements related to  
2 nonprofit school organizations established by school  
3 districts.

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

1 Section 1. Section 279.62, Code 2021, is amended to read as  
2 follows:

3 **279.62 Nonprofit school organizations.**

4 The board of directors of a school district may take action  
5 to adopt a resolution to establish, and authorize expenditures  
6 for the operational support of, an entity or organization for  
7 the sole benefit of the school district and its students that  
8 is exempt from federal income taxation under section 501(c)(3)  
9 of the Internal Revenue Code. The entity or organization  
10 shall reimburse the school district for expenditures made by  
11 the school district on behalf of the entity or organization.  
12 Prior to establishing such an entity or organization, the board  
13 of directors shall hold a public hearing on the proposal to  
14 establish such an entity or organization. Such an entity or  
15 organization shall maintain its records in accordance with  
16 chapter 22, except that the entity or organization shall  
17 provide for the anonymity of a donor at the written request  
18 of the donor. The board of directors of a school district  
19 shall annually report to the ~~department of education and to~~  
20 ~~the local community the administrative expenditures, revenues,~~  
21 ~~and activities of the entity or organization established by~~  
22 ~~the school district pursuant to this section. The department~~  
23 ~~shall include in its annual condition of education report a~~  
24 ~~statewide summary of the expenditures and revenues submitted in~~  
25 ~~accordance with this section.~~

26 EXPLANATION

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

29 Code section 279.62 authorizes a school district to  
30 establish, and authorize expenditures for the operational  
31 support of, an entity or organization for the sole benefit  
32 of the school district and its students that is exempt from  
33 federal income taxation under section 501(c)(3) of the Internal  
34 Revenue Code. The board of directors of the school district  
35 is required to annually report to the department of education

1 and to the local community the administrative expenditures,  
2 revenues, and activities of the entity or organization, and the  
3 department is required to include a summary of such information  
4 in its annual condition of education report. This bill strikes  
5 the requirement that the school district annually report to the  
6 department of education and the requirement that the department  
7 include a summary of such information in its annual report.