

House File 113 - Introduced

HOUSE FILE 113
BY HARRIS

A BILL FOR

1 An Act authorizing expenditures from certain funds by small
2 school districts.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 298.3, Code 2025, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 5. a. In addition to the authorized
4 purposes of the revenues from the physical plant and equipment
5 levy under this section, for up to a five-year period, a school
6 district with a budget enrollment of two hundred students or
7 less for each of the three most recent school budget years prior
8 to such period may use the unencumbered and unobligated moneys
9 remaining in the physical plant and equipment levy fund for any
10 school district general fund purpose other than for salaries or
11 benefits.

12 b. Prior to approving the use of the unencumbered and
13 unobligated moneys remaining in the fund, the board of directors
14 of the school district must adopt a resolution directing the
15 county commissioner of elections to submit the question approving
16 such use to the registered voters of the school district. The
17 board of directors of a school district may, with approval of
18 sixty percent of the voters voting on the question, use the
19 unencumbered and unobligated moneys as provided in paragraph "a".
20 The election shall be held on a date specified in section 39.2,
21 subsection 4, paragraph "c".

22 c. The board of directors of the school district may adopt
23 a resolution directing the county commissioner of elections to
24 submit the question anew as provided in this subsection five
25 years after the previous election or after expiration of the
26 authorized period, whichever is earlier.

27 Sec. 2. Section 298A.6, Code 2025, is amended to read as
28 follows:

29 **298A.6 Public education and recreation levy fund.**

30 1. The public education and recreation levy fund is a special
31 revenue fund. A public education and recreation levy fund must
32 be established in any school corporation which levies the tax
33 authorized under section 300.2 or which receives revenue from a
34 chapter 28E agreement authorized under section 300.1.

35 2. a. In addition to the authorized purposes of the revenues

1 from the public education and recreation levy, for up to a
2 five-year period, a school district with a budget enrollment
3 of two hundred students or less for each of the three most
4 recent school budget years prior to such period may use the
5 unencumbered and unobligated moneys remaining in the public
6 education and recreation levy fund for any school district
7 general fund purpose, other than for salaries or benefits.

8 b. Prior to approving the use of the unencumbered and
9 unobligated moneys remaining in the fund, the board of directors
10 of the school district must adopt a resolution directing the
11 county commissioner of elections to submit the question approving
12 such use to the registered voters of the school district. The
13 board of directors of a school district may, with approval of
14 sixty percent of the voters voting on the question, use the
15 unencumbered and unobligated moneys as provided in paragraph "a".
16 The election shall be held on a date specified in section 39.2,
17 subsection 4, paragraph "c".

18 c. The board of directors of the school district may adopt
19 a resolution directing the county commissioner of elections to
20 submit the question anew as provided in this subsection five
21 years after the previous election or after expiration of the
22 authorized period, whichever is earlier.

23 Sec. 3. Section 423F.3, Code 2025, is amended by adding the
24 following new subsection:

25 NEW SUBSECTION. 7A. After July 1, 2025, a school district
26 with a budget enrollment of two hundred students or less for
27 each of the three most recent school budget years may adopt a
28 new revenue purpose statement that includes the expenditure of
29 unencumbered and unobligated revenues received under this chapter
30 for up to a five-year period for any school district general fund
31 purpose, other than for salaries or benefits. Such a revenue
32 purpose statement must be approved by at least sixty percent of
33 the total votes cast on the proposition.

34 EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill authorizes expenditures from certain funds by small
3 school districts.

4 Under the bill, a school district with a budget enrollment
5 of 200 students or less for each of the three most recent
6 budget years may use, for up to five years, the unencumbered and
7 unobligated moneys remaining in the physical plant and equipment
8 levy fund (PPEL) and public education and recreation levy fund
9 (PERL) for any school district general fund purpose, other than
10 for salary and benefits. The bill also permits such a school
11 district to adopt a new revenue purpose statement that includes
12 the use of unobligated and unreserved revenues received from the
13 secure an advanced vision for education fund (SAVE) for up to
14 five years for any school district general fund purpose, other
15 than for salary and benefits. Such use authorizations must be
16 approved at an election where the question or the revenue purpose
17 statement, as applicable, receives at least 60 percent approval.