

1993, one of the remaining three members shall be a representative of that community. If a city contiguous to the city designating the enterprise zone is included in an enterprise zone, a representative of the contiguous city, chosen by the city council, shall be a member of the commission. A city in which an eligible enterprise zone is certified shall have only one enterprise zone commission. If a city has established an enterprise zone commission prior to the effective date of this Act, the city may petition to the department of economic development to change the structure of the existing commission.

Sec. 13. Section 15E.196, subsection 5, Code Supplement 1997, is amended to read as follows:

5. The county or city for which an eligible enterprise zone is certified may exempt from all property taxation all or a portion of the value added to the property upon which an eligible business locates or expands in an enterprise zone and which is used in the operation of the eligible business. The amount of value added for purposes of this subsection shall be the amount of the increase in assessed valuation of the property following the location or expansion of the business in the enterprise zone. If an exemption provided pursuant to this subsection is made applicable to only a portion of the property within an enterprise zone, the definition of that subset of eligible property must be by uniform criteria which further some planning objective established by the city or county enterprise zone commission and approved by the eligible city or county. The exemption may be allowed for a period not to exceed ten years beginning the year the eligible business enters into an agreement with the county or city to locate or expand operations in an enterprise zone.

Sec. 14. Section 15.308, Code 1997, is repealed.

Approved May 6, 1998

CHAPTER 1176

EDUCATION STANDARDS AND ACCREDITATION PROCESS

H.F. 2272

AN ACT requiring the state board of education to adopt rules relating to the incorporation of accountability for student achievement into the education standards and accreditation process.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 256.7, Code 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 21. Develop and adopt rules by July 1, 1999, incorporating accountability for student achievement into the standards and accreditation process described in section 256.11. The rules shall provide for all of the following:

a. Requirements that all school districts and accredited nonpublic schools develop, implement, and file with the department a comprehensive school improvement plan that includes, but is not limited to, demonstrated school, parental, and community involvement in assessing educational needs, establishing local education standards and student achievement levels, and, as applicable, the consolidation of federal and state planning, goal-setting, and reporting requirements.

b. A set of core academic indicators in mathematics and reading in grades four, eight, and eleven, a set of core academic indicators in science in grades eight and eleven, and another

set of core indicators that includes, but is not limited to, graduation rate, postsecondary education, and successful employment in Iowa. Annually, the department shall report state data for each indicator in the condition of education report.

c. A requirement that all school districts and accredited nonpublic schools annually report to the department and the local community the district-wide progress made in attaining student achievement goals on the academic and other core indicators and the district-wide progress made in attaining locally established student learning goals. The school districts and accredited nonpublic schools shall demonstrate the use of multiple assessment measures in determining student achievement levels. The school districts and accredited nonpublic schools may report on other locally determined factors influencing student achievement. The school districts and accredited nonpublic schools shall also report to the local community their results by individual attendance center.

Approved May 6, 1998

CHAPTER 1177

TAXATION — MISCELLANEOUS PROVISIONS

H.F. 2513

AN ACT relating to the individual income tax by eliminating the taxation of certain capital gains and providing special treatment of gains from the sales of businesses to descendants, increasing the amount of pension income excluded, increasing certain personal exemption tax credits, and increasing and expanding the tuition and textbook tax credit, exempting sales and services to certain nonprofit hospitals from the sales, services, and use taxes, and relating to the income eligibility requirements for the homestead property tax credit, mobile home tax credit, or reimbursement for rent constituting property taxes paid, and including effective and prospective and retroactive applicability date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I CAPITAL GAINS

Section 1. Section 422.7, subsection 21, unnumbered paragraph 1, Code Supplement 1997, is amended to read as follows:

Subtract ~~forty-five percent~~ of the net capital gain from the following:

Sec. 2. Section 422.7, subsection 21, paragraph a, Code Supplement 1997, is amended to read as follows:

a. (1) Net capital gain from the sale of real property used in a business, in which the taxpayer materially participated for ten years, as defined in section 469(h) of the Internal Revenue Code, and which has been held for a minimum of ten years, or from the sale of a business, as defined in section 422.42, in which the taxpayer was employed or in which the taxpayer materially participated for ten years, as defined in section 469(h) of the Internal Revenue Code, and which has been held for a minimum of ten years. The sale of a business means the sale of all or substantially all of the tangible personal property or service of the business.