CHAPTER 1  
SCHOOL FINANCE — STATE PERCENTS OF GROWTH — PROPERTY TAX REPLACEMENT PAYMENTS  
H.F. 306

AN ACT relating to public school funding by establishing the state percent of growth and the 
categorical state percent of growth for the budget year beginning July 1, 2019, modifying 
provisions relating to the property tax replacement payments, and including effective 
date provisions.

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

   1. Section 257.8, subsections 1 and 2, Code 2019, are amended to read as follows:  
   1. State percent of growth. The state percent of growth for the budget year beginning July 
   1, 2016, is two and twenty-five hundredths percent. The state percent of growth for the 
budget year beginning July 1, 2017, is one and eleven hundredths percent. The state percent 
of growth for the budget year beginning July 1, 2018, is one percent. The state percent of 
growth for the budget year beginning July 1, 2019, is two and six hundredths percent. The 
state percent of growth for each subsequent budget year shall be established by statute which 
shall be enacted within thirty days of the transmission of the governor’s budget required by 
February 1 under section 8.21 during the regular legislative session beginning in the base 
year.

   2. Categorical state percent of growth. The categorical state percent of growth for the 
budget year beginning July 1, 2016, is two and twenty-five hundredths percent. The 
categorical state percent of growth for the budget year beginning July 1, 2017, is one and 
eleven hundredths percent. The categorical state percent of growth for the budget year 
beginning July 1, 2018, is one percent. The categorical state percent of growth for the 
budget year beginning July 1, 2019, is two and six hundredths percent. The categorical 
state percent of growth for each budget year shall be established by statute which shall 
be enacted within thirty days of the transmission of the governor’s budget required by 
February 1 under section 8.21 during the regular legislative session beginning in the base 
year. The categorical state percent of growth may include state percents of growth for the 
teacher salary supplement, the professional development supplement, the early intervention 
supplement, and the teacher leadership supplement.

   Sec. 2. Section 257.16B, subsection 1, Code 2019, is amended to read as follows:  
   1. For each fiscal year beginning on or after July 1, 2013, 2017, there is appropriated from 
the general fund of the state to the department of education an amount necessary to make 
all school district property tax replacement payments under this section, as calculated in 
subsection 2.

   Sec. 3. Section 257.16B, subsection 2, paragraphs a, b, c, and d, Code 2019, are amended 
by striking the paragraphs.

   Sec. 4. Section 257.16B, subsection 2, paragraph f, unnumbered paragraph 1, Code 2019, 
is amended to read as follows:  
   For each the budget year beginning on or after July 1, 2018, the department of management 
shall calculate for each school district all of the following:

   Sec. 5. Section 257.16B, subsection 2, paragraph f, subparagraph (3), Code 2019, is 
amended to read as follows:  
   (3) The amount of each school district’s property tax replacement payment. Each school 
district’s property tax replacement payment equals the school district’s weighted enrollment 
for the budget year beginning July 1, 2018, multiplied by the remainder of the amount 
calculated for the school district under subparagraph (2) minus the amount calculated for 
the school district under subparagraph (1).
Sec. 6. Section 257.16B, subsection 2, Code 2019, is amended by adding the following new paragraph:

NEW PARAGRAPH. g. For each budget year beginning on or after July 1, 2019, the department of management shall calculate for each school district all of the following:

1) The regular program state cost per pupil for the budget year beginning July 1, 2012, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1.

2) The regular program state cost per pupil for the budget year beginning July 1, 2019, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1.

3) The amount of each school district’s property tax replacement payment. Each school district’s property tax replacement payment equals the school district’s weighted enrollment for the budget year multiplied by the remainder of the amount calculated for the school district under subparagraph (2) minus the amount calculated for the school district under subparagraph (1).

Sec. 7. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved February 19, 2019