

FEB 6 2006
EDUCATION

HOUSE FILE 2248
BY MAY

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the expansion of authorized uses of physical
2 plant and equipment levy revenue, and including an
3 applicability provision.

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

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HF 2248

1 Section 1. Section 298.3, subsection 3, Code 2005, is
2 amended to read as follows:

3 3. The purchase, lease, or lease-purchase of a single unit
4 of equipment or technology exceeding five hundred dollars in
5 value per unit, and the purchase of software or payments under
6 a software licensing agreement exceeding five hundred dollars
7 in value per purchase or agreement relating to that equipment
8 or technology purchase, lease, or lease-purchase.

9 Sec. 2. Section 298.3, subsection 6, Code 2005, is amended
10 to read as follows:

11 6. Repairing, remodeling, reconstructing, improving,
12 maintaining, or expanding the schoolhouses or buildings and
13 additions to existing schoolhouses.

14 For the purpose of this subsection, "repairing" means
15 restoring an existing structure or thing to its original
16 condition, as near as may be, after decay, waste, injury, or
17 partial destruction, ~~but does not include maintenance~~
18 including repairing a building in preparation for sale; and
19 "reconstructing" means rebuilding or restoring as an entity a
20 thing which was lost or destroyed. For the purpose of this
21 subsection, maintenance only includes costs exceeding five
22 hundred dollars per incidence or occurrence.

23 Sec. 3. Section 298.3, subsection 9, Code 2005, is amended
24 to read as follows:

25 9. Purchase, repair, or maintenance of transportation
26 equipment for transporting students, and for depreciation of
27 costs for leasing transportation services.

28 Sec. 4. Section 298.3, Code 2005, is amended by adding the
29 following new unnumbered paragraph:

30 NEW UNNUMBERED PARAGRAPH. A school district shall only be
31 authorized to utilize physical plant and equipment levy
32 revenue for the purchase of software or payments under a
33 software licensing agreement pursuant to subsection 3, for
34 maintenance costs or repairing a building in preparation for
35 sale pursuant to subsection 6, or for transportation repair,

1 maintenance, or depreciation costs pursuant to subsection 9,
2 if the department of management determines that the school
3 district has an assessed property tax valuation per pupil
4 below the statewide average assessed property tax valuation
5 per pupil.

6 Sec. 5. APPLICABILITY. This Act is applicable for
7 physical plant and equipment levies either in existence or
8 imposed on or after the effective date of this Act, and local
9 option sales taxes for school infrastructure purposes either
10 in existence or imposed on or after the effective date of this
11 Act.

12 EXPLANATION

13 This bill provides for the expansion of authorized uses for
14 revenue derived from the physical plant and equipment levy
15 specified in Code section 298.3, and by extension authorized
16 uses of revenue derived from the local option sales tax for
17 school infrastructure purposes specified in Code section
18 423E.1, since the latter Code section references and includes
19 purposes specified in Code section 298.3.

20 Currently, revenue derived from the physical plant and
21 equipment levy may be utilized, among other purposes, for the
22 purchase, lease, or lease-purchase of a single unit of
23 equipment or technology exceeding \$500 in value per unit. The
24 bill expands this authorization to include the purchase of
25 software or payments under a software licensing agreement
26 exceeding \$500 in value per purchase or agreement, which
27 relates to the equipment or technology purchase, lease, or
28 lease-purchase.

29 Additionally, revenue derived from the physical plant and
30 equipment levy may currently be utilized for repairing,
31 remodeling, reconstructing, improving, or expanding
32 schoolhouses or buildings and additions to existing
33 schoolhouses. The bill adds "maintaining" to this list, and
34 with reference to what constitutes "repair", deletes a
35 provision which excluded maintenance from what would be

1 considered the repairing of an existing structure, and adds
2 repairing a building in preparation for sale. The bill also
3 adds the provision that to be authorized, maintenance costs
4 must exceed \$500 per incidence or occurrence.

5 The bill also provides that revenue derived from the
6 physical plant and equipment levy may be utilized for the
7 repair or maintenance of transportation equipment for
8 transporting students, and for depreciation of costs for
9 leasing transportation services. Currently, only the purchase
10 of such equipment is authorized with physical plant and
11 equipment levy revenue.

12 The bill adds a qualifying provision that a school district
13 shall only be authorized to utilize physical plant and
14 equipment levy revenue for the expanded purposes contained in
15 the bill if the department of management determines that the
16 school district has an assessed property tax valuation per
17 pupil below the statewide average assessed property tax
18 valuation per pupil.

19 The bill contains an applicability provision for physical
20 plant and equipment levies either in existence or imposed on
21 or after the bill's effective date, and for local option sales
22 taxes for school infrastructure purposes either in existence
23 or imposed on or after the bill's effective date.

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