

February 28, 1963.

House File 488

Passed on File.

*Tap Revision
3/11*

*Hayward Means
Without Reason
5/1*

*Drifting
Committee 5/2
withdrew
from bill
5/10*

By CUNNINGHAM, STANLEY, SMITH of O'Brien,
SWISHER, HANSON of Mitchell, PETERSEN of
Dallas, KNOWLES, GRASSLEY, EDGINGTON,
LOSS, PARKER, KLUEVER, DUNTON, OLSON,
NELSON, BARINGER, EVELAND, FRAZIER,
BUSCH, RILEY, ELY, BOCK, FALVEY, MAHAN,
KREAGER, VAN ALSTINE, CARNAHAN,
GITTINS, DENMAN, VAN NOSTRAND, REPPERT,
MURRAY, SCHERLE, PAUL, VETTER, MILLER of
Des Moines, ANDERSEN of Woodbury, GRAHAM,
DIETZ, CAMP, CARSTENSEN and BALLOUN.

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

A BILL FOR

An Act relating to school bonds and taxes.

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

- 1 Section 1. Section two hundred ninety-eight point
- 2 eighteen (298.18), Code 1962, is hereby amended by inserting
- 3 the following paragraph at the end thereof:
- 4 "However, the amount estimated and certified to apply
- 5 on principal and interest for any one year may exceed
- 6 seven (7) mills but shall not exceed ten (10) mills on
- 7 the dollar of the assessed valuation of the taxable property
- 8 of the school corporation, if the school corporation has
- 9 more than half its land area in a county having more than
- 10 twenty-eight thousand (28,000) population or in two (2)
- 11 or more such counties; and if this provision is at any
- 12 time applicable to a school corporation, it shall continue
- 13 to apply to such school corporation or its successor not-
- 14 withstanding any change in such land area or population.
- 15 If the board of the school corporation estimates that a
- 16 proposed bond issue will require a levy in excess of seven

17 (7) mills to pay principal and interest on such proposed
18 bonds and other bonded indebtedness of the school corporation,
19 then when such proposed bond issue is submitted to the electors
20 the ballots shall state in substance: 'If this bond issue is
21 approved, the tax levy for payment of principal and interest
22 on bonded indebtedness of this school district is expected
23 to exceed seven (7) mills but will not exceed ten (10)
24 mills.' "

EXPLANATION OF HOUSE FILE 488

Some school districts in larger counties are severely limited by the maximum seven-mill levy to pay principal and interest on school bonds. This bill will allow these districts to levy up to 10 mills for this purpose.

This bill applies only to school districts in counties of 28,000 or more population.

These districts will still be subject to the constitutional 5 percent debt limit. Every bond issue must be approved by a 60 percent vote of the people. As an added safeguard, this bill requires the ballots on a school bond issue to state clearly that if this bond is approved, a tax levy in excess of seven mills will be required.

Equalization of tax assessments will not solve this problem. Raising assessments would provide only a small fraction of the three mills which are needed.

Some districts which have this problem are urban; some are rural. Their "building squeeze" is caused by (1) a high percentage of state-owned property in the district; or (2) rapid population growth in a school district with little increase in taxable property, as happens when factories are built in one district, but the workers live in a different district; or (3) other special situations.

The people in these districts do not want to ask for state appropriations for their local schools. They are willing to pay for their own schools, if the state will change this law to let them do so.