

FEB 7 2002

WAYS AND MEANS

HOUSE FILE 2252

BY SENG

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act authorizing by election the expenditure of local sales and
2 services tax for school infrastructure proceeds for school
3 district operating costs and providing an effective date.

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

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HF 2252

1 Section 1. Section 422E.1, subsection 3, Code 2001, is
2 amended to read as follows:

3 3. Local sales and services tax moneys received by a
4 county for school infrastructure purposes pursuant to this
5 chapter shall be utilized solely for school infrastructure
6 needs. For purposes of this chapter, "school infrastructure"
7 means those activities for which a school district is
8 authorized to contract indebtedness and issue general
9 obligation bonds under section 296.1, except those activities
10 related to a teacher's or superintendent's home or homes.
11 These activities include the construction, reconstruction,
12 repair, purchasing, or remodeling of schoolhouses, stadiums,
13 gyms, fieldhouses, and bus garages and the procurement of
14 schoolhouse construction sites and the making of site
15 improvements. Additionally, "school infrastructure" includes
16 the payment or retirement of outstanding bonds previously
17 issued for school infrastructure purposes as defined in this
18 subsection, and the payment or retirement of bonds issued
19 under section 422E.4. "School infrastructure" also includes
20 school district operating costs. For purposes of this
21 chapter, "operating costs" means costs incurred by the school
22 district related to salaries, administrative expenses, and the
23 maintenance of school facilities and equipment on an ongoing,
24 annual basis.

25 Sec. 2. Section 422E.2, subsection 3, Code Supplement
26 2001, is amended to read as follows:

27 3. The county commissioner of elections shall submit the
28 question of imposition of a local sales and services tax for
29 school infrastructure purposes at a state general election or
30 at a special election held at any time other than the time of
31 a city regular election. The election shall not be held
32 sooner than sixty days after publication of notice of the
33 ballot proposition. The ballot proposition shall specify the
34 rate of tax, the date the tax will be imposed and repealed,
35 and shall contain a statement as to the specific purpose or

1 purposes for which the revenues shall be expended. The ballot
2 shall also state the proportion of tax which shall be expended
3 for school district operating costs, as defined pursuant to
4 section 422E.1, subsection 3, if operating costs are to be
5 included as a purpose for which revenue may be expended. The
6 dates for the imposition and repeal of the tax shall be as
7 provided in subsection 1. The rate of tax shall not be more
8 than one percent as set by the county board of supervisors.
9 The state commissioner of elections shall establish by rule
10 the form for the ballot proposition which form shall be
11 uniform throughout the state.

12 Sec. 3. Section 422E.2, subsection 4, Code Supplement
13 2001, is amended to read as follows:

14 4. a. The tax may be repealed or the rate increased, but
15 not above one percent, or decreased, or a proportion to be
16 expended for school district operating costs added, deleted,
17 or changed, after an election at which a majority of those
18 voting on the question of repeal, or rate change, or
19 proportion change favored the repeal or rate change. The
20 election at which the question of repeal, or rate, or
21 proportion change is offered shall be called and held in the
22 same manner and under the same conditions as provided in this
23 section for the election on the imposition of the tax. The
24 election may be held at any time but not sooner than sixty
25 days following publication of the ballot proposition.
26 However, the tax shall not be repealed before it has been in
27 effect for one year.

28 b. Within ten days of the election at which a majority of
29 those voting on the question favors the imposition, repeal, or
30 change in the rate or proportion of the tax, the county
31 auditor shall give written notice of the result of the
32 election by sending a copy of the abstract of the votes from
33 the favorable election to the director of revenue and finance.
34 Election costs shall be apportioned among school districts
5 within the county on a pro rata basis in proportion to the

1 number of registered voters in each school district and the
2 total number of registered voters in all of the school
3 districts within the county.

4 A local option sales and services tax shall not be repealed
5 or reduced in rate if obligations are outstanding which are
6 payable as provided in section 422E.4, unless funds sufficient
7 to pay the principal, interest, and premium, if any, on the
8 outstanding obligations at and prior to maturity have been
9 properly set aside and pledged for that purpose.

10 Sec. 4. Section 422E.2, subsection 4, Code 2001, is
11 amended by adding the following new paragraph:

12 NEW PARAGRAPH. c. A county which seeks to designate a
13 proportion of the proceeds of the local sales and services tax
14 for school infrastructure, which has imposed the tax prior to
15 the effective date of this Act, to be expended for school
16 district operating costs, shall comply with the provisions of
17 subsection 2, paragraph "a", with regard to receipt of a
18 petition. An election on the question shall be held as
19 provided in this section.

20 Sec. 5. EFFECTIVE DATE. This Act, being deemed of
21 immediate importance, takes effect upon enactment.

22 EXPLANATION

23 This bill provides for the inclusion of school district
24 operating costs within the definition of school infrastructure
25 for purposes of the local sales and services tax for school
26 infrastructure. The bill provides that operating costs refer
27 to costs incurred by the school district relating to salaries,
28 administrative expenses, and the maintenance of school
29 facilities and equipment on an ongoing, annual basis. The
30 bill also provides that the ballot proposition shall state the
31 proportion of tax which shall be expended for school district
32 operating costs. The bill provides that existing local sales
33 and services tax for school infrastructure election procedures
34 and requirements relating to a change in rate, or repeal,
35 following imposition of the tax shall also apply to the

1 designation of a proportion to be expended for school district
2 operating costs, and provides that in the case of a tax
3 imposed prior to the effective date of the bill, the county
4 shall comply with the petition requirements of Code section
5 422E.2, subsection 2, paragraph "a", and a subsequent election
6 as provided in that subsection.

7 The bill takes effect upon enactment.

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