

HSB 651

EDUCATION

*French, Ch  
Roberts  
West*

SENATE/HOUSE FILE 02456  
BY (PROPOSED DEPARTMENT  
OF EDUCATION BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act amending Code provisions administered by the department of  
2 education, including provisions related to participation in  
3 extracurricular activities, tuition reimbursement payment by  
4 school districts under the postsecondary enrollment options  
5 Act, interscholastic activities agreements, school  
6 infrastructure program calculations, phase I payment  
7 calculations, and the use of phase III balances by school  
8 districts and area education agencies.

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

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1 Section 1. Section 256.46, Code 2001, is amended to read  
2 as follows:

3 256.46 RULES FOR PARTICIPATION IN EXTRACURRICULAR  
4 ACTIVITIES BY CERTAIN CHILDREN.

5 The state board shall adopt rules that permit a child who  
6 does not meet the residence requirements for participation in  
7 extracurricular interscholastic contests or competitions  
8 sponsored or administered by an organization as defined in  
9 section 280.13 to participate in the contests or competitions  
10 immediately if the child is duly enrolled in a school, is  
11 otherwise eligible to participate, and meets one of the  
12 following circumstances or a similar circumstance: the child  
13 has been adopted; the child is placed under foster or shelter  
14 care; the child is living with one of the child's parents as a  
15 result of divorce, separation, death, or other change in the  
16 child's parents' marital relationship, or pursuant to other  
17 court-ordered decree or order of custody; the child is a  
18 foreign exchange student; the child has been placed in a  
19 juvenile correctional facility; the child is a ward of the  
20 court or the state; the child is a participant in a substance  
21 abuse or mental health program; or the child is enrolled in an  
22 accredited nonpublic high school because the child's district  
23 of residence has entered into a whole grade sharing agreement  
24 for the pupil's grade with another district.

25 Sec. 2. Section 261C.6, unnumbered paragraph 1, Code 2001,  
26 is amended to read as follows:

27 Not later than June 30 of each year, a school district  
28 shall pay a tuition reimbursement amount to an eligible  
29 postsecondary institution that has enrolled its resident  
30 eligible pupils under this chapter, unless the eligible pupil  
31 is participating in open enrollment under section 282.18, in  
32 which case, the tuition reimbursement amount shall be paid by  
33 the receiving district. However, if a child's residency  
34 changes during a school year, the tuition shall be paid by the  
35 district in which the child was enrolled as of the third

1 Friday in September or the district in which the child was  
 2 counted under section 257.6, subsection 1, paragraph "f". For  
 3 pupils enrolled at the school for the deaf and the Iowa  
 4 braille and sight saving school, the state board of regents  
 5 shall pay a tuition reimbursement amount by June 30 of each  
 6 year. The amount of tuition reimbursement for each separate  
 7 course shall equal the lesser of:

8 Sec. 3. Section 280.13A, unnumbered paragraph 1, Code  
 9 2001, is amended to read as follows:

10 If a school district or nonpublic school does not provide  
 11 an interscholastic activity for its students, the board of  
 12 directors of that school district or the authorities in charge  
 13 of the nonpublic school may complete an agreement with another  
 14 school district or nonpublic school to provide for the  
 15 eligibility of its students in interscholastic activities  
 16 provided by that other school district or nonpublic school. A  
 17 copy of each agreement completed under this section shall be  
 18 filed with the appropriate organization as organization is  
 19 defined in section 280.13 not later than April 30 of the  
 20 school year preceding the school year in which the agreement  
 21 takes effect, unless an exception is granted by the  
 22 organization for good cause. An agreement completed under  
 23 this section shall be deemed approved unless denied by the  
 24 governing organization within ten days after its receipt. A  
 25 governing organization shall determine whether an agreement  
 26 would substantially prejudice the interscholastic activities  
 27 of other schools. An agreement denied by a governing  
 28 organization under this section may be appealed to the state  
 29 board of education under chapter 290.

30 Sec. 4. Section 282.18, subsection 7, Code 2001, is  
 31 amended to read as follows:

32 7. A pupil participating in open enrollment shall be  
 33 counted, for state school foundation aid purposes, in the  
 34 pupil's district of residence. A pupil's residence, for  
 35 purposes of this section, means a residence under section

1 282.1. The board of directors of the district of residence  
2 shall pay to the receiving district the state cost per pupil  
3 for the previous school year, plus any moneys received for the  
4 pupil as a result of the non-English speaking weighting under  
5 section 280.4, subsection 3, for the previous school year  
6 multiplied by the state cost per pupil for the previous year.  
7 The district of residence shall also transmit the phase III  
8 moneys allocated to the district for the previous year for the  
9 full-time equivalent attendance of the pupil, who is the  
10 subject of the request, to the receiving district specified in  
11 the request for transfer. If the pupil participating in open  
12 enrollment is also an eligible pupil under chapter 261C, the  
13 receiving district shall pay the tuition reimbursement amount  
14 to an eligible postsecondary institution as provided in  
15 section 261C.6.

16 Sec. 5. Section 292.2, subsection 1, paragraph d, Code  
17 2001, is amended to read as follows:

18 d. The department of education, in consultation with the  
19 department of revenue and finance and the department of  
20 management, shall annually compute capacity per pupil and the  
21 local match percentage for each school district in the state.  
22 The initial calculations shall be released not later than  
23 ~~January 17, 2001. For all calculations thereafter, the~~  
24 ~~calculations shall be released not later than July~~ September 1  
25 of each year.

26 Sec. 6. Section 294A.6, unnumbered paragraph 1, Code 2001,  
27 is amended to read as follows:

28 For the school year beginning July 1, 1998, the department  
29 of education shall notify the department of revenue and  
30 finance of the total minimum salary supplement, as described  
31 in section 294A.5, subsection 2, paragraphs "a" and "b", to be  
32 paid to each school district and area education agency under  
33 phase I and the department of revenue and finance shall make  
34 the payments. For school years after the school year  
35 beginning July 1, 1998 2001, if a school district or area

1 education agency reduces the number of its full-time  
 2 equivalent teachers in the base year below the number employed  
 3 during the school year beginning July 1, 1998, the department  
 4 of revenue and finance shall reduce the total minimum salary  
 5 supplement payable to that school district or area education  
 6 agency in the budget year so that the amount paid is equal to  
 7 the ratio of the number of full-time equivalent teachers  
 8 employed in the school district or area education agency for  
 9 ~~that-school~~ the base year divided by the number of full-time  
 10 equivalent teachers employed in the school district or area  
 11 education agency for the school year beginning July 1, 1998,  
 12 and multiplying that fraction by the total minimum salary  
 13 supplement paid to that school district or area education  
 14 agency for the school year beginning July 1, 1998. For  
 15 purposes of this section, "base year" and "budget year" mean  
 16 the same as defined in section 257.2.

17 Sec. 7. Section 294A.16, unnumbered paragraphs 4 and 5,  
 18 Code 2001, are amended to read as follows:

19 ~~A-school-district-or-area-education-agency, which receives~~  
 20 ~~money-for-a-school-year-for-an-approved-phase-III-plan, may~~  
 21 ~~retain-up-to-fifty-percent-of-the-moneys-allocated-to-the~~  
 22 ~~district-or-area-education-agency-for-the-next-succeeding~~  
 23 ~~school-year, in order to continue the approved plan.~~ Any of  
 24 the retained phase III moneys remaining in the district or  
 25 area education agency account after at the second end of the  
 26 fiscal year of the plan shall ~~revert-to-the-general-fund-of~~  
 27 ~~the-state-as-provided-in-section-8-33~~ remain available for  
 28 expenditure for purposes of this division by the school  
 29 district or area education agency in succeeding fiscal years.

30 Any moneys allocated ~~or-retained~~ for an approved phase III  
 31 plan, and any interest accrued on the moneys, are  
 32 miscellaneous income for purposes of chapter 257, shall not be  
 33 commingled with state aid payments made, under sections 257.16  
 34 and 257.35, to a school district or area education agency, and  
 35 shall be accounted for by the school district or area

1 education agency separately from state aid payment accounts.

2 EXPLANATION

3 This bill amends Code provisions administered by the  
4 department of education, including provisions related to  
5 participation by children in extracurricular activities,  
6 payment for postsecondary enrollment options costs for a  
7 student participating in open enrollment, agreements to  
8 provide for interscholastic activities for nonpublic school  
9 students, the date by which the department of education must  
10 release its school infrastructure program calculations, the  
11 basis for phase I payment calculations, and the use of phase  
12 III balances by school districts and area education agencies.

13 The bill requires the state board of education to expand  
14 the circumstances under which a child not meeting residence  
15 requirements must be allowed to participate immediately in  
16 extracurricular activities, to include a circumstance in which  
17 a child is living with one of the child's parents pursuant to  
18 a court-ordered decree or order of custody.

19 The bill shifts responsibility for the payment of the  
20 tuition reimbursement amount owed by a school district for a  
21 student who is enrolled under postsecondary enrollment options  
22 and who is also participating in open enrollment to the  
23 receiving district. However, the bill provides that if the  
24 child's residency changes during the school year, tuition  
25 shall be paid by the district in which the child was enrolled  
26 on the third Friday in September.

27 The bill permits the authorities in charge of a nonpublic  
28 school to enter into an agreement with a school district or  
29 other nonpublic school to provide for the eligibility of its  
30 students in interscholastic activities provided by the school  
31 district or other nonpublic school.

32 The bill extends from July 1 to September 1 the date by  
33 which the department of education must annually release its  
34 school infrastructure program calculations for the purpose of  
35 providing grants to school districts under the program.

1 The bill also requires phase I payments to be based upon  
 2 the prior year's full-time equivalent teacher count, and  
 3 permits school districts and area education agencies to retain  
 4 their phase III balances for use in succeeding school years  
 5 for phase III purposes.

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*Substituted for by  
SF 2259*

3/14/02 UNFINISHED BUSINESS CALENDAR

4-11-02

FEB 20 2002

*(p. 1387)*

Place On Calendar

HOUSE FILE **2456**

BY COMMITTEE ON EDUCATION

**WITHDRAWN** (SUCCESSOR TO HSB 651)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

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1 An Act amending Code provisions administered by the department of  
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5 Act, interscholastic activities agreements, school  
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HF 2456

1 Section 1. Section 256.46, Code 2001, is amended to read  
2 as follows:

3 256.46 RULES FOR PARTICIPATION IN EXTRACURRICULAR  
4 ACTIVITIES BY CERTAIN CHILDREN.

5 The state board shall adopt rules that permit a child who  
6 does not meet the residence requirements for participation in  
7 extracurricular interscholastic contests or competitions  
8 sponsored or administered by an organization as defined in  
9 section 280.13 to participate in the contests or competitions  
10 immediately if the child is duly enrolled in a school, is  
11 otherwise eligible to participate, and meets one of the  
12 following circumstances or a similar circumstance: the child  
13 has been adopted; the child is placed under foster or shelter  
14 care; the child is living with one of the child's parents as a  
15 result of divorce, separation, death, or other change in the  
16 child's parents' marital relationship, or pursuant to other  
17 court-ordered decree or order of custody; the child is a  
18 foreign exchange student; the child has been placed in a  
19 juvenile correctional facility; the child is a ward of the  
20 court or the state; the child is a participant in a substance  
21 abuse or mental health program; or the child is enrolled in an  
22 accredited nonpublic high school because the child's district  
23 of residence has entered into a whole grade sharing agreement  
24 for the pupil's grade with another district.

25 Sec. 2. Section 261C.6, unnumbered paragraph 1, Code 2001,  
26 is amended to read as follows:

27 Not later than June 30 of each year, a school district  
28 shall pay a tuition reimbursement amount to an eligible  
29 postsecondary institution that has enrolled its resident  
30 eligible pupils under this chapter, unless the eligible pupil  
31 is participating in open enrollment under section 282.18, in  
32 which case, the tuition reimbursement amount shall be paid by  
33 the receiving district. However, if a child's residency  
34 changes during a school year, the tuition shall be paid by the  
35 district in which the child was enrolled as of the third

1 Friday in September or the district in which the child was  
2 counted under section 257.6, subsection 1, paragraph "f". For  
3 pupils enrolled at the school for the deaf and the Iowa  
4 braille and sight saving school, the state board of regents  
5 shall pay a tuition reimbursement amount by June 30 of each  
6 year. The amount of tuition reimbursement for each separate  
7 course shall equal the lesser of:

8 Sec. 3. Section 280.13A, unnumbered paragraph 1, Code  
9 2001, is amended to read as follows:

10 If a school district or nonpublic school does not provide  
11 an interscholastic activity for its students, the board of  
12 directors of that school district or the authorities in charge  
13 of the nonpublic school may complete an agreement with another  
14 school district or nonpublic school to provide for the  
15 eligibility of its students in interscholastic activities  
16 provided by that other school district or nonpublic school. A  
17 copy of each agreement completed under this section shall be  
18 filed with the appropriate organization as organization is  
19 defined in section 280.13 not later than April 30 of the  
20 school year preceding the school year in which the agreement  
21 takes effect, unless an exception is granted by the  
22 organization for good cause. An agreement completed under  
23 this section shall be deemed approved unless denied by the  
24 governing organization within ten days after its receipt. A  
25 governing organization shall determine whether an agreement  
26 would substantially prejudice the interscholastic activities  
27 of other schools. An agreement denied by a governing  
28 organization under this section may be appealed to the state  
29 board of education under chapter 290.

30 Sec. 4. Section 282.18, subsection 7, Code 2001, is  
31 amended to read as follows:

32 7. A pupil participating in open enrollment shall be  
33 counted, for state school foundation aid purposes, in the  
34 pupil's district of residence. A pupil's residence, for  
35 purposes of this section, means a residence under section

1 282.1. The board of directors of the district of residence  
2 shall pay to the receiving district the state cost per pupil  
3 for the previous school year, plus any moneys received for the  
4 pupil as a result of the non-English speaking weighting under  
5 section 280.4, subsection 3, for the previous school year  
6 multiplied by the state cost per pupil for the previous year.  
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9 full-time equivalent attendance of the pupil, who is the  
10 subject of the request, to the receiving district specified in  
11 the request for transfer. If the pupil participating in open  
12 enrollment is also an eligible pupil under chapter 261C, the  
13 receiving district shall pay the tuition reimbursement amount  
14 to an eligible postsecondary institution as provided in  
15 section 261C.6.

16 Sec. 5. Section 292.2, subsection 1, paragraph d, Code  
17 2001, is amended to read as follows:

18 d. The department of education, in consultation with the  
19 department of revenue and finance and the department of  
20 management, shall annually compute capacity per pupil and the  
21 local match percentage for each school district in the state.  
22 The ~~initial~~ calculations shall be released not later than  
23 ~~January 17, 2001.~~ ~~For all calculations thereafter, the~~  
24 ~~calculations shall be released not later than July~~ September 1  
25 of each year.

26 Sec. 6. Section 294A.6, unnumbered paragraph 1, Code 2001,  
27 is amended to read as follows:

28 For the school year beginning July 1, 1998, the department  
29 of education shall notify the department of revenue and  
30 finance of the total minimum salary supplement, as described  
31 in section 294A.5, subsection 2, paragraphs "a" and "b", to be  
32 paid to each school district and area education agency under  
33 phase I and the department of revenue and finance shall make  
34 the payments. For school years after the school year  
35 beginning July 1, ~~1998~~ 2001, if a school district or area

1 education agency reduces the number of its full-time  
2 equivalent teachers in the base year below the number employed  
3 during the school year beginning July 1, 1998, the department  
4 of revenue and finance shall reduce the total minimum salary  
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6 agency in the budget year so that the amount paid is equal to  
7 the ratio of the number of full-time equivalent teachers  
8 employed in the school district or area education agency for  
9 ~~that-school~~ the base year divided by the number of full-time  
10 equivalent teachers employed in the school district or area  
11 education agency for the school year beginning July 1, 1998,  
12 and multiplying that fraction by the total minimum salary  
13 supplement paid to that school district or area education  
14 agency for the school year beginning July 1, 1998. For  
15 purposes of this section, "base year" and "budget year" mean  
16 the same as defined in section 257.2.

17 Sec. 7. Section 294A.16, unnumbered paragraphs 4 and 5,  
18 Code 2001, are amended to read as follows:

19 ~~A-school-district-or-area-education-agency, which receives~~  
20 ~~money-for-a-school-year-for-an-approved-phase-III-plan, may~~  
21 ~~retain-up-to-fifty-percent-of-the-moneys-allocated-to-the~~  
22 ~~district-or-area-education-agency-for-the-next-succeeding~~  
23 ~~school-year, in order to continue the approved plan. Any of~~  
24 the retained phase III moneys remaining in the district or  
25 area education agency account after at the second end of the  
26 fiscal year of the plan shall revert to the general fund of  
27 the state as provided in section 8-33 remain available for  
28 expenditure for purposes of this division by the school  
29 district or area education agency in succeeding fiscal years.

30 Any moneys allocated ~~or-retained~~ for an approved phase III  
31 plan, and any interest accrued on the moneys, are  
32 miscellaneous income for purposes of chapter 257, shall not be  
33 commingled with state aid payments made, under sections 257.16  
34 and 257.35, to a school district or area education agency, and  
35 shall be accounted for by the school district or area

1 education agency separately from state aid payment accounts.

2 EXPLANATION

3 This bill amends Code provisions administered by the  
4 department of education, including provisions related to  
5 participation by children in extracurricular activities,  
6 payment for postsecondary enrollment options costs for a  
7 student participating in open enrollment, agreements to  
8 provide for interscholastic activities for nonpublic school  
9 students, the date by which the department of education must  
10 release its school infrastructure program calculations, the  
11 basis for phase I payment calculations, and the use of phase  
12 III balances by school districts and area education agencies.

13 The bill requires the state board of education to expand  
14 the circumstances under which a child not meeting residence  
15 requirements must be allowed to participate immediately in  
16 extracurricular activities, to include a circumstance in which  
17 a child is living with one of the child's parents pursuant to  
18 a court-ordered decree or order of custody.

19 The bill shifts responsibility for the payment of the  
20 tuition reimbursement amount owed by a school district for a  
21 student who is enrolled under postsecondary enrollment options  
22 and who is also participating in open enrollment to the  
23 receiving district. However, the bill provides that if the  
24 child's residency changes during the school year, tuition  
25 shall be paid by the district in which the child was enrolled  
26 on the third Friday in September.

27 The bill permits the authorities in charge of a nonpublic  
28 school to enter into an agreement with a school district or  
29 other nonpublic school to provide for the eligibility of its  
30 students in interscholastic activities provided by the school  
31 district or other nonpublic school.

32 The bill extends from July 1 to September 1 the date by  
33 which the department of education must annually release its  
34 school infrastructure program calculations for the purpose of  
35 providing grants to school districts under the program.

1 The bill also requires phase I payments to be based upon  
2 the prior year's full-time equivalent teacher count, and  
3 permits school districts and area education agencies to retain  
4 their phase III balances for use in succeeding school years  
5 for phase III purposes.

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## HOUSE FILE 2456

H-8170

1 Amend House File 2456 as follows:

2 1. Page 3, line 25, by inserting after the word  
3 "year." the following: "Moneys received by a school  
4 district from the school district sales and use tax  
5 fund may be used for the construction and repair of  
6 school buildings as provided in chapter 297A and as  
7 such shall be included in computing capacity per  
8 pupil."

9 2. Page 5, by inserting after line 1 the  
10 following:

11 "Sec. \_\_\_\_ . NEW SECTION. 297A.1 SCHOOL DISTRICT  
12 SALES AND USE TAX FUND.

13 1. A school district sales and use tax fund is  
14 created as a separate and distinct fund in the state  
15 treasury under the control of the department of  
16 revenue and finance. Moneys in the fund include  
17 revenues credited to the fund pursuant to section  
18 422.69, subsection 2, and section 423.24, subsection  
19 2A, appropriations made to the fund and other moneys  
20 deposited into the fund. The moneys credited in a  
21 fiscal year to the fund shall be distributed as  
22 follows:

23 a. (1) A school district located in whole or in  
24 part in a county that had in effect on March 31, 2002,  
25 the local sales and services tax for school  
26 infrastructure purposes under chapter 422E shall  
27 receive an amount equal to its guaranteed school  
28 infrastructure amount as calculated under subsection 2  
29 if the board of directors notifies the director of  
30 revenue and finance that the school district wants to  
31 receive its guaranteed school infrastructure amount.  
32 The notification shall be provided by July 1, 2002.  
33 If notification is not received by July 1, 2002, the  
34 school district shall receive moneys pursuant to  
35 paragraph "b". Nothing in this chapter shall prevent  
36 a school district from using its guaranteed school  
37 infrastructure amount to pay principal and interest on  
38 obligations issued pursuant to section 422E.4.

39 (2) A school district receiving moneys pursuant to  
40 subparagraph (1) shall cease to receive its guaranteed  
41 school infrastructure amount and shall receive moneys  
42 pursuant to paragraph "b" starting with the fiscal  
43 year immediately following the fiscal year in which  
44 occurs the end of the original ten-year period or the  
45 date listed on the original ballot proposition,  
46 whichever is the earlier, as provided in chapter 422E.  
47 A school district may adopt a plan, as provided in  
48 section 297A.2, subsection 2, to anticipate moneys it  
49 will receive pursuant to paragraph "b". A school  
50 district receiving moneys pursuant to subparagraph (1)

H-8170

-1-

**H-8170**

Page 2

1 may elect to receive moneys pursuant to paragraph "b"  
2 by providing notification to receive moneys pursuant  
3 to paragraph "b" to the director of revenue and  
4 finance and the director of the department of  
5 management by February 15 preceding the fiscal year  
6 for which the election will apply. Once a school  
7 district makes this election it is irrevocable.

8 b. (1) Moneys remaining after computations made  
9 pursuant to paragraph "a" shall be distributed to  
10 school districts not receiving moneys under paragraph  
11 "a" on a per student basis calculated by the director  
12 of revenue and finance by dividing the moneys  
13 available during the fiscal year by the combined  
14 actual enrollment for all school districts receiving  
15 distributions under this paragraph.

16 (2) The combined actual enrollment for school  
17 districts, for purposes of subparagraph (1), shall be  
18 calculated by adding together the actual enrollment  
19 for each school district receiving distributions under  
20 this paragraph as determined by the department of  
21 management based on the actual enrollment figures  
22 reported by October 1 to the department of management  
23 by the department of education pursuant to section  
24 257.6, subsection 1. The combined actual enrollment  
25 count shall be forwarded to the director of revenue  
26 and finance by March 1, annually, for purposes of  
27 supplying estimated tax payment figures and making  
28 estimated tax payments pursuant to subsection 3 for  
29 the following fiscal year.

30 2. a. For purposes of distributions under  
31 subsection 1, paragraph "a", the school district's  
32 guaranteed school infrastructure amount shall be  
33 calculated according to the following formula:

34 The district's guaranteed school infrastructure  
35 amount equals the product of the county guaranteed  
36 school infrastructure amount times the district's  
37 county actual enrollment divided by the county  
38 combined actual enrollment.

39 b. For purposes of the formula in paragraph "a":

40 (1) "Base year" means the fiscal year beginning  
41 July 1, 2001.

42 (2) "Base year county taxable sales percentage"  
43 means the percentage that the taxable sales in the  
44 county during the base year is of the total state  
45 taxable sales during the base year.

46 (3) "County combined actual enrollment" means the  
47 actual enrollment figures determined by the department  
48 of management for the county based on the actual  
49 enrollment figures reported by October 1 to the  
50 department of management by the department of

**H-8170**

**H-8170**

Page 3

1 education pursuant to section 257.6, subsection 1.  
2 (4) "County guaranteed school infrastructure  
3 amount" means an amount equal to the product of the  
4 county's chapter 422E proportionate share times the  
5 amount deposited in the school district sales and use  
6 tax fund for the current year times the current year  
7 county taxable sales percentage divided by the base  
8 year county taxable sales percentage.  
9 (5) "County's chapter 422E proportionate share"  
10 means the percentage that the annualized revenues  
11 received in the county under chapter 422E for the base  
12 year is of one-fifth of the total state sales and use  
13 tax revenues collected for deposit into the general  
14 fund of the state for the base year.  
15 (6) "Current year" means the fiscal year for which  
16 distributions under this section are being made.  
17 (7) "Current year county taxable sales percentage"  
18 means the percentage that the taxable sales in the  
19 county during the current fiscal year is of the total  
20 state taxable sales during the current fiscal year.  
21 (8) "District's county actual enrollment" means the  
22 actual enrollment of the school district that attends  
23 school in the county for which the county combined  
24 actual enrollment is determined.  
25 (9) "Taxable sales" means sales subject to the  
26 state sales and services tax under chapter 422,  
27 division IV.  
28 3. a. The director of revenue and finance within  
29 fifteen days of the beginning of each fiscal year  
30 shall send to each school district an estimate of the  
31 amount of tax moneys each school district will receive  
32 for the year and for each quarter of the year. At the  
33 end of each quarter, the director may revise the  
34 estimates for the year and remaining quarters.  
35 b. The director shall remit ninety-five percent of  
36 the estimated tax receipts for the school district to  
37 the school district on or before September 30 of the  
38 fiscal year and on or before the last day of each  
39 following quarter.  
40 c. The director shall remit a final payment of the  
41 remainder of tax moneys due for the fiscal year before  
42 November 10 of the next fiscal year. If an  
43 overpayment has resulted during the previous fiscal  
44 year, the November payment shall be adjusted to  
45 reflect any overpayment.  
46 d. If the distributions are to school districts  
47 described in subsection 1, paragraph "a", the payments  
48 to these school districts shall be done on a monthly  
49 basis beginning with the month of August.  
50 4. Moneys received by a school district from the

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1 fund may be applied by the school district for the  
2 purposes of section 76.4.

3 Sec. \_\_\_\_ . NEW SECTION. 297A.2 USE OF SCHOOL  
4 DISTRICT SALES AND USE TAX FUND MONEYS.

5 1. A school district receiving moneys from the  
6 school district sales and use tax fund under section  
7 297A.1, subsection 1, paragraph "a", shall use the  
8 moneys as provided on the original ballot proposition  
9 pursuant to chapter 422E, for the payment of principal  
10 and interest on general obligation bonds issued  
11 pursuant to chapter 296, or section 298.20 or loan  
12 agreements under section 297.36, for carrying on  
13 public educational and recreational activities  
14 pursuant to chapter 300, for payments made pursuant to  
15 lease or lease-purchase agreements, or for payment of  
16 principal and interest on bonds issued under sections  
17 297A.3 and 422E.4.

18 2. a. Moneys received by a school district from  
19 the school district sales and use tax fund under  
20 section 297A.1, subsection 1, paragraph "b", shall be  
21 spent for infrastructure purposes only according to a  
22 plan developed by the board of directors. The plan  
23 may apply to more than one fiscal year. Prior to  
24 adoption of the plan, the board of directors shall  
25 hold a public hearing on the question of approval of  
26 the proposed plan. The board shall set forth its  
27 proposal and shall publish the notice of the time and  
28 place of a public hearing on the proposed plan.  
29 Notice of the time and place of the public hearing  
30 shall be published not less than ten nor more than  
31 twenty days before the public hearing in a newspaper  
32 which is a newspaper of general circulation in the  
33 school district. At the hearing, or no later than  
34 thirty days after the date of the hearing, the board  
35 shall take action to adopt the proposed plan.

36 b. If the board adopts the plan, moneys received  
37 shall be used according to the plan unless within  
38 twenty-eight days following the action of the board,  
39 the secretary of the board receives a petition  
40 containing signatures of registered voters equal in  
41 number to five percent of the voters in the school  
42 district who voted at the last general election,  
43 asking that an election be called to approve or  
44 disapprove the action of the board. The board shall  
45 either rescind its action or direct the county  
46 commissioner of elections to submit the question to  
47 the registered voters of the school district at the  
48 next following regular school election or a special  
49 election. If a majority of those voting on the  
50 question at the election favors disapproval of the

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1 action of the board, the district shall use the moneys  
2 received as provided in paragraph "c" for the fiscal  
3 year.

4 At the expiration of the twenty-eight day period,  
5 if no petition is filed, the board shall use the  
6 moneys received according to the plan for the duration  
7 of the plan. However, the board may, at anytime,  
8 expend a greater share of moneys received for property  
9 tax relief than otherwise specified in the plan.

10 c. If an election is held and the plan is  
11 disapproved, as provided in paragraph "b", or if a  
12 plan is not approved by the board, moneys received by  
13 a school district shall be used for the fiscal year to  
14 reduce the following levies in the following order:

15 (1) Bond levies under sections 298.18 and 298.18A  
16 and other debt levies until the moneys received or the  
17 levies are reduced to zero.

18 (2) The physical plant and equipment levy under  
19 section 298.2, until the moneys received or the levy  
20 is reduced to zero.

21 (3) The public educational and recreational  
22 activities levy under section 300.2, until the moneys  
23 received or the levy is reduced to zero.

24 (4) The schoolhouse tax levy under section 278.1,  
25 subsection 7, Code 1989, until the moneys received or  
26 the levy is reduced to zero.

27 Any money remaining after the reduction of the  
28 levies specified in this paragraph "c" may be used for  
29 any lawful infrastructure purpose of the school  
30 district.

31 d. For purposes of this subsection,  
32 "infrastructure purposes" means those purposes for  
33 which a school district is authorized to contract  
34 indebtedness and issue general obligation bonds under  
35 chapter 296 or to expend tax revenues under section  
36 298.3, the payment of principal and interest on  
37 general obligation bonds issued under chapter 296 or  
38 section 298.20 or loan agreements under section  
39 297.36, for carrying on public educational and  
40 recreational activities pursuant to chapter 300,  
41 payments made pursuant to a lease or lease-purchase  
42 agreement, or the payment of principal and interest on  
43 bonds issued under section 297A.3 or 422E.4.

44 Sec. \_\_\_\_ . NEW SECTION. 297A.3 BONDING.

45 A school district may issue bonds as provided in  
46 this section if it complies with all of the following  
47 procedures:

48 1. A school district may institute proceedings for  
49 the issuance of bonds by causing a notice of the  
50 proposal to issue the bonds, including a statement of

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1 the amount and purpose of the bonds, and the right of  
2 voters to petition for an election, to be published at  
3 least once in a newspaper of general circulation  
4 within the school district at least ten days prior to  
5 the meeting at which it is proposed to take action for  
6 the issuance of the bonds.

7 If at any time before the date fixed for taking  
8 action for the issuance of the bonds, a petition is  
9 filed signed by five percent of the registered voters  
10 of the school district, asking that the question of  
11 issuing the bonds be submitted to the registered  
12 voters, the board of directors shall either by  
13 resolution declare the proposal to issue the bonds to  
14 be abandoned or shall direct the county commissioner  
15 of elections to call a special election upon the  
16 question of issuing the bonds. The proposition of  
17 issuing bonds under this section is not approved  
18 unless the vote in favor of the proposition is equal  
19 to at least sixty percent of the vote cast. If a  
20 petition is not filed, or if a petition is filed and  
21 the proposition of issuing the bonds is approved at an  
22 election, the board of directors may proceed with the  
23 authorization and issuance of the bonds. Bonds may be  
24 issued for the purpose of refunding outstanding and  
25 previously issued bonds under this section without  
26 otherwise complying with the provisions of this  
27 section.

28 2. The provisions of chapter 76 apply to the bonds  
29 payable as provided in this subsection, except that  
30 the mandatory levy to be assessed pursuant to section  
31 76.2 shall be at a rate to generate an amount which  
32 together with the receipts from the pledged designated  
33 portion of the school district's amount received from  
34 the school district sales and use tax fund under  
35 section 297A.1 is sufficient to pay the interest and  
36 principal on the bonds. All amounts collected as a  
37 result of the levy assessed pursuant to section 76.2  
38 and paid out for bond principal and interest shall be  
39 repaid to the school district from the first available  
40 designated portion of the school district's amount  
41 received from the school district sales and use tax  
42 fund under section 297A.1 received in excess of the  
43 requirement for the payment of the principal and  
44 interest of the bonds and when repaid shall be applied  
45 in reduction of property taxes. The amount of bonds  
46 which may be issued under section 76.3 shall be the  
47 amount which could be retired from the actual  
48 collections of the designated portions of the school  
49 district's amount received from the school district  
50 sales and use tax fund under section 297A.1 for the

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1 last four calendar quarters, as certified by the  
2 director of revenue and finance. The amount of tax  
3 revenues pledged jointly by other cities or counties  
4 may be considered for the purpose of determining the  
5 amount of bonds which may be issued.

6 3. The provisions of this section constitute  
7 separate authorization for the issuance of bonds and  
8 shall prevail in the event of conflict with any other  
9 provisions of state law limiting the amount of bonds  
10 which may be issued or the source of payment of the  
11 bonds. Bonds issued under this section shall not  
12 limit or restrict the authority of the school district  
13 to issue bonds under other provisions of state law.

14 Sec. \_\_\_\_ . NEW SECTION. 297A.4 REPEAL.

15 This chapter is repealed July 1, 2022, for fiscal  
16 years beginning on or after that date.

17 Sec. \_\_\_\_ . Section 298.18, unnumbered paragraph 4,  
18 Code Supplement 2001, is amended by striking the  
19 unnumbered paragraph and inserting in lieu thereof the  
20 following:

21 If the school corporation's amount received from  
22 the school district sales and use tax fund under  
23 section 297A.1 does not equal or exceed the amount  
24 which would be produced by a levy of one dollar  
25 thirty-five cents per thousand dollars of the assessed  
26 value of the taxable property of the school  
27 corporation, the amount estimated and certified to  
28 apply on principal and interest for any one year may  
29 exceed two dollars and seventy cents per thousand  
30 dollars of assessed value by the amount approved by  
31 the voters of the school corporation, but not  
32 exceeding four dollars and five cents per thousand of  
33 the assessed value of the taxable property within any  
34 school corporation, provided that the qualified voters  
35 of such school corporation have first approved such  
36 increased amount at a special election, which may be  
37 held at the same time as the regular school election,  
38 and provided further that the school corporation's  
39 amount received from the school district sales and use  
40 tax fund under section 297A.1 shall be used to abate  
41 an additional levy amount authorized after July 1,  
42 2002. A levy approved prior to July 1, 2002, shall  
43 continue to be authorized. The proposition submitted  
44 to the voters at such special election shall be in  
45 substantially the following form:

46 Sec. \_\_\_\_ . Section 298.18, unnumbered paragraph 5,  
47 Code Supplement 2001, is amended to read as follows:

48 Shall the board of directors of the ..... (insert  
49 name of school corporation) in the County of .....,  
50 State of Iowa, be authorized to levy annually a tax

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1 exceeding two dollars and seventy cents per thousand  
2 dollars, but not exceeding .. dollars and ... cents  
3 per thousand dollars of the assessed value of the  
4 taxable property within said school corporation to pay  
5 the principal of and interest on bonded indebtedness  
6 of said school corporation, it being understood that  
7 the approval of this proposition shall not limit the  
8 source of payment of the bonds and interest but shall  
9 only operate to restrict the amount of bonds which may  
10 be issued and that the additional levy shall be  
11 reduced and abated in any year by the amount of money  
12 received from the school district sales and use tax  
13 fund under section 297A.1?

14 Sec. \_\_\_\_ . Section 422.43, subsections 1, 2, 4, 5,  
15 6, 7, 10, and 12, Code Supplement 2001, are amended to  
16 read as follows:

17 1. There is imposed a tax of ~~five~~ six percent upon  
18 the gross receipts from all sales of tangible personal  
19 property, consisting of goods, wares, or merchandise,  
20 except as otherwise provided in this division, sold at  
21 retail in the state to consumers or users; a like rate  
22 of tax upon the gross receipts from the sales,  
23 furnishing, or service of gas, electricity, water,  
24 heat, pay television service, and communication  
25 service, including the gross receipts from such sales  
26 by any municipal corporation or joint water utility  
27 furnishing gas, electricity, water, heat, pay  
28 television service, and communication service to the  
29 public in its proprietary capacity, except as  
30 otherwise provided in this division, when sold at  
31 retail in the state to consumers or users; a like rate  
32 of tax upon the gross receipts from all sales of  
33 tickets or admissions to places of amusement, fairs,  
34 and athletic events except those of elementary and  
35 secondary educational institutions; a like rate of tax  
36 on the gross receipts from an entry fee or like charge  
37 imposed solely for the privilege of participating in  
38 an activity at a place of amusement, fair, or athletic  
39 event unless the gross receipts from the sales of  
40 tickets or admissions charges for observing the same  
41 activity are taxable under this division; and a like  
42 rate of tax upon that part of private club membership  
43 fees or charges paid for the privilege of  
44 participating in any athletic sports provided club  
45 members.

46 2. There is imposed a tax of ~~five~~ six percent upon  
47 the gross receipts derived from the operation of all  
48 forms of amusement devices and games of skill, games  
49 of chance, raffles, and bingo games as defined in  
50 chapter 99B, operated or conducted within the state,

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1 the tax to be collected from the operator in the same  
2 manner as for the collection of taxes upon the gross  
3 receipts of tickets or admission as provided in this  
4 section. The tax shall also be imposed upon the gross  
5 receipts derived from the sale of lottery tickets or  
6 shares pursuant to chapter 99E. The tax on the  
7 lottery tickets or shares shall be included in the  
8 sales price and distributed to the general fund as  
9 provided in section 99E.10.

10 4. There is imposed a tax of ~~five~~ six percent upon  
11 the gross receipts from the sales of engraving,  
12 photography, retouching, printing, and binding  
13 services. For the purpose of this division, the sales  
14 of engraving, photography, retouching, printing, and  
15 binding services are sales of tangible property.

16 5. There is imposed a tax of ~~five~~ six percent upon  
17 the gross receipts from the sales of vulcanizing,  
18 recapping, and retreading services. For the purpose  
19 of this division, the sales of vulcanizing, recapping,  
20 and retreading services are sales of tangible  
21 property.

22 6. There is imposed a tax of ~~five~~ six percent upon  
23 the gross receipts from the sales of optional service  
24 or warranty contracts, except residential service  
25 contracts regulated under chapter 523C, which provide  
26 for the furnishing of labor and materials and require  
27 the furnishing of any taxable service enumerated under  
28 this section. The gross receipts are subject to tax  
29 even if some of the services furnished are not  
30 enumerated under this section. For the purpose of  
31 this division, the sale of an optional service or  
32 warranty contract, other than a residential service  
33 contract regulated under chapter 523C, is a sale of  
34 tangible personal property. Additional sales,  
35 services, or use taxes shall not be levied on  
36 services, parts, or labor provided under optional  
37 service or warranty contracts which are subject to tax  
38 under this section.

39 If the optional service or warranty contract is a  
40 computer software maintenance or support service  
41 contract and there is no separately stated fee for the  
42 taxable personal property or for the nontaxable  
43 service, the tax of ~~five~~ six percent imposed by this  
44 subsection shall be imposed on fifty percent of the  
45 gross receipts from the sale of such contract. If the  
46 contract provides for technical support services only,  
47 no tax shall be imposed under this subsection. The  
48 provisions of this subsection also apply to the tax  
49 imposed by chapter 423.

50 7. There is imposed a tax of ~~five~~ six percent upon

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1 the gross receipts from the renting of rooms,  
2 apartments, or sleeping quarters in a hotel, motel,  
3 inn, public lodging house, rooming house, manufactured  
4 or mobile home which is tangible personal property, or  
5 tourist court, or in any place where sleeping  
6 accommodations are furnished to transient guests for  
7 rent, whether with or without meals. "Renting" and  
8 "rent" include any kind of direct or indirect charge  
9 for such rooms, apartments, or sleeping quarters, or  
10 their use. For the purposes of this division, such  
11 renting is regarded as a sale of tangible personal  
12 property at retail. However, this tax does not apply  
13 to the gross receipts from the renting of a room,  
14 apartment, or sleeping quarters while rented by the  
15 same person for a period of more than thirty-one  
16 consecutive days.

17 10. There is imposed a tax of five six percent  
18 upon the gross receipts from the rendering,  
19 furnishing, or performing of services as defined in  
20 section 422.42.

21 12. A tax of five six percent is imposed upon the  
22 gross receipts from the sales of prepaid telephone  
23 calling cards and prepaid authorization numbers. For  
24 the purpose of this division, the sales of prepaid  
25 telephone calling cards and prepaid authorization  
26 numbers are sales of tangible personal property.

27 Sec. \_\_\_\_\_. Section 422.43, subsection 13, paragraph  
28 a, unnumbered paragraph 1, Code Supplement 2001, is  
29 amended to read as follows:

30 A tax of five six percent is imposed upon the gross  
31 receipts from the sales, furnishing, or service of  
32 solid waste collection and disposal service.

33 Sec. \_\_\_\_\_. Section 422.43, subsections 16 and 17,  
34 Code Supplement 2001, are amended to read as follows:

35 16. a. A tax of five six percent is imposed upon  
36 the gross receipts from sales of bundled services  
37 contracts. For purposes of this subsection, a  
38 "bundled services contract" means an agreement  
39 providing for a retailer's performance of services,  
40 one or more of which is a taxable service enumerated  
41 in this section and one or more of which is not, in  
42 return for a consumer's or user's single payment for  
43 the performance of the services, with no separate  
44 statement to the consumer or user of what portion of  
45 that payment is attributable to any one service which  
46 is a part of the contract.

47 b. For purposes of the administration of the tax  
48 on bundled services contracts, the director may enter  
49 into agreements of limited duration with individual  
50 retailers, groups of retailers, or organizations

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1 representing retailers of bundled services contracts.  
2 Such an agreement shall impose the tax rate only upon  
3 that portion of the gross receipts from a bundled  
4 services contract which is attributable to taxable  
5 services provided under the contract.

6 17. A tax of ~~five~~ six percent is imposed upon the  
7 gross receipts from any mobile telecommunication  
8 service which this state is allowed to tax by the  
9 provisions of the federal Mobile Telecommunications  
10 Sourcing Act, Pub. L. No. 106-252, 4 U.S.C. § 116 et  
11 seq. For purposes of this subsection, taxes on mobile  
12 telecommunications service, as defined under the  
13 federal Mobile Telecommunications Sourcing Act, that  
14 are deemed to be provided by the customer's home  
15 service provider shall be paid to the taxing  
16 jurisdiction whose territorial limits encompass the  
17 customer's place of primary use, regardless of where  
18 the mobile telecommunication service originates,  
19 terminates, or passes through and shall in all other  
20 respects be taxed in conformity with the federal  
21 Mobile Telecommunications Sourcing Act. All other  
22 provisions of the federal Mobile Telecommunications  
23 Sourcing Act are adopted by the state of Iowa and  
24 incorporated into this subsection by reference. With  
25 respect to mobile telecommunications service under the  
26 federal Mobile Telecommunications Sourcing Act the  
27 director shall, if requested, enter into agreements  
28 consistent with the provisions of the federal Act.

29 Sec. \_\_\_\_\_. Section 422.43, Code Supplement 2001, is  
30 amended by adding the following new subsection:

31 NEW SUBSECTION. 18. The sales tax rate of six  
32 percent is reduced to five percent on July 1, 2022.

33 Sec. \_\_\_\_\_. Section 422.47, Code Supplement 2001, is  
34 amended by adding the following new subsection:

35 NEW SUBSECTION. 2. Construction contractors may  
36 make application to the department for a refund of the  
37 additional one percent tax paid under this division or  
38 the additional one percent tax paid under chapter 423  
39 by reason of the increase in the tax from five to six  
40 percent for taxes paid on goods, wares, or merchandise  
41 under the following conditions:

42 a. The goods, wares, or merchandise are  
43 incorporated into an improvement to real estate in  
44 fulfillment of a written contract fully executed prior  
45 to July 1, 2002. The refund shall not apply to  
46 equipment transferred in fulfillment of a mixed  
47 construction contract.

48 b. The contractor has paid to the department or to  
49 a retailer the full six percent tax.

50 c. The claim is filed on forms provided by the

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1 department and is filed within one year of the date  
2 the tax is paid.

3 A contractor who makes an erroneous application for  
4 refund shall be liable for payment of the excess  
5 refund paid plus interest at the rate in effect under  
6 section 421.7. In addition, a contractor who  
7 willfully makes a false application for refund is  
8 guilty of a simple misdemeanor and is liable for a  
9 penalty equal to fifty percent of the excess refund  
10 claimed. Excess refunds, penalties, and interest due  
11 under this subsection may be enforced and collected in  
12 the same manner as the tax imposed by this division.

13 Sec. \_\_\_\_\_. Section 422.69, subsection 2, Code 2001,  
14 is amended to read as follows:

15 2. a. Unless Except as provided in paragraph "b",  
16 or as otherwise provided, the fees, taxes, interest,  
17 and penalties collected under this chapter shall be  
18 credited to the general fund.

19 b. One-sixth of the fees, taxes, interest, and  
20 penalties collected pursuant to division IV shall be  
21 credited to the school district sales and use tax fund  
22 created in section 297A.1. This paragraph is stricken  
23 July 1, 2022.

24 Sec. \_\_\_\_\_. Section 422E.1, Code 2001, is amended by  
25 adding the following new subsections:

26 NEW SUBSECTION. 4. a. This chapter does not  
27 apply to any county for the period beginning after the  
28 effective date of this Act and ending January 1, 2022.

29 b. In the case of a county that has in effect on  
30 March 31, 2002, a local sales and services tax for  
31 school infrastructure purposes, the increase in the  
32 state sales and services tax under chapter 422,  
33 division IV, from five percent to six percent shall  
34 replace the county's local sales and services tax for  
35 school infrastructure purposes and to this extent the  
36 local sales and services tax for school infrastructure  
37 purposes is repealed.

38 NEW SUBSECTION. 5. Local sales and services tax  
39 receipts collected prior to July 1, 2002, pursuant to  
40 this chapter, may be applied by a school district for  
41 the purposes of section 76.4.

42 Sec. \_\_\_\_\_. Section 423.2, Code 2001, is amended to  
43 read as follows:

44 423.2 IMPOSITION OF TAX.

45 An excise tax is imposed on the use in this state  
46 of tangible personal property, including aircraft  
47 subject to registration under section 328.20,  
48 purchased for use in this state, at the rate of ~~five~~  
49 six percent of the purchase price of the property. An  
50 excise tax is imposed on the use of manufactured

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1 housing in this state at the rate of ~~five~~ six percent  
2 of the purchase price if the manufactured housing is  
3 sold in the form of tangible personal property and at  
4 the rate of ~~five~~ six percent of the installed purchase  
5 price if the manufactured housing is sold in the form  
6 of realty. An excise tax is imposed on the use in  
7 this state of vehicles subject to registration or  
8 subject only to the issuance of a certificate of title  
9 at the rate of five percent. An excise tax is imposed  
10 on the use of leased vehicles at the rate of five  
11 percent of the amount otherwise subject to tax as  
12 calculated pursuant to section 423.7A. The excise tax  
13 is imposed upon every person using the property within  
14 this state until the tax has been paid directly to the  
15 county treasurer or the state department of  
16 transportation, to a retailer, or to the department.  
17 An excise tax is imposed on the use in this state of  
18 services enumerated in section 422.43 at the rate of  
19 ~~five~~ six percent. This tax is applicable where  
20 services are rendered, furnished, or performed in this  
21 state or where the product or result of the service is  
22 used in this state. This tax is imposed on every  
23 person using the services or the product of the  
24 services in this state until the user has paid the tax  
25 either to an Iowa use tax permit holder or to the  
26 department. The rate of use tax of six percent shall  
27 be reduced to five percent beginning July 1, 2022.

28 Sec. \_\_\_\_\_. Section 423.24, Code 2001, is amended by  
29 adding the following new subsection:

30 NEW SUBSECTION. 2A. One-sixth of all other  
31 revenue arising under the operation of this chapter  
32 shall be credited to the school district sales and use  
33 tax fund created in section 297A.1. This subsection  
34 is stricken July 1, 2022.

35 Sec. \_\_\_\_\_. Section 423.24, subsection 3, Code 2001,  
36 is amended to read as follows:

37 3. All other revenue arising under the operation  
38 of this chapter not credited as specified in  
39 subsections 1, 2, and 2A shall be credited to the  
40 general fund of the state.

41 Sec. \_\_\_\_\_. APPLICABILITY. This section applies in  
42 regard to the increase in the state sales and use  
43 taxes from five to six percent. The six percent rate  
44 applies to all sales of taxable personal property,  
45 consisting of goods, wares, or merchandise if delivery  
46 occurs on or after July 1, 2002. The six percent use  
47 tax rate applies to the use of property when the first  
48 taxable use in this state occurs on or after July 1,  
49 2002. The six percent rate applies to the gross  
50 receipts from the sale, furnishing, or service of gas,

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1 electricity, water, heat, pay television service, and  
 2 communication service if the date of billing the  
 3 customer is on or after July 1, 2002. In the case of  
 4 a service contract entered into prior to July 1, 2002,  
 5 which contract calls for periodic payments, the six  
 6 percent rate applies to those payments made or due on  
 7 or after July 1, 2002. This periodic payment applies,  
 8 but is not limited to, tickets or admissions, private  
 9 club membership fees, sources of amusement, equipment  
 10 rental, dry cleaning, reducing salons, dance schools,  
 11 and all other services subject to tax, except the  
 12 aforementioned utility services which are subject to a  
 13 special transitional rule. Unlike periodic payments  
 14 under service contracts, installment sales of goods,  
 15 wares, and merchandise are subject to the full amount  
 16 of sales or use tax when the sales contract is entered  
 17 into or the property is first used in Iowa.

18 Sec. \_\_\_\_ IMMEDIATE EFFECTIVE DATE. The sections  
 19 of this Act, enacting sections 297A.1 and 297A.2,  
 20 being deemed of immediate importance, take effect upon  
 21 enactment."

22 3. Title page, line 8, by inserting after the  
 23 word "agencies" the following: ", and increasing the  
 24 state sales and use taxes for educational  
 25 infrastructure purposes, and providing an effective  
 26 date".

By RICHARDSON of Warren

H-8170 FILED MARCH 4, 2002

*W/D 4-11-02 (P. 1387)***HOUSE FILE 2456****H-8185**

1 Amend House File 2456 as follows:

2 1. Page 2, line 14, by striking the words "or  
 3 nonpublic school".

4 2. Page 2, line 16, by striking the words "or  
 5 nonpublic school".

By RICHARDSON of Warren

H-8185 FILED MARCH 5, 2002

*W/D  
4-11-02 (P. 1387)*

## HOUSE FILE 2456

## H-8214

1 Amend House File 2456 as follows:

2 1. Page 1, by inserting before line 1 the  
3 following:

4 "Sec. \_\_\_\_ . Section 256.12, subsection 2,  
5 unnumbered paragraph 1, Code 2001, is amended to read  
6 as follows:

7 This section does not deprive the respective boards  
8 of public school districts of any of their legal  
9 powers, statutory or otherwise, and in accepting the  
10 specially enrolled students, each of the boards shall  
11 prescribe the terms of the special enrollment,  
12 including but not limited to scheduling of courses and  
13 the length of class periods. In addition, the board  
14 of the affected public school district shall be given  
15 notice by the department of its decision to permit the  
16 special enrollment not later than six months prior to  
17 the opening of the affected public school district's  
18 school year, except that the board of the public  
19 school district may waive the notice requirement.  
20 School districts and area education agency boards  
21 shall make public school services, which shall include  
22 special education programs and services and may  
23 include health services, services for remedial  
24 education programs, guidance services, and school  
25 testing services, available to children attending  
26 nonpublic schools ~~in the same manner and to the same~~  
27 ~~extent that they are provided to public school~~  
28 ~~students.~~ However, services that are made available  
29 shall be provided on neutral sites, or in mobile units  
30 located off the nonpublic school premises as  
31 determined by the boards of the school districts and  
32 area education agencies providing the services, and  
33 not on nonpublic school property, except for health  
34 services, services funded by Title I of the federal  
35 Elementary and Secondary Education Act of 1965,  
36 diagnostic services for speech, hearing, and  
37 psychological purposes, and assistance with physical  
38 and communication needs of students with physical  
39 disabilities, and services of an educational  
40 interpreter, which may be provided on nonpublic school  
41 premises, with the permission of the lawful  
42 custodian."

43 2. Title page, line 7, by inserting after the  
44 word "calculations," the following: "public school  
45 services provided to nonpublic school pupils,".

46 3. By renumbering as necessary.

By COHOON of Des Moines

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