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WAYS AND MEANS

HOUSE FILE 2733

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

**A BILL FOR**

1 An Act relating to the increase in the state sales tax rate with  
2 the revenues used for the replacement of the local option  
3 sales and services tax for school infrastructure purposes.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2733

1 Section 1. Section 8.57, subsection 6, paragraph f, Code  
2 Supplement 2005, is amended to read as follows:

3 f. There is appropriated from the rebuild Iowa  
4 infrastructure fund to the secure an advanced vision for  
5 education fund created in section ~~423E.4~~ 423F.1, for each  
6 fiscal year of the fiscal period beginning July 1, ~~2004~~ 2006,  
7 and ending June 30, 2014, the amount of the moneys in excess  
8 of the first forty-seven million dollars credited to the  
9 rebuild Iowa infrastructure fund during the fiscal year, not  
10 to exceed ten million dollars.

11 Sec. 2. Section 423.2, subsection 1, unnumbered paragraph  
12 1, Code Supplement 2005, is amended to read as follows:

13 There is imposed a tax of ~~five~~ six percent upon the sales  
14 price of all sales of tangible personal property, consisting  
15 of goods, wares, or merchandise, sold at retail in the state  
16 to consumers or users except as otherwise provided in this  
17 subchapter.

18 Sec. 3. Section 423.2, subsections 2, 3, 4, and 5, Code  
19 Supplement 2005, are amended to read as follows:

20 2. A tax of ~~five~~ six percent is imposed upon the sales  
21 price of the sale or furnishing of gas, electricity, water,  
22 heat, pay television service, and communication service,  
23 including the sales price from such sales by any municipal  
24 corporation or joint water utility furnishing gas,  
25 electricity, water, heat, pay television service, and  
26 communication service to the public in its proprietary  
27 capacity, except as otherwise provided in this subchapter,  
28 when sold at retail in the state to consumers or users.

29 3. A tax of ~~five~~ six percent is imposed upon the sales  
30 price of all sales of tickets or admissions to places of  
31 amusement, fairs, and athletic events except those of  
32 elementary and secondary educational institutions. A tax of  
33 ~~five~~ six percent is imposed on the sales price of an entry fee  
34 or like charge imposed solely for the privilege of  
35 participating in an activity at a place of amusement, fair, or

1 athletic event unless the sales price of tickets or admissions  
2 charges for observing the same activity are taxable under this  
3 subchapter. A tax of five six percent is imposed upon that  
4 part of private club membership fees or charges paid for the  
5 privilege of participating in any athletic sports provided  
6 club members.

7 4. A tax of five six percent is imposed upon the sales  
8 price derived from the operation of all forms of amusement  
9 devices and games of skill, games of chance, raffles, and  
10 bingo games as defined in chapter 99B, operated or conducted  
11 within the state, the tax to be collected from the operator in  
12 the same manner as for the collection of taxes upon the sales  
13 price of tickets or admission as provided in this section.  
14 Nothing in this subsection shall legalize any games of skill  
15 or chance or slot-operated devices which are now prohibited by  
16 law.

17 The tax imposed under this subsection covers the total  
18 amount from the operation of games of skill, games of chance,  
19 raffles, and bingo games as defined in chapter 99B, and  
20 musical devices, weighing machines, shooting galleries,  
21 billiard and pool tables, bowling alleys, pinball machines,  
22 slot-operated devices selling merchandise not subject to the  
23 general sales taxes and on the total amount from devices or  
24 systems where prizes are in any manner awarded to patrons and  
25 upon the receipts from fees charged for participation in any  
26 game or other form of amusement, and generally upon the sales  
27 price from any source of amusement operated for profit, not  
28 specified in this section, and upon the sales price from which  
29 tax is not collected for tickets or admission, but tax shall  
30 not be imposed upon any activity exempt from sales tax under  
31 section 423.3, subsection 78. Every person receiving any  
32 sales price from the sources described in this section is  
33 subject to all provisions of this subchapter relating to  
34 retail sales tax and other provisions of this chapter as  
35 applicable.

1 5. There is imposed a tax of five six percent upon the  
2 sales price from the furnishing of services as defined in  
3 section 423.1.

4 Sec. 4. Section 423.2, subsection 7, paragraph a,  
5 unnumbered paragraph 1, Code Supplement 2005, is amended to  
6 read as follows:

7 A tax of five six percent is imposed upon the sales price  
8 from the sales, furnishing, or service of solid waste  
9 collection and disposal service.

10 Sec. 5. Section 423.2, subsections 8 and 9, Code  
11 Supplement 2005, are amended to read as follows:

12 8. a. A tax of five six percent is imposed upon the sales  
13 price from sales of bundled services contracts. For purposes  
14 of this subsection, a "bundled services contract" means an  
15 agreement providing for a retailer's performance of services,  
16 one or more of which is a taxable service enumerated in this  
17 section and one or more of which is not, in return for a  
18 consumer's or user's single payment for the performance of the  
19 services, with no separate statement to the consumer or user  
20 of what portion of that payment is attributable to any one  
21 service which is a part of the contract.

22 b. For purposes of the administration of the tax on  
23 bundled services contracts, the director may enter into  
24 agreements of limited duration with individual retailers,  
25 groups of retailers, or organizations representing retailers  
26 of bundled services contracts. Such an agreement shall impose  
27 the tax rate only upon that portion of the sales price from a  
28 bundled services contract which is attributable to taxable  
29 services provided under the contract.

30 9. A tax of five six percent is imposed upon the sales  
31 price from any mobile telecommunications service which this  
32 state is allowed to tax by the provisions of the federal  
33 Mobile Telecommunications Sourcing Act, Pub. L. No. 106-252,  
34 4 U.S.C. § 116 et seq. For purposes of this subsection, taxes  
35 on mobile telecommunications service, as defined under the

1 federal Mobile Telecommunications Sourcing Act that are deemed  
2 to be provided by the customer's home service provider, shall  
3 be paid to the taxing jurisdiction whose territorial limits  
4 encompass the customer's place of primary use, regardless of  
5 where the mobile telecommunications service originates,  
6 terminates, or passes through and shall in all other respects  
7 be taxed in conformity with the federal Mobile  
8 Telecommunications Sourcing Act. All other provisions of the  
9 federal Mobile Telecommunications Sourcing Act are adopted by  
10 the state of Iowa and incorporated into this subsection by  
11 reference. With respect to mobile telecommunications service  
12 under the federal Mobile Telecommunications Sourcing Act, the  
13 director shall, if requested, enter into agreements consistent  
14 with the provisions of the federal Act.

15 Sec. 6. Section 423.2, subsection 11, Code Supplement  
16 2005, is amended to read as follows:

17 11. All revenues arising under the operation of the  
18 provisions of this section shall be deposited ~~into the general~~  
19 ~~fund of the state~~ as follows:

20 a. Five-sixths of such revenues shall be deposited into  
21 the general fund of the state.

22 b. One-sixth of such revenues shall be deposited into the  
23 secure an advanced vision for education fund created in  
24 section 423F.1.

25 Sec. 7. Section 423E.1, subsection 2, Code 2005, is  
26 amended to read as follows:

27 2. The maximum rate of tax shall be one percent. The tax  
28 shall be imposed without regard to any other local sales and  
29 services tax authorized in chapter 423B, and is repealed at  
30 the expiration of a period of ten years of imposition or a  
31 shorter period as provided in the ballot proposition unless  
32 the period is extended as provided in section 423E.2,

33 subsection 5. ~~However, all local option sales and services~~  
34 ~~taxes for school infrastructure purposes are repealed December~~  
35 ~~31, 2022.~~

1 Sec. 8. Section 423E.1, Code 2005, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 4. a. After July 1, 2006, a county no  
4 longer has the authority under this chapter to impose or to  
5 extend an existing local sales and services tax for school  
6 infrastructure purposes.

7 b. The increase in the state sales and services tax under  
8 chapter 423, subchapter II, from five percent to six percent  
9 shall replace the county's authorization to impose or extend a  
10 local sales and services tax for school infrastructure  
11 purposes and to this extent the local sales and services tax  
12 for school infrastructure purposes is repealed. However, the  
13 distribution of moneys in the secure an advanced vision for  
14 education fund and the use of the moneys for infrastructure  
15 purposes or property tax relief shall continue to apply as  
16 provided in chapter 423F.

17 Sec. 9. Section 423E.2, subsection 5, paragraph c, Code  
18 2005, is amended to read as follows:

19 c. A local option sales and services tax shall not be  
20 repealed or reduced in rate if obligations are outstanding  
21 which are payable as provided in section 423E.5, unless funds  
22 sufficient to pay the principal, interest, and premium, if  
23 any, on the outstanding obligations at and prior to maturity  
24 have been properly set aside and pledged for that purpose.  
25 ~~However, this paragraph does not apply to the repeal of the~~  
26 ~~tax on December 31, 2022, as specified in section 423E.1,~~  
27 ~~subsection 2.~~

28 Sec. 10. Section 423E.4, subsection 1, Code Supplement  
29 2005, is amended by striking the subsection.

30 Sec. 11. Section 423E.4, subsection 3, paragraph a, Code  
31 Supplement 2005, is amended to read as follows:

32 a. The director of revenue by August 15 of each fiscal  
33 year shall compute the guaranteed school infrastructure amount  
34 for each school district, each school district's sales tax  
35 capacity per student for each county, the statewide tax

1 revenues per student, and the supplemental school  
2 infrastructure amount for the coming fiscal year.

3 Sec. 12. Section 423E.4, subsection 3, paragraph b,  
4 subparagraph (3), Code Supplement 2005, is amended by striking  
5 the subparagraph and inserting in lieu thereof the following:

6 (3) "Statewide tax revenues per student" means the amount  
7 determined by estimating the total revenues that would be  
8 generated by a one percent local option sales and services tax  
9 for school infrastructure purposes if imposed by all the  
10 counties during the entire fiscal year and dividing this  
11 estimated revenue amount by the sum of the combined actual  
12 enrollment for all counties as determined in section 423E.3,  
13 subsection 5, paragraph "d", subparagraph (2).

14 Sec. 13. Section 423E.5, Code Supplement 2005, is amended  
15 to read as follows:

16 423E.5 BONDING.

17 The board of directors of a school district shall be  
18 authorized to issue negotiable, interest-bearing school bonds,  
19 without election, and utilize tax receipts derived from the  
20 sales and services tax for school infrastructure purposes and  
21 the supplemental school infrastructure amount distributed  
22 pursuant to section 423E.4, subsection 2, paragraph "b", and  
23 revenues received pursuant to section 423F.1, for principal  
24 and interest repayment. Proceeds of the bonds issued pursuant  
25 to this section shall be utilized solely for school  
26 infrastructure needs as school infrastructure is defined in  
27 section 423E.1, subsection 3 and section 423F.2. Bonds issued  
28 under this section may be sold at public sale as provided in  
29 chapter 75, or at private sale, without notice and hearing as  
30 provided in section 73A.12. Bonds may bear dates, bear  
31 interest at rates not exceeding that permitted by chapter 74A,  
32 mature in one or more installments, be in registered form,  
33 carry registration and conversion privileges, be payable as to  
34 principal and interest at times and places, be subject to  
35 terms of redemption prior to maturity with or without premium,

1 and be in one or more denominations, all as provided by the  
2 resolution of the board of directors authorizing their  
3 issuance. The resolution may also prescribe additional  
4 provisions, terms, conditions, and covenants which the board  
5 of directors deems advisable, including provisions for  
6 creating and maintaining reserve funds, the issuance of  
7 additional bonds ranking on a parity with such bonds and  
8 additional bonds junior and subordinate to such bonds, and  
9 that such bonds shall rank on a parity with or be junior and  
10 subordinate to any bonds which may be then outstanding. Bonds  
11 may be issued to refund outstanding and previously issued  
12 bonds under this section. ~~Local-option-sales-and-services-tax~~  
13 ~~revenue~~ The bonds are a contract-between contractual  
14 obligation of the school district and-holders, and the  
15 resolution issuing the bonds and pledging local option sales  
16 and services tax revenues or its share of the revenues  
17 distributed pursuant to section 423F.1 to the payment of  
18 principal and interest on the bonds is a part of the contract.  
19 Bonds issued pursuant to this section shall not constitute  
20 indebtedness within the meaning of any constitutional or  
21 statutory debt limitation or restriction, and shall not be  
22 subject to any other law relating to the authorization,  
23 issuance, or sale of bonds.

24 A school district ~~in-which-a-local-option-sales-tax-for~~  
25 ~~school-infrastructure-purposes-has-been-imposed~~ shall be  
26 authorized to enter into a chapter 28E agreement with one or  
27 more cities or a county whose boundaries encompass all or a  
28 part of the area of the school district. A city or cities  
29 entering into a chapter 28E agreement shall be authorized to  
30 expend its designated portion of the ~~local-option-sales-and~~  
31 ~~services-tax~~ revenues for any valid purpose permitted in this  
32 chapter or authorized by the governing body of the city. A  
33 county entering into a chapter 28E agreement with a school  
34 district ~~in-which-a-local-option-sales-tax-for-school~~  
35 ~~infrastructure-purposes-has-been-imposed~~ shall be authorized

1 to expend its designated portion of the ~~local-option-sales-and~~  
2 ~~services-tax~~ revenues to provide property tax relief within  
3 the boundaries of the school district located in the county.  
4 A school district ~~where-a-local-option-sales-and-services-tax~~  
5 ~~is-imposed~~ is also authorized to enter into a chapter 28E  
6 agreement with another school district, a community college,  
7 or an area education agency which is located partially or  
8 entirely in or is contiguous to the county where the ~~tax-is~~  
9 ~~imposed~~ school district is located. The school district or  
10 community college shall only expend its designated portion of  
11 the ~~local-option-sales-and-services-tax~~ revenues for  
12 infrastructure purposes. The area education agency shall only  
13 expend its designated portion of the ~~local-option-school~~  
14 ~~infrastructure-sales-tax~~ revenues for infrastructure and  
15 maintenance purposes.

16 The governing body of a city may authorize the issuance of  
17 bonds which are payable from its designated portion of the  
18 revenues ~~of-the-local-option-sales-and-services-tax~~ to be  
19 received under this section, and not from property tax, by  
20 following the authorization procedures set forth for cities in  
21 section 384.83. A city may pledge irrevocably any amount  
22 derived from its designated portions of the revenues ~~of-the~~  
23 ~~local-option-sales-and-services-tax~~ to the support or payment  
24 of such bonds.

25 Sec. 14. NEW SECTION. 423F.1 SECURE AN ADVANCED VISION  
26 FOR EDUCATION FUND.

27 1. A secure an advanced vision for education fund is  
28 created as a separate and distinct fund in the state treasury  
29 under the control of the department of revenue. Moneys in the  
30 fund include revenues credited to the fund pursuant to this  
31 chapter, appropriations made to the fund, and other moneys  
32 deposited into the fund. Any amounts disbursed from the fund  
33 shall be utilized for school infrastructure purposes or  
34 property tax relief.

35 2. The moneys available in a fiscal year in the secure an

1 advanced vision for education fund shall be distributed by the  
2 department of revenue to each school district in an amount  
3 equal to the amount the school district would have received  
4 pursuant to the formula in section 423E.4 as if the local  
5 sales and services tax for school infrastructure purposes was  
6 imposed.

7 3. a. The director of revenue by August 15 of each fiscal  
8 year shall send to each school district an estimate of the  
9 amount of tax moneys each school district will receive for the  
10 year and for each month of the year. At the end of each  
11 month, the director may revise the estimates for the year and  
12 remaining months.

13 b. The director shall remit ninety-five percent of the  
14 estimated tax receipts for the school district to the school  
15 district on or before August 31 of the fiscal year and on or  
16 before the last day of each following month.

17 c. The director shall remit a final payment of the  
18 remainder of tax moneys due for the fiscal year before  
19 November 10 of the next fiscal year. If an overpayment has  
20 resulted during the previous fiscal year, the November payment  
21 shall be adjusted to reflect any overpayment.

22 Sec. 15. NEW SECTION. 423F.2 USE OF REVENUES.

23 1. A school district receiving revenues from the secure an  
24 advanced vision for education fund under this chapter shall  
25 expend the revenues subject to this section for the following  
26 purposes:

27 a. Reduction of bond levies under sections 298.18 and  
28 298.18A and all other debt levies.

29 b. Reduction of the regular and voter-approved physical  
30 plant and equipment levy under section 298.2.

31 c. Reduction of the public educational and recreational  
32 levy under section 300.2.

33 d. Reduction of the schoolhouse tax levy under section  
34 278.1, subsection 7, Code 1989.

35 e. For any authorized infrastructure purpose of the school

1 district as defined in section 423E.1.

2 f. For the payment of principal and interest on bonds  
3 issued under sections 423E.5 and section 423F3.

4 2. Upon the expiration of a revenue purpose statement in  
5 existence for the expenditure of local sales and services tax  
6 for school infrastructure purposes imposed by a county  
7 pursuant to chapter 423E prior to July 1, 2006, the board of  
8 directors of a school district may take action to adopt a  
9 revenue purpose statement specifying the specific purposes for  
10 which the revenues received from the secure an advanced vision  
11 for education fund will be expended. If a school district is  
12 located in a county which has imposed a local sales and  
13 services tax for school infrastructure purposes on July 1,  
14 2006, this action shall be taken before expending or  
15 anticipating revenues to be received after the unextended term  
16 of the tax. Approval by the electors of an extended tax shall  
17 constitute approval under this section.

18 3. The governing body shall institute proceedings to  
19 approve a revenue purpose statement by causing a notice of the  
20 meeting to discuss approval of a revenue purpose statement to  
21 be published at least once in a newspaper of general  
22 circulation within the school district at least ten days prior  
23 to the meeting. Within thirty days following the meeting, the  
24 board of directors shall take action to approve a revenue  
25 purpose statement. If at any time before the end of the  
26 thirty-day period after the meeting approving a revenue  
27 purpose statement a petition is filed with the secretary of  
28 the board asking that the question of approving the revenue  
29 purpose statement be submitted to the registered voters of the  
30 school district, the board shall either by resolution repeal  
31 the action approving a revenue purpose statement or direct the  
32 county commissioner of elections to call a special election  
33 upon the question of approving the revenue purpose statement.  
34 The petition must be signed by eligible electors equal to not  
35 less than one hundred or thirty percent of the number of

1 voters at the last preceding regular school election. A  
2 majority of those voting on the question must favor approval  
3 of the revenue purpose statement.

4 4. The revenues received pursuant to this chapter shall be  
5 expended for the purposes specified in the revenue purpose  
6 statement. In the event that a board of directors has not  
7 approved a revenue purpose statement, the revenues shall be  
8 expended in the order listed in subsection 1. Once approved,  
9 a revenue purpose statement is effective until amended or  
10 repealed by the foregoing procedures. A revenue purpose  
11 statement shall not be amended or repealed to reduce the  
12 amount of revenue pledged to the payment of principal and  
13 interest on bonds as long as any bonds authorized by sections  
14 423E.5 and 423F.3 are outstanding unless funds sufficient to  
15 pay principal, interest, and premium, if any, on the  
16 outstanding obligations at or prior to maturity have been  
17 properly set aside and pledged for that purpose.

18 5. A school district with a certified enrollment of fewer  
19 than two hundred fifty pupils in the entire district or  
20 certified enrollment of fewer than one hundred pupils in high  
21 school shall not expend the amount received for new  
22 construction without prior application to the department of  
23 education and receipt of a certificate of need pursuant to  
24 this subsection. A certificate of need is not required for  
25 repairing schoolhouses or buildings, equipment, technology, or  
26 transportation equipment for transporting students as provided  
27 in section 298.3, or for construction necessary for compliance  
28 with the federal Americans With Disabilities Act pursuant to  
29 42 U.S.C. § 12101--12117. In determining whether a  
30 certificate of need shall be issued or denied, the department  
31 shall consider all of the following:

32 a. Enrollment trends in the grades that will be served at  
33 the new construction site.

34 b. The infeasibility of remodeling, reconstructing, or  
35 repairing existing buildings.

1 c. The fire and health safety needs of the school  
2 district.

3 d. The distance, convenience, cost of transportation, and  
4 accessibility of the new construction site to the students to  
5 be served at the new construction site.

6 e. Availability of alternative, less costly, or more  
7 effective means of serving the needs of the students.

8 f. The financial condition of the district, including the  
9 effect of the decline of the budget guarantee and unspent  
10 balance.

11 g. Broad and long-term ability of the district to support  
12 the facility and the quality of the academic program.

13 h. Cooperation with other educational entities including  
14 other school districts, area education agencies, postsecondary  
15 institutions, and local communities.

16 Sec. 16. NEW SECTION. 423F.3 BORROWING AUTHORITY FOR  
17 SCHOOL DISTRICTS.

18 A school district may anticipate its share of the revenues  
19 under section 423F.1 by issuing bonds in the manner provided  
20 in section 423E.5. However, to the extent any school district  
21 has issued bonds anticipating the proceeds of an extended  
22 local sales and services tax for school infrastructure  
23 purposes imposed by a county pursuant to chapter 423E prior to  
24 July 1, 2006, the pledge of such revenues for the payment of  
25 principal and interest on such bonds shall be replaced by a  
26 pledge of its share of the revenues under section 423F.1.

27 Sec. 17. CONSTRUCTION CONTRACTORS.

28 1. Construction contractors may make application to the  
29 department of revenue for a refund of the additional one  
30 percent tax paid under chapter 423, subchapter II, by reason  
31 of the increase in the sales tax from five to six percent for  
32 taxes paid on goods, wares, or merchandise under the following  
33 conditions:

34 a. The goods, wares, or merchandise are incorporated into  
35 an improvement to real estate in fulfillment of a written

1 contract fully executed prior to July 1, 2006. The refund  
2 shall not apply to equipment transferred in fulfillment of a  
3 mixed construction contract.

4 b. The contractor has paid to the department of revenue or  
5 to a retailer the full six percent tax.

6 c. The claim is filed on forms provided by the department  
7 of revenue and is filed within one year of the date the tax is  
8 paid.

9 2. A contractor who makes an erroneous application for  
10 refund shall be liable for payment of the excess refund paid  
11 plus interest at the rate in effect under section 421.7. In  
12 addition, a contractor who willfully makes a false application  
13 for refund is guilty of a simple misdemeanor and is liable for  
14 a penalty equal to fifty percent of the excess refund claimed.  
15 Excess refunds, penalties, and interest due under this section  
16 may be enforced and collected in the same manner as the tax  
17 imposed by chapter 423.

18 Sec. 18. APPLICABILITY. This section applies in regard to  
19 the increase in the state sales tax from five to six percent.  
20 The six percent rate applies to all sales of taxable personal  
21 property, consisting of goods, wares, or merchandise if  
22 delivery occurs on or after July 1, 2006. The six percent  
23 rate applies to the gross receipts from the sale, furnishing,  
24 or service of gas, electricity, water, heat, pay television  
25 service, and communication service if the date of billing the  
26 customer is on or after July 1, 2006. In the case of a  
27 service contract entered into prior to July 1, 2006, which  
28 contract calls for periodic payments, the six percent rate  
29 applies to those payments made or due on or after July 1,  
30 2006. This periodic payment applies but is not limited to  
31 tickets or admissions, private club membership fees, sources  
32 of amusement, equipment rental, dry cleaning, reducing salons,  
33 dance schools, and all other services subject to tax, except  
34 the aforementioned utility services which are subject to a  
35 special transitional rule. Unlike periodic payments under

1 service contracts, installment sales of goods, wares, and  
2 merchandise are subject to the full amount of sales tax when  
3 the sales contract is entered into.

4 EXPLANATION

5 This bill increases the state sales tax from 5 percent to 6  
6 percent. The increased revenues are deposited into a new  
7 secure an advanced vision for education fund to be distributed  
8 to all school districts. Those revenues are to replace the  
9 local option sales and services tax for school infrastructure  
10 purposes. A statewide amount per pupil is computed each  
11 fiscal year based upon the estimated amount that would be  
12 generated by a 1 percent local sales and services tax, if one  
13 was imposed, divided by combined enrollment of all school  
14 districts. Each district will receive an amount equal to the  
15 amount that it would have received under the formula if the  
16 local sales and services tax for school infrastructure was  
17 imposed.

18 Revenues received are to be used according to a revenue  
19 purpose statement that was in existence under the replaced  
20 tax. Prior to use of any revenues after the replaced tax  
21 expires, the school district may hold a public meeting on the  
22 adoption of a revenue purpose statement. If a valid petition  
23 to hold an election is submitted, then the school district  
24 either withdraws the revenue purpose statement or an election  
25 is held. A valid petition has signatures equal to 100  
26 eligible voters or 30 percent of the number of voters at the  
27 last regular school election.

28 The purposes for which the revenues may be used are the  
29 reduction of bond levies, regular and voter approved physical  
30 plant and equipment levy, public educational and recreational  
31 levy, and schoolhouse tax levy, authorized infrastructure  
32 purposes as defined in Code section 423E.1, and payment of  
33 principal and interest of bonds issued under Code chapters  
34 423E or 423F. If a revenue purpose statement is not approved,  
35 the revenues are to be used in the order listed for the above

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1 purposes.

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