



Bill: House File 2462
Committee: Education
Date: February 24, 2010
Ranking Member: Rep. Chambers
Staff: Ann McCarthy (1-3015)

New Uses for Board Approved PPEL Funds

Under Iowa law a school board can approve a levy of up to 33 cents per \$1,000 assessed valuation for the Physical Plant and Equipment Levy (PPEL). The voter approved portion of PPEL allows for a levy up to \$1.34 per \$1,000 assessed valuation.

HF 2462 expands the uses for the board approved PPEL to include all computers, computer related equipment, computer software, technical support services and the cost to repair any equipment including school buses.

The bill takes effect upon enactment thereby applicable to the current school budget year.

The fiscal note indicates a potential property tax impact of \$2.6 million as 26 districts do not have the board approved PPEL and another eight districts are not levying the maximum 33 cents per \$1,000 assessed valuation.

Summary of Action

The House Education Committee **PASSED** House File 2040 (now HF 2462) on February 11, 2010 by a vote of 21-2.

Section-by-Section Analysis

Section 1: New Uses for Board Approved PPEL Allows current and unspent board approved PPEL revenue to be used to pay for:

- The purchase, lease-purchase, or lease of computers or computer related equipment regardless of value per unit and computer software;

- Technical support services provided by third-party contractual agreement and technical support training for school district personnel
- The cost of the repair of any equipment purchased by the school district under the PPEL section. This includes bus repair as well as other equipment.

This section clarifies that SILO/state sales tax dollars can not be used for these new purposes.

Section 2: Separate Accounting of Funds Requires districts to separately account for the voter approved and board approve PPEL funds

Section 3: Effective Upon Enactment Allows PPEL funds to be used for the new purposes immediately.

Amendments

H-8155 by Raecker - Fire, asbestos repairs first Before using the board approved PPEL funds for the newly prescribed uses a school district must first be complaint with all fire codes, safety codes, ADA provisions and the abatement of environmental hazards including asbestos and lead.

H-8156 by Raecker – Bonded indebtedness paid first Requires the school district to reduce bonded indebtedness before using the board approved PPEL for the new uses.

H-8157 by Raecker – Home Rule States that the legislature intends to initiate a process to amend Iowa’s Constitution to give school districts home rule.

H-8218 by Pettengill – Utilities and Maintenance Adds maintenance and utilities to new uses for the board approved PPEL. The amendment strikes the use for computers of regardless of unit of value.