

Griswold School District Vote on Revenue Purpose Statement for Expenditure of State Sales Tax for School Infrastructure and Property Tax Relief:

On November 2, school patrons will have an opportunity to vote on a new Revenue Purpose Statement to direct the district's spending of state penny sales tax revenues on improving school facilities, technology, and equipment for our students. This vote does not impact your sales taxes; this only directs how those sales tax revenues will be spent.

Here's a little history: The sales tax was originally passed on a county by county basis. By 2008, voters in all 99 Iowa Counties had approved the local option sales tax for this purpose. In 2008, the Legislature changed the local option sales tax into a state penny sales tax to equally benefit the students in all school districts. This state penny was originally set to expire in December of 2029. Since school districts typically bond as far out as 20 years for infrastructure projects, school districts were increasingly asking their voters to approve property-tax backed bond issues. In 2018, the Legislature and Governor extended the state penny sales tax through 2051, providing districts with a revenue stream into the future that was predictable and sufficient for bonding purposes. As part of the extension, districts are required to renew their Revenue Purpose Statement (RPS), which restricts our school district to those uses approved by voters in our district. Approval of the Revenue Purpose Statement will help us plan for the future on how to best use the additional revenues the extension provides for our schools. The state will continue to collect the penny on retail purchases through 2051 and will continue to send the proceeds to all Iowa school districts, on a per pupil basis, every year.

The school board has passed a resolution approving the new Revenue Purpose Statement, which states how the district must use the sales tax funds. The law limits the uses to construction, reconstruction, repair, purchase of equipment, technology and buses, and other infrastructure and property tax relief needs defined in the Iowa Code which voters will see stated on the Revenue Purpose Statement and ballot. The Iowa Secretary of State defines the ballot language for the Revenue Purpose Statement and requires our ballot to follow that standardized format. Since the Revenue Purpose Statement will direct district expenses through 2051, the statement preserves some flexibility for a future board to operate within the constraints of the law and consider additional projects or equipment purchases that otherwise would take future property taxes to fund.

In summary, and from a taxpayer's standpoint, here are the important things to remember.

1. The state-wide penny sales already exists.
2. This tax is paid upon the purchase of qualified purchases across the entire state.
3. This tax will not increase if the Revenue Purpose Statement is renewed, nor will this tax decrease if the renewal of the Revenue Purpose Statement fails.
4. If the renewal of the Revenue Purpose Statement fails, and the district has to use other funding sources for items such as facility repair and the purchase of buses, technology, and other equipment, at some point, the district would have to impose additional property taxes to pay for the items. The current sales tax distribution that our district receives is equal to about a \$1.70 per \$1,000 of taxable valuation. Thus, for home with a taxable valuation of \$100,000, this would cost the owner \$170 per year in additional property taxes (which is a 12% increase).

For additional information on the change in law and the revenue purpose statement process, contact David Henrichs, Superintendent.