



RSAI 2025 Legislative Priority: Bond Issue Dates

Background and History:

School bond elections require a higher bar of approval. A 60% supermajority of votes must support it, compared to a 50% +1 simple majority needed for most other special election ballot initiatives. School boards historically had much more flexibility in setting dates for bond issue elections. Prior to July 1, 2023, school bond elections were held at a special election.

Iowa law requires two thresholds of property tax levy which must both be approved by voters for a school bond ballot initiative: 1) \$2.70 per \$1,000 net assessed taxable value, and 2) \$4.05 per \$1,000 net assessed taxable value. If districts require a tax rate above \$2.70 to generate the revenue to pay for bonded debt, school boards must ask their voters to approve two questions on the ballot, one for each threshold. Although these two questions were historically considered on one ballot at one election, recent election changes now require two distinct election dates.

The following two bills dramatically altered how and when Iowans vote on a school bond ballot initiative:

- **HF 2620 Election Changes** was approved in the 2008 Session, changing school board member terms from three to four years, moving school board elections from September to November, to coincide with city and county elections. The bill also limited the number of special election dates for bond issues and other ballot initiatives, but prohibited bond elections from occurring during the November General Election in even numbers years (e.g., 2024) when state-level leaders or the Governor were on the ballot.
- **HF 718 Property Tax Reform** was approved in the 2013 Session, restricting special elections with debt issuance to the first Tuesday following the first Monday of November (either during the city, county, school board election or during the General Election). The bill also required local governments to mail a notice of an upcoming indebtedness election and a full text of the public measure to be voted on to each registered voter. The changes were effective July 1, 2023.

Current Situation:

Legislative Correction Needed for Bond Levy Thresholds (should not require two separate elections):

HF 718 required bond election be held on the second Tuesday in November, but only applied to the first threshold, up to \$2.70 per \$1,000. Schools are still required to have a second vote for the threshold levy rate higher than \$2.70 but no higher than \$4.05, because Iowa Code [298.18](#) (1) (d) still specifies that particular question be on one of the special election dates, which does not include the second Tuesday in November. Requiring two elections for one ballot initiative increases election costs and contributes to voter approval delays, ultimately increasing the cost of school infrastructure projects. Once approved, property taxes for those projects are likely even higher.

Other Bond Election Requirements Have Negative Consequences:

Restricting school bond votes to the November General Election resulted in a lower percentage of school bonds being approved. In Nov. 2024, 26 of 32 (81.3%) school bond ballot initiatives surpassed the 50%

simple majority, but only 13 of 32 (40.6%) successfully exceed the 60% supermajority threshold. In addition to delay impacting the cost of projects, the restriction to only one election date in Iowa also bids up the cost of infrastructure projects. Competition for every part of the construction, from bid to inspection, happens all at once due to new bond issues, instead of being spread out across the year. This increased demand for vendors and support (from architects to construction companies to inspectors) raises the price.

Requiring a supermajority of voters to approve the bond, 60% + 1, has also resulted in delays and increased costs for school infrastructure projects. Although this practice is likely a hangover from days long ago when only property owners had voting rights, there are contemporary reasons to oppose the higher threshold.

- **Minority Rule:** Supermajority requirements allow a minority of voters (less than 40%) to block proposals supported by a majority. This can undermine the principle of majority rule, which is fundamental to democratic decision-making.
- **Barrier to Necessary Investments:** Critical infrastructure projects, such as school improvements, may fail despite strong support because of the higher vote threshold. This can delay or prevent necessary investments in public services, potentially harming students and the community.
- **Disproportionate Influence:** Special interest groups or individuals opposed to a measure can exert disproportionate influence, knowing they need only a smaller share of the vote to block the initiative. This can lead to gridlock and hinder progress.
- **Higher Costs Over Time:** Delayed approval of bonds can lead to increased costs due to inflation, higher interest rates, or emergency repairs that might have been avoided with proactive investment. Higher Costs mean higher property tax rates in the future.
- **Equity Concerns:** Communities with greater economic disparities may struggle to reach a supermajority consensus, even for projects that address inequities in public education or infrastructure.
- **Redundancy of Oversight Mechanisms:** fiscal accountability can be achieved through other means, such as audits, oversight committees, or caps on tax increases (such as Iowa's two rate thresholds already in law), without the need for a supermajority vote.

Bond Issue Dates: the restriction of bond elections to one annual date spikes the demand for providers, architects, bonders, and construction labor, while extending the time of completion, all increasing cost to taxpayers. Bond issues, like other ballot initiatives, should be approved by a simple majority of voters.

Note: RSAI members also support the technical correction fix to allow both thresholds of a school bond levy rate to be on one ballot, rather than requiring the cost and delay of two separate elections.