

Senate Study Bill 3249 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED GOVERNOR'S BUDGET
BILL)

A BILL FOR

1 An Act relating to state financial matters, providing for
2 properly related matters, and including effective date and
3 retroactive applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I
STANDING APPROPRIATIONS
AND RELATED MATTERS

Section 1. BUDGET PROCESS FOR FISCAL YEAR 2011-2012.

1. For the budget process applicable to the fiscal year beginning July 1, 2011, on or before October 1, 2010, in lieu of the information specified in section 8.23, subsection 1, unnumbered paragraph 1, and paragraph "a", all departments and establishments of the government shall transmit to the director of the department of management, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, together with supporting data and explanations as called for by the director of the department of management after consultation with the legislative services agency.

2. The estimates of expenditure requirements shall be in a form specified by the director of the department of management, and the expenditure requirements shall include all proposed expenditures and shall be prioritized by program or the results to be achieved. The estimates shall be accompanied by performance measures for evaluating the effectiveness of the programs or results.

Sec. 2. LIMITATION OF STANDING APPROPRIATIONS.

Notwithstanding the standing appropriations in the following designated sections for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the amounts appropriated from the general fund of the state pursuant to these sections for the following designated purposes shall not exceed the following amounts:

1. For payment for nonpublic school transportation under section 285.2:
..... \$ 7,060,931

If total approved claims for reimbursement for nonpublic school pupil transportation exceed the amount appropriated in accordance with this subsection, the department of education

1 shall prorate the amount of each approved claim.

2 2. For the state's share of the cost of the peace officers'
3 retirement benefits under section 411.20:

4 \$ 2,253,159

5 3. For operational support grants and community cultural
6 grants under section 99F.11, subsection 3, paragraph "d",
7 subparagraph (1):

8 \$ 443,300

9 4. For regional tourism marketing under section 99F.11,
10 subsection 3, paragraph "d", subparagraph (2):

11 \$ 862,028

12 5. For the enforcement of chapter 453D relating to tobacco
13 product manufacturers under section 453D.8:

14 \$ 19,591

15 6. For the center for congenital and inherited disorders
16 central registry under section 144.13A, subsection 4, paragraph
17 "a":

18 \$ 161,360

19 7. For primary and secondary child abuse prevention
20 programs under section 144.13A, subsection 4, paragraph "a":

21 \$ 174,076

22 8. For programs for at-risk children under section 279.51:

23 \$ 11,493,891

24 The amount of any reduction in this subsection shall be
25 prorated among the programs specified in section 279.51,
26 subsection 1, paragraphs "a", "b", and "c".

27 Sec. 3. INSTRUCTIONAL SUPPORT STATE AID. Notwithstanding
28 the standing appropriation provided under section 257.20,
29 an appropriation from the general fund of the state to the
30 department of education for the fiscal year beginning July 1,
31 2010, and ending June 30, 2011, shall not be made for purposes
32 of paying instructional support state aid.

33 Sec. 4. IOWA MATHEMATICS AND SCIENCE COALITION. For the
34 fiscal year beginning July 1, 2010, the university of northern
35 Iowa shall maintain the efforts of the Iowa mathematics and

1 science coalition that were initiated pursuant to section
2 294A.25, subsection 11, Code 2009.

3 Sec. 5. PROPERTY TAX CREDIT FUND — PAYMENTS IN LIEU OF
4 GENERAL FUND REIMBURSEMENT.

5 1. a. A property tax credit fund shall be created in the
6 office of the treasurer of state to be used for the purposes of
7 this section.

8 b. There is appropriated from the general fund of the state
9 to the property tax credit fund created in paragraph "a" for
10 the fiscal year beginning July 1, 2010, and ending June 30,
11 2011, the sum of \$91,256,037.

12 c. Notwithstanding the requirements in section 8.56,
13 subsections 3 and 4, there is appropriated from the cash
14 reserve fund to the property tax credit fund created in
15 paragraph "a" for the fiscal year beginning July 1, 2010, and
16 ending June 30, 2011, the sum of \$54,684,481.

17 d. Notwithstanding section 8.33, the surplus existing
18 in the property tax credit fund created pursuant to 2009
19 Iowa Acts, chapter 179, section 9, at the conclusion of the
20 fiscal year beginning July 1, 2009, and ending June 30, 2010,
21 is transferred to the property tax credit fund created in
22 paragraph "a".

23 2. There is appropriated from the property tax credit fund
24 for the fiscal year beginning July 1, 2010, and ending June
25 30, 2011, the following amounts for the following designated
26 purposes:

- 27 a. For reimbursement for the homestead property tax credit
28 under section 425.1:
29 \$ 90,407,718
- 30 b. For reimbursement for the family farm and agricultural
31 land tax credits under sections 425A.1 and 426.1:
32 \$ 32,395,131
- 33 c. For reimbursement for the military service tax credit
34 under section 426A.1A:
35 \$ 2,370,995

1 d. For implementing the elderly and disabled tax credit and
2 reimbursement pursuant to sections 425.16 through 425.39:
3 \$ 20,779,200

4 If the director of revenue determines that the amount
5 of claims for credit for property taxes due pursuant to
6 paragraphs "a", "b", "c", and "d", plus the amount of claims
7 for reimbursement for rent constituting property taxes paid
8 which are to be paid during the fiscal year may exceed the
9 total amount appropriated, the director shall estimate the
10 percentage of the credits and reimbursements which will be
11 funded by the appropriation. The county treasurer shall notify
12 the director of the amount of property tax credits claimed by
13 June 8, 2010. The director shall estimate the percentage of
14 the property tax credits and rent reimbursement claims that
15 will be funded by the appropriation and notify the county
16 treasurer of the percentage estimate by June 15, 2010. The
17 estimated percentage shall be used in computing for each claim
18 the amount of property tax credit and reimbursement for rent
19 constituting property taxes paid for that fiscal year. If
20 the director overestimates the percentage of funding, claims
21 for reimbursement for rent constituting property taxes paid
22 shall be paid until they can no longer be paid at the estimated
23 percentage of funding. Rent reimbursement claims filed after
24 that point in time shall receive priority and shall be paid in
25 the following fiscal year.

26 Sec. 6. PERFORMANCE OF DUTY. There is appropriated from
27 the cash reserve fund created in section 8.56 to the executive
28 council for the fiscal year beginning July 1, 2010, and ending
29 June 30, 2011, the following amount, or so much thereof as is
30 necessary, to be used for the purposes designated:

31 For performance of duty by the executive council in sections
32 7D.29 and 29C.20:
33 \$ 30,000,000

34 The funding from the appropriation made in this section
35 shall be utilized before any funding from the general fund of

1 the state.

2 Sec. 7. CASH RESERVE FUND APPROPRIATIONS. Section 8.56,
3 subsections 3 and 4, shall not apply to any appropriation made
4 in this Act from the cash reserve fund created in section 8.56.

5 Sec. 8. EFFECTIVE DATES. The section of this Act creating
6 the property tax credit fund, being deemed of immediate
7 importance, takes effect upon enactment.

8 DIVISION II

9 DISASTER-RELATED CASUALTY LOSSES

10 Sec. 9. Section 422.9, subsection 2, Code Supplement 2009,
11 is amended by adding the following new paragraph:

12 NEW PARAGRAPH. *j.* A taxpayer is allowed to take the
13 deductions for disaster-related casualty losses allowed under
14 section 165(h) of the Internal Revenue Code, as amended by the
15 federal Emergency Economic Stabilization Act of 2008, Pub.
16 L. No. 110-343, in computing taxable income for state tax
17 purposes.

18 Sec. 10. EFFECTIVE UPON ENACTMENT AND RETROACTIVE
19 APPLICABILITY. This division of this Act, being deemed of
20 immediate importance, takes effect upon enactment and applies
21 retroactively to January 1, 2008, for tax years beginning on
22 or after that date.

23 EXPLANATION

24 This bill relates to state financial matters. The bill is
25 divided into divisions.

26 DIVISION I. For the budget process applicable to FY
27 2011-2012, state agencies are required to submit estimates and
28 other expenditure information as called for by the director
29 of management instead of the information required under Code
30 section 8.23.

31 The division limits the standing unlimited appropriation for
32 FY 2010-2011 for payment for nonpublic school transportation
33 and for the state's share of the cost of the peace officers'
34 retirement benefits. The division limits the standing limited
35 appropriation for FY 2010-2011 for operational support grants

1 and community cultural grants, for regional tourism marketing,
2 for the enforcement of Code chapter 453D, for the center for
3 congenital and inherited disorders central registry, for
4 primary and secondary child abuse prevention programs, and for
5 programs for at-risk children.

6 The division eliminates for FY 2010-2011 a standing
7 appropriation for instructional support state aid.

8 The division requires the university of northern Iowa to
9 maintain efforts of the Iowa mathematics and science coalition.

10 For FY 2010-2011, the division funds the following property
11 tax credits from the property tax credit fund created in the
12 bill instead of entirely funded from the general fund of the
13 state: homestead, agricultural land and family farm, military
14 service, and elderly and disabled tax credit and reimbursement.
15 The division appropriates moneys from the general fund and the
16 cash reserve fund for deposit in the property tax credit fund.
17 These provisions take effect upon enactment.

18 The division appropriates moneys from the cash reserve fund
19 to the executive council for FY 2010-2011 for performance of
20 duty by the executive council. The division requires that such
21 moneys must be used prior to the standing appropriation made
22 from the general fund for the same purposes.

23 The division appropriates moneys from the cash reserve fund
24 to the general fund of the state for FY 2010-2011.

25 The division provides that certain cash reserve fund
26 requirements do not apply to any appropriations made in the
27 division from the cash reserve fund.

28 DIVISION II. This division of the bill relates to
29 disaster-related casualty losses.

30 The division allows a taxpayer to take the deduction for
31 disaster-related casualty losses allowed under section 165(h)
32 of the Internal Revenue Code, as amended by the federal
33 Emergency Economic Stabilization Act of 2008, in computing
34 taxable income for state tax purposes. The division takes
35 effect upon enactment and applies retroactively to January 1,

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1 2008, for tax years beginning on or after that date.