

### 96.13 Funds.

1. *Special fund.* There is hereby created in the state treasury a special fund to be known as the “*Employment Security Administration Fund*”. All moneys which are deposited or paid into this fund are hereby appropriated and made available to the department. All moneys in this fund, except money received pursuant to [section 96.9, subsection 4](#), which are received from the federal government or any agency thereof or which are appropriated by the state for the purposes described in [section 96.12](#) shall be expended solely for the purposes and in the amounts found necessary by the secretary of labor for the proper and efficient administration of [this chapter](#). This fund shall consist of all moneys appropriated by this state, and all moneys received from the United States, or any agency thereof, including the department of labor, the railroad retirement board, the United States employment service, established under the Wagner-Peyser Act, or from any other source for such purpose. Moneys received from the railroad retirement board, or any other agency, as compensation for services or facilities supplied to said board or agency shall be paid to the department, and the department shall allocate said moneys to the employment security administration fund. All moneys in this fund shall be deposited, administered, and disbursed, in the same manner and under the same conditions and requirements as is provided by law for special funds in the state treasury. Any balances in this fund shall not lapse at any time, but shall be continuously available to the department for expenditure consistent with [this chapter](#). The state treasurer shall give a separate and additional bond conditioned upon the faithful performance of the treasurer’s duties in connection with the employment security administration fund in an amount and with such sureties as shall be fixed and approved by the governor. The premiums for such bond and the premiums for the bond given by the treasurer of the unemployment compensation fund under [section 96.9](#), shall be paid from the moneys in the employment security administration fund. Notwithstanding any provision of [this section](#), all money requisitioned and deposited in this fund pursuant to [section 96.9, subsection 4](#), paragraph “b”, shall remain part of the unemployment compensation fund and shall be used only in accordance with the conditions specified in [section 96.9, subsection 4](#).

2. *Replenishment of lost funds.* If any moneys received after June 30, 1941, from the social security administration under Tit. III of the Social Security Act, or any unencumbered balances in the unemployment compensation administration fund as of that date, or any moneys granted after that date to this state pursuant to the provisions of the Wagner-Peyser Act, or any moneys made available by this state or its political subdivisions and matched by such moneys granted to this state pursuant to the provisions of the Wagner-Peyser Act, are found by the social security administration, because of any action or contingency, to have been lost or been expended for purposes other than or in amounts in excess of, those found necessary by the social security administration for the proper administration of [this chapter](#), it is the policy of this state that such moneys shall be replaced by moneys appropriated for such purpose from the general funds of this state to the unemployment compensation administration fund for expenditure as provided in [subsection 1](#). Upon receipt of notice of such a finding by the social security administration, the department shall promptly report the amount required for such replacement to the governor and the governor shall at the earliest opportunity, submit to the legislature a request for the appropriation of such amount.

3. *Special employment security contingency fund.*

a. (1) There is created in the state treasury a special fund to be known as the special employment security contingency fund. All interest, fines, and penalties, regardless of when they become payable, collected from employers under [section 96.14](#) shall be paid into the fund. The moneys shall not be expended or available for expenditure in any manner which would permit their substitution for federal funds which would in the absence of the moneys be available to finance expenditures for the administration of the department. However, the moneys may be used as a revolving fund to cover expenditures for which federal funds have been duly requested but not yet received, subject to the charging of the expenditures against the funds when received. The moneys may be used for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants or other funds, received for the department. The moneys in the fund are specifically made available to replace, within a reasonable time, any moneys received by this state in the form

of grants from the federal government for administrative expenses which because of any action or contingency have been expended for purposes other than, or in excess of, those necessary for the proper administration of the department. All moneys in the fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for other special funds in the state treasury. Interest earned upon moneys in the fund shall be deposited in and credited to the fund.

(2) The treasurer of state shall be the custodian of the fund and shall give a separate and additional bond conditioned upon the faithful performance of the treasurer's duties in connection with the fund in an amount and with sureties as shall be fixed and approved by the governor. The premium for the bond shall be paid from the moneys in the fund. All sums recovered on the bond for losses sustained by the fund shall be deposited in the fund. Refunds of interest and penalties shall be paid only from the fund.

(3) Balances to the credit of the fund shall not lapse at any time but shall continuously be available to the department for expenditures consistent with [this subsection](#). Moneys remaining in the fund at the end of each fiscal year shall not revert to any fund and shall remain in the fund.

*b.* The department shall annually report to the joint economic development appropriations subcommittee on its plans for expenditures during the next state fiscal year from the special employment security contingency fund. The report shall describe the specific expenditures and explain why the expenditures are to be made from the fund and not from federal administrative funds.

*c.* The department may appear before the executive council and request authorization of moneys to meet unanticipated emergencies as an expense from the appropriations addressed in [section 7D.29](#).

[C39, §1551.19; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.13; 82 Acts, ch 1126, §2] 84 Acts, ch 1204, §1 – 3; 86 Acts, ch 1209, §2; 91 Acts, ch 45, §10; 92 Acts, ch 1242, §19; 96 Acts, ch 1186, §23; 98 Acts, ch 1074, §10; 2008 Acts, ch 1032, §201; 2011 Acts, ch 131, §24, 158; 2013 Acts, ch 30, §20; 2016 Acts, ch 1073, §19

Referred to in [§96.17](#)