

8.55 Iowa economic emergency fund.

1. The Iowa economic emergency fund is created. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. The moneys credited to the fund are not subject to [section 8.33](#) and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in [this section](#).

2. The maximum balance of the fund is the amount equal to two and one-half percent of the adjusted revenue estimate for the fiscal year. If the amount of moneys in the Iowa economic emergency fund is equal to the maximum balance, moneys in excess of this amount shall be distributed as follows:

a. The difference between the actual net revenue for the general fund of the state for the fiscal year and the adjusted revenue estimate for the fiscal year shall be transferred to the taxpayer relief fund created in [section 8.57E](#).

b. The remainder of the excess, if any, shall be transferred to the general fund of the state.

3. a. Except as provided in paragraphs “b”, “c”, and “d”, the moneys in the Iowa economic emergency fund shall only be used pursuant to an appropriation made by the general assembly. An appropriation shall only be made for the fiscal year in which the appropriation is made. The moneys shall only be appropriated by the general assembly for emergency expenditures.

b. Moneys in the fund may be used for cash flow purposes during a fiscal year provided that any moneys so allocated are returned to the fund by the end of that fiscal year.

c. There is appropriated from the Iowa economic emergency fund to the general fund of the state for the fiscal year in which moneys in the fund were used for cash flow purposes, for the purposes of reducing or preventing any overdraft on or deficit in the general fund of the state, the amount from the Iowa economic emergency fund that was used for cash flow purposes pursuant to paragraph “b” and that was not returned to the Iowa economic emergency fund by June 30 of the fiscal year. The appropriation in this paragraph shall not exceed one percent of the adjusted revenue estimate for the fiscal year for which the appropriation is made and is contingent upon all of the following having occurred:

(1) Prior to an appropriation being made pursuant to this paragraph, the balance of the general fund of the state at the end of the fiscal year for which the appropriation is made is negative.

(2) The governor issues an official proclamation and notifies the legislative fiscal committee and the legislative services agency that the balance of the general fund is negative and that an appropriation made pursuant to this paragraph brings the general fund of the state into balance.

d. There is appropriated from the Iowa economic emergency fund to the executive council an amount sufficient to pay the expenses authorized by the executive council, as addressed in [section 7D.29](#).

e. If an appropriation is made pursuant to paragraph “c” for a fiscal year, there is appropriated from the general fund of the state to the Iowa economic emergency fund for the following fiscal year, the amount of the appropriation made pursuant to paragraph “c”.

f. Except as provided in [section 8.58](#), the Iowa economic emergency fund shall be considered a special account for the purposes of [section 8.53](#) in determining the cash position of the general fund of the state for the payment of state obligations.

4. Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys deposited in the Iowa economic emergency fund shall be credited to the rebuild Iowa infrastructure fund.

[84 Acts, ch 1305, §21; 92 Acts, ch 1227, §5; 94 Acts, ch 1181, §8; 95 Acts, ch 214, §13; 2001 Acts, 2nd Ex, ch 6, §27, 28, 37; 2002 Acts, ch 1169, §1; 2002 Acts, ch 1175, §73; 2002 Acts, 2nd Ex, ch 1001, §25, 26, 33, 52; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 179, §29, 30, 40; 2004 Acts, ch 1175, §216; 2005 Acts, ch 179, §24, 25; 2006 Acts, ch 1173, §1, 3; 2011 Acts, ch 123,](#)

§29, 32; 2011 Acts, ch 131, §14, 15, 158; 2012 Acts, ch 1021, §1; 2016 Acts, ch 1011, §1; 2018 Acts, ch 1028, §10, 13; 2018 Acts, ch 1161, §47, 53, 55 – 57

Referred to in §7D.29, 8.54, 8.58

2018 amendment to subsection 2, paragraph a, by 2018 Acts, ch 1161, §55, takes effect July 1, 2019, and applies to the calculation of the state general fund expenditure limitation for fiscal years beginning on or after July 1, 2020; 2018 Acts, ch 1161, §55 – 57

For distribution requirements in effect during the fiscal year beginning July 1, 2020, see 2020 Acts, ch 1120, §15, 17, 18