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**SF 304** – Public Safety Training and Equipment Trust Fund (LSB 1959SV)  
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Fiscal Note Version – New

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**Description**

[Senate File 304](#) establishes a Public Safety Training and Equipment Trust Fund, makes an appropriation to the Fund beginning July 1, 2016 (FY 2017), provides for a Public Safety Training and Facilities Task Force, and makes appropriations. The provisions of this Bill are repealed June 30, 2018 (FY 2018).

**Assumptions**

- This Bill creates a Public Safety Training and Facilities Trust Fund under the control of the Iowa Law Enforcement Academy Council. The Trust Fund will consist of moneys appropriated to the Fund from the General Fund of the State based on insurance premiums tax receipts collected by insurance products (other than life insurance). Of the money in the Fund, up to 10.0% as determined by the Council, is allocated to a Capital Projects Account to be used for public safety facility needs and is subject to appropriation by the General Assembly. The remaining money in the Fund is to be used for public safety training costs and is subject to appropriation by the General Assembly.
- This Bill states that money from the Fund will not be appropriated from the Trust Fund until the fiscal year following the year the balance of the Trust Fund reaches \$8.0 million.
- This Bill appropriates to the Trust Fund from the General Fund beginning July 1, 2016 (FY 2017), and for each year thereafter. The General Fund FY 2017 appropriation is in an amount equal to the adjustment percent of the moneys collected from premium tax receipts on insurance policies (other than life insurance policies), in excess of the amount collected for calendar year (CY) 2015, as compared to CY 2013. These receipts are currently deposited in the General Fund.
- The provisions of the Bill are repealed on June 30, 2018. Therefore, the proposed Fund will only receive appropriations in FY 2017 and FY 2018. After FY 2018, the proposed Fund will no longer exist and it is assumed the money will revert to the General Fund.
- This Bill requires the Department of Revenue to transfer 100.0% of the difference in tax receipts attributable to insurance premium tax liability (other than life insurance) under [Iowa Code section 432.1\(3\)](#) for CY 2015 in FY 2017, and payments for CY 2016 in FY 2018. Because the first fiscal year for the minimum balance of the proposed Fund to reach \$8.0 million is FY 2018 and the proposed Fund will be repealed June 30, 2018, all previously appropriated money in the proposed Fund will revert back to the General Fund in FY 2019.
- The Department of Public Safety will provide administrative support.

**Fiscal Impact**

The appropriation to the Fund is estimated to be \$6.72 million in FY 2017 and \$8.18 million in FY 2018. The total amount in the Fund at the end of FY 2018 is estimated to be \$14.9 million; however, the Fund is set to repeal on June 30, 2018. The Fund will reach the \$8.0 million in FY 2018, permitting appropriations or expenditures to begin in FY 2019.

The diversion of insurance premium tax receipts will reduce General Fund revenue by \$6.72 million in FY 2017 and \$8.18 million in FY 2018. With the repeal of the Fund in FY 2018, it is assumed the total \$14.9 million will revert to the General Fund, and no appropriations will be made, unless other legislative action is taken.

The Department of Public Safety will hire 0.4 FTE position for an Administrative Assistant II (780 hours) to support the legislation at an annual cost of \$16,700. This Bill appropriates \$50,000 to DPS for this purpose in FY 2014 and permits the money to carry forward through FY 2017.

**Sources**

Department of Revenue  
Department of Public Safety

/s/ Holly M. Lyons

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March 18, 2013

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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