

State Government: Blanshan, Chair; Halvorson of Webster and Swearingen.

SENATE FILE 2312

BY COMMITTEE ON STATE GOVERNMENT

(FORMERLY SSB 2240)

Approved 3/6 (p. 697)

Passed Senate, Date 3-16-84 (p. 868) Passed House, Date 3-27-84 (p. 1342)

Vote: Ayes 44 Nays 0 Vote: Ayes 99 Nays 0

Approved April 11, 1984 (p. 1493)

A BILL FOR

- 1 An Act relating to the deposit of interest earnings in
- 2 designated employee insurance funds.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SENATE FILE 2312

FISCAL NOTE

REQUESTED BY REPRESENTATIVE BLANSHAN

In compliance with a written request received March 27, 1984, there is hereby submitted a Fiscal Note for Senate File 2312 pursuant to Joint Rule 17. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the General Assembly upon request.

Senate File 2312 directs that interest earned from investments of funds under the control of the executive council and deposited in the health insurance premium operating fund, the health insurance premium reserve fund, and the life insurance premium operating fund, used for the payment of health and life insurance premiums, shall be deposited to the credit of these funds, and not credited to the general fund.

It is estimated that there is approximately five million dollars in these three funds. Assuming an average interest rate of 10% annually, this bill would reduce revenues to the general fund by \$500,000 each year and increase the designated employee insurance funds by that amount. This money would be used to reduce the amounts charged to employees and to the state for insurance premiums.

Sources: State Comptroller, Treasurer of State

(4190S, 84-296B, JMN)

FILED MARCH 28, 1984

BY DENNIS PROUTY, FISCAL DIRECTOR

1 Section 1. Section 509A.5, Code 1983, is amended to read
2 as follows:

3 509A.5 FUND UNDER CONTROL OF GOVERNING BODY. The fund
4 for each plan shall be under the control and shall be expended
5 under the directions of the governing body and shall be used
6 solely for the purpose of administering and carrying out the
7 provisions of the plan adopted by the governing body. Any
8 interest earnings from investments or time deposits of the
9 funds under the control of the state executive council and
10 deposited in the health insurance premium operating fund,
11 the health insurance premium reserve fund, and the life
12 insurance premium operating fund used for the payment of
13 health and life insurance premiums shall be deposited to the
14 credit of these funds.

15 EXPLANATION

16 Normally interest earned on state funds is deposited to
17 the general fund of the state. This bill makes it clear that
18 interest earned from investments of funds under the control
19 of the executive council and deposited in designated employee
20 insurance funds shall be credited to the deposit of the funds.

21 This bill takes effect July 1 following its enactment.

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health and life insurance premiums shall be deposited to the credit of these funds.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2312, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved Cyrell, 1984

TERRY E. BRANSTAD
Governor

SENATE FILE 2312

AN ACT

RELATING TO THE DEPOSIT OF INTEREST EARNINGS IN DESIGNATED EMPLOYEE INSURANCE FUNDS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 509A.5, Code 1983, is amended to read as follows:

509A.5 FUND UNDER CONTROL OF GOVERNING BODY. The fund for each plan shall be under the control and shall be expended under the directions of the governing body and shall be used solely for the purpose of administering and carrying out the provisions of the plan adopted by the governing body. Any interest earnings from investments or time deposits of the funds under the control of the state executive council and deposited in the health insurance premium operating fund, the health insurance premium reserve fund, and the life insurance premium operating fund used for the payment of

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