

JAN 12 1995
LOCAL GOVERNMENT

HOUSE FILE 38
BY HOUSER, VANDE HOEF, MARTIN,
BRAUNS, WELTER, HUSEMAN,
KLEMME, JACOBS, ARNOLD,

9.134 CARROLL, and HANSON *Spencer added*
1-18-95 *Harrison*

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the funding of state mandates.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 25B.2, subsection 3, Code 1995, is
2 amended by striking the subsection.

3 Sec. 2. Section 25B.3, subsection 1, Code 1995, is amended
4 to read as follows:

5 1. "Political subdivision" means a city, county, township,
6 community college, area education agency, or school district.

7 Sec. 3. NEW SECTION. 25B.5A UNFUNDED STATE MANDATES --
8 EFFECT.

9 1. If, on or after July 1, 1995, a state mandate is
10 enacted by the general assembly, or otherwise imposed, on a
11 political subdivision and the state mandate requires a
12 political subdivision to engage in any new activity, to
13 provide a new service, or to provide any service beyond that
14 required by any law enacted prior to July 1, 1995, and the
15 state does not appropriate moneys to fully fund the cost of
16 the state mandate, the political subdivision is not required
17 to perform the activity or provide the service and the
18 political subdivision shall not be subject to the imposition
19 of any fines or penalties for the failure to comply with the
20 state mandate. However, this subsection does not apply to any
21 requirement imposed on a political subdivision relating to
22 public employee retirement systems under chapters 97B, 410,
23 and 411.

24 2. For the purposes of subsection 1, any requirement
25 originating from the federal government and administered,
26 implemented, or enacted by the state, or any allocation of
27 federal moneys conditioned upon the enactment of state law or
28 rule, is not a state mandate.

29 EXPLANATION

30 This bill provides that if a new state mandate is imposed
31 on or after July 1, 1995, which requires the performance of a
32 new activity, to expand an activity beyond what was required
33 before July 1, 1995, or to provide a new or expanded service,
34 the state mandate must be fully funded. If the state mandate
35 is not fully funded, the affected political subdivisions are

1 not required to comply or implement the state mandate. Also,
2 no fines or penalties may be imposed on a political
3 subdivision for failure to comply or carry out an unfunded
4 state mandate.

5 However, requirements relating to public employee
6 retirement systems under chapters 97B, 410, and 411 are not
7 considered state mandates. Also, requirements originating
8 from the federal government and administered, implemented, or
9 enacted by state law or rule are not considered state
10 mandates.

11 This bill strikes section 25B.2, subsection 3, and rewrites
12 it as a new section outside the intent section of chapter 25B.
13 The rewritten section removes a qualifying phrase which limits
14 the circumstances under which a political subdivision may fail
15 to carry out an unfunded state mandate.

16 Community college and area education agency are added to
17 the definition of political subdivision as provided in section
18 25B.2, subsection 3, which was stricken.

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