

3-14-95 Referred to W. & means

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STATE GOVERNMENT

HOUSE FILE 426  
BY TYRRELL

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the rebuild Iowa infrastructure fund,  
2 providing an individual income tax deduction, and providing an  
3 effective date and a retroactive applicability provision.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
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HF 426

1 Section 1. Section 8.56, subsection 1, Code 1995, is  
2 amended to read as follows:

3 1. A cash reserve fund is created in the state treasury.  
4 The cash reserve fund shall be separate from the general fund  
5 of the state and shall not be considered part of the general  
6 fund of the state except in determining the cash position of  
7 the state as provided in subsection 3. The moneys in the cash  
8 reserve fund are not subject to section 8.33 and shall not be  
9 transferred, used, obligated, appropriated, or otherwise  
10 encumbered except as provided in this section.

11 Notwithstanding section 12C.7, subsection 2, interest or  
12 earnings on moneys deposited in the cash reserve fund shall be  
13 credited to the rebuild Iowa economic-emergency-fund  
14 infrastructure fund created in section 8.57. Moneys in the  
15 cash reserve fund may be used for cash flow purposes provided  
16 that any moneys so allocated are returned to the cash reserve  
17 fund by the end of each fiscal year. However, the fund shall  
18 be considered a special account for the purposes of section  
19 8.53.

20 Sec. 2. Section 8.57, subsection 5, Code 1995, is amended  
21 to read as follows:

22 5. a. A rebuild Iowa infrastructure account fund is  
23 created under the authority of the department of management.  
24 Moneys The fund shall consist of appropriations made to the  
25 fund, transfer of interest, earnings, and moneys from other  
26 funds as provided by law, and contributions. The fund shall  
27 be separate from the general fund of the state and the balance  
28 in the fund shall not be considered part of the balance of the  
29 general fund of the state. However, the fund shall be  
30 considered a special account for the purposes of section 8.53,  
31 relating to generally accepted accounting principles.

32 b. Notwithstanding section 8.33, moneys in the infra-  
33 structure fund which remain unencumbered or unobligated at the  
34 end of a fiscal year shall not revert to the general fund of  
35 the state but shall remain available for infrastructure

1 expenditures in the succeeding fiscal year. Notwithstanding  
2 section 12C.7, subsection 2, interest or earnings on moneys in  
3 the infrastructure fund shall be credited to the  
4 infrastructure fund.

5 c. Not more than ninety percent of the moneys in the  
6 account fund in a fiscal year shall be used obligated as  
7 directed by the general assembly for public infrastructure-  
8 related expenditures. Public infrastructure-related  
9 expenditures shall include but are not limited to repair and  
10 replacement of state-owned structures. The first priority  
11 shall be given to repair of existing structures.

12 d. The general assembly may provide that all or part of  
13 the moneys deposited in the GAAP deficit reduction account  
14 created in this section shall be transferred to the  
15 infrastructure account fund in lieu of appropriation of the  
16 moneys to the Iowa economic emergency fund.

17 Sec. 3. Section 422.7, Code 1995, is amended by adding the  
18 following new subsection:

19 NEW SUBSECTION. 32. Subtract the amount of a contribution  
20 to the rebuild Iowa infrastructure fund created in section  
21 8.57.

22 Sec. 4. TRANSFER TO INFRASTRUCTURE FUND. Moneys in the  
23 Iowa economic emergency fund, created in section 8.55, at the  
24 conclusion of the fiscal year beginning July 1, 1994, shall be  
25 transferred to the rebuild Iowa infrastructure fund created in  
26 section 8.57.

27 Sec. 5. EFFECTIVE DATE -- APPLICABILITY. This Act, being  
28 deemed of immediate importance, takes effect upon enactment  
29 and section 3 of this Act, relating to contributions to the  
30 rebuild Iowa infrastructure fund is retroactively applicable  
31 to contributions made in any tax year beginning on or after  
32 January 1, 1995.

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#### EXPLANATION

34 This bill relates to the rebuild Iowa infrastructure fund,  
35 provides an individual income tax deduction, and includes an

1 effective date and applicability provision.

2 Section 8.56 is amended to transfer interest and earnings  
3 on moneys deposited in the cash reserve fund to the rebuild  
4 Iowa infrastructure fund in place of the Iowa economic  
5 emergency fund.

6 Section 8.57 is amended to rename the rebuild Iowa  
7 infrastructure account to the rebuild Iowa infrastructure  
8 fund. The bill states that the fund consists of  
9 appropriations, transfers of earnings and other moneys from  
10 other funds, and contributions. Interest and earnings on the  
11 moneys deposited in the infrastructure fund remain in the  
12 infrastructure fund. The bill provides that the  
13 infrastructure fund is not part of the general fund of the  
14 state. Not more than 90 percent of the moneys in the  
15 infrastructure fund during a fiscal year are to be obligated  
16 as directed by the general assembly for infrastructure-related  
17 expenditures. Infrastructure-related expenditures are to  
18 include repair and replacement of state buildings with  
19 priority given to repair of existing structures.

20 Existing law provides that the general assembly may provide  
21 for transfer of state general fund ending balance moneys to  
22 the infrastructure fund in lieu of the economic emergency  
23 fund.

24 Section 422.7 is amended to provide that contributions to  
25 the infrastructure fund are deductible for purposes of the  
26 state individual income tax. An applicability provision makes  
27 such contributions applicable commencing with the tax year  
28 beginning January 1, 1995.

29 The bill provides that moneys in the Iowa economic  
30 emergency fund at the conclusion of fiscal year 1994-1995 are  
31 to be transferred to the infrastructure fund. The bill takes  
32 effect upon enactment.

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