

MAR 6 1997
STATE GOVERNMENT

HOUSE FILE 479
BY WARNSTADT

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

A BILL FOR

1 An Act relating to the deposit of state gambling revenues into
2 funds to be used for infrastructure projects of school
3 districts, cities, counties, and the state, and making
4 appropriations.

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

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HF 479

1 Section 1. Section 99D.17, Code 1997, is amended to read
2 as follows:

3 99D.17 USE OF FUNDS.

4 Funds received pursuant to sections 99D.14 and 99D.15 shall
5 be deposited ~~in the general fund of the state and shall be~~
6 ~~subject to the requirements of section 8-60~~ as provided in
7 section 8.57, subsection 5. These funds shall first be used
8 to the extent appropriated by the general assembly. The
9 commission is subject to the budget requirements of chapter 8
10 and the applicable auditing requirements and procedures of
11 chapter 11.

12 Sec. 2. Section 99F.11, subsection 4, Code 1997, is
13 amended to read as follows:

14 4. The remaining amount of the adjusted gross receipts tax
15 shall be ~~credited to the general fund of the state~~ deposited
16 as provided in section 8.57, subsection 5.

17 Sec. 3. Section 8.57, subsection 5, paragraph e, Code
18 1997, is amended by striking the paragraph and inserting in
19 lieu thereof the following:

20 e. Moneys to be deposited pursuant to section 99D.17 and
21 section 99F.11, subsection 4, shall be deposited as follows:

22 (1) For the fiscal year beginning July 1, 1997, the first
23 forty million dollars are deposited into the local
24 infrastructure fund created in subsection 6, the next nineteen
25 million two hundred thousand dollars are deposited into the
26 state school infrastructure fund created in subsection 7, and
27 remaining moneys shall be deposited into the rebuild Iowa
28 infrastructure fund.

29 (2) For the fiscal year beginning July 1, 1998, the first
30 forty million dollars are deposited into the local
31 infrastructure fund, the next nineteen million eight hundred
32 thousand dollars are deposited into the state school
33 infrastructure fund, and remaining moneys shall be deposited
34 into the rebuild Iowa infrastructure fund.

35 (3) For the fiscal year beginning July 1, 1999, the first

1 seventy million dollars are deposited into the rebuild Iowa
2 infrastructure fund and remaining moneys shall be deposited
3 into the local infrastructure fund.

4 Sec. 4. Section 8.57, Code 1997, is amended by adding the
5 following new subsections:

6 NEW SUBSECTION. 6. a. A local infrastructure fund is
7 created under the control of the department of management.
8 The fund shall consist of appropriations made to the fund and
9 deposits of gambling revenues as provided by subsection 5.
10 The fund shall be separate from the general fund of the state
11 and the balance in the fund shall not be considered part of
12 the balance of the general fund of the state. However, the
13 fund shall be considered a special account for the purposes of
14 section 8.53, relating to generally accepted accounting
15 principles. Interest and earnings on moneys in the fund shall
16 be credited to the fund. Moneys in the fund at the end of a
17 fiscal year shall not revert to any other fund but shall
18 remain in the fund for purposes of the fund.

19 b. Moneys in the fund shall be used to assist cities,
20 counties, and school districts in funding local infrastructure
21 projects by providing twenty percent of the potential amount
22 of the bond issuance by a city, county, or school district if
23 both of the following are met:

24 (1) An election has been held on the question of issuing
25 bonds for a specified infrastructure project at which a sixty
26 percent majority have voted in favor of such bond issuance.

27 (2) The project is an infrastructure project as determined
28 by the department of management.

29 c. For purposes of this section, "potential amount of bond
30 issuance" is the amount of the bond issuance that would be
31 needed to fund the infrastructure project. Each city, county,
32 and school district shall notify the department of management
33 by January 1 of each year of the potential amount of the bond
34 issuance to be made in the ensuing fiscal year. By the end of
35 February, the department shall notify the city, county, or

1 school district of the amount that will be provided from the
2 local infrastructure fund pursuant to subsection 2. However,
3 not more than fifteen percent of the moneys in the fund may be
4 provided to any one city, county, or school district in any
5 fiscal year. If the fund is insufficient to provide twenty
6 percent of the total potential amount of bond issuances, then
7 the department shall prorate the amount each city, county, or
8 school district will receive. Moneys in the fund are
9 appropriated for purposes of the fund. Moneys received by a
10 school district are miscellaneous income for purposes of
11 chapter 257.

12 NEW SUBSECTION. 7. a. A state school infrastructure fund
13 is created under the authority of the department of education.
14 The fund shall consist of appropriations made to the fund and
15 deposits of gambling revenues as provided by subsection 5.
16 The fund shall be separate from the general fund of the state
17 and the balance in the fund shall not be considered part of
18 the balance of the general fund of the state. However, the
19 fund shall be considered a special account for the purposes of
20 section 8.53, relating to generally accepted accounting
21 principles.

22 b. Moneys in the state school infrastructure fund shall be
23 used to fund infrastructure projects of school districts by
24 providing each school district with an amount equal to an
25 additional one percentage point of state allowable growth for
26 the school budget years beginning July 1, 1997, and July 1,
27 1998. Moneys received under this paragraph shall be
28 miscellaneous income and shall not be included in district
29 cost of the school district under chapter 257. Moneys in the
30 fund are appropriated for purposes of the fund.

31 c. Moneys received by a school district from the state
32 school infrastructure fund shall be deposited into the
33 district's physical plant and equipment levy fund or
34 schoolhouse tax levy fund, as appropriate, to be used for
35 purposes for which the fund must be established.

EXPLANATION

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2 Present law provides that state revenues generated by pari-
3 mutuel wagering and riverboat gambling be divided between the
4 state general fund and the rebuild Iowa infrastructure fund.
5 The bill changes that so that such revenues are deposited into
6 two new funds and the rebuild Iowa infrastructure fund. One
7 of the new funds is the local infrastructure fund which is
8 designed to provide 20 percent of the cost of the
9 infrastructure project of a city, county, or school district.
10 An election is to be held at which at least 60 percent must
11 vote in favor of issuing bonds for the project. The other
12 fund, the state school infrastructure fund, is designed to
13 provide school districts with an amount of state aid equal to
14 an additional one percentage point in the state percent of
15 growth. This aid would be considered miscellaneous income,
16 would not be factored into the school foundation formula, and
17 would be used for the purposes for which the physical plant
18 and equipment buy fund or the schoolhouse fund may be used.
19 The funding would be available for only two years. The local
20 infrastructure fund is an ongoing allocation.

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