

JAN 12 2000

STATE GOVERNMENT

HOUSE FILE 2042
BY NELSON-FORBES

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

A BILL FOR

1 An Act relating to the determination of a member's average
2 covered wage for purposes of calculating retirement benefits
3 under the Iowa public employees' retirement system.

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

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HF 2042

1 Section 1. Section 97B.1A, subsection 24, paragraph b,
2 subparagraph (4), Code 1999, is amended to read as follows:

3 (4) For a member who retires on or after January 1, 2000,
4 but before ~~January 1, 2003~~ July 1, 2000, and whose three-year
5 average covered wage at the time of retirement exceeds fifty-
6 five thousand dollars, the member's covered wages averaged for
7 the highest seven years of the member's service or fifty-five
8 thousand dollars, whichever is greater.

9 EXPLANATION

10 This bill changes the definition of "three-year average
11 covered wage" used in determining IPERS retirement benefits by
12 eliminating the mechanism for reducing an IPERS member's
13 three-year average covered wage if the member's average wage
14 exceeds a certain dollar level. Current law provides that a
15 member's "three-year average covered wage" will be calculated
16 using the highest seven years for a member who retires during
17 calendar year 2000, 2001, or 2002, and whose three-year
18 covered wage exceeds \$55,000. This bill eliminates the use of
19 additional years beyond three for calculating a member's
20 average covered wage beginning for any member who retires on
21 or after July 1, 2000.

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**SENATE FILE 2042
FISCAL NOTE**

REQUESTED BY SENATOR KIBBIE

A fiscal note for Senate File 2042 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2042 establishes a Support Family Farming special registration plate. The fee charged for the initial purchase of the plate is \$35 which is in addition to the regular annual registration fee and \$80 for personalized plates. Of the \$80 fee for personalized plates, \$45 is deposited into the Road Use Tax Fund. The annual renewal fee is \$10 which is in addition to the regular annual registration fee and \$15 for personalized plates. Of the \$15 fee for personalized plates, \$5 is deposited into the Road Use Tax Fund.

The Bill appropriates the special fees collected from the issuance of the plates to the Attorney General's Office to be used to investigate and pursue legal action to eradicate anticompetitive agriculture practices.

ASSUMPTIONS

1. The revenue generated by SF 2042 depends on the number of Support Family Farming plates sold to the motoring public. The following estimate is based on the sale of between 1,000 and 2,500 new plates per year for the first two years. In the third and subsequent years, the sale of new special plates typically decrease and the majority of the fees come from the plate renewal fees.
2. The cost to the Road Use Tax Fund for the production of a special plate is \$2.50 per pair of plates.
3. The percentage of personalized Support Family Farming plates issued will be similar to the percentage of personalized Natural Resources plates issued which is 4.0%.

FISCAL EFFECT

Senate File 2042 will generate the following revenue to be appropriated to the Attorney General's Office:

FY 2001 - between \$35,000 to \$87,500
FY 2002 - between \$45,000 to \$112,500
Subsequent Years - between \$20,000 and \$50,000

The net fiscal effect on the Road Use Tax Fund will be insignificant.

SOURCES

Department of Transportation
Legislative Fiscal Bureau

(LSB 5546ss, DLR)