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SENATE FILE

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

A BILL FOR

1 An Act relating to state and local budgetary matters involving
2 time period requirements and certain standing appropriations,
3 making appropriations, and including an applicability
4 provision.

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

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APPROPRIATIONS

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DIVISION I

STATE BUDGET AND CLAIMS

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2
3 Section 1. Section 8.23, unnumbered paragraph 1, Code
4 1999, is amended to read as follows:

5 On or before ~~October~~ November 1, prior to each legislative
6 session, all departments and establishments of the government
7 shall transmit to the director, on blanks to be furnished by
8 the director, estimates of their expenditure requirements,
9 including every proposed expenditure, for the ensuing fiscal
10 year, classified so as to distinguish between expenditures
11 estimated for administration, operation, and maintenance, and
12 the cost of each project involving the purchase of land or the
13 making of a public improvement or capital outlay of a
14 permanent character, together with supporting data and
15 explanations as called for by the director. The budget
16 estimates shall include for those agencies which pay for
17 energy directly a line item for energy expenses itemized by
18 type of energy and location. The estimates of expenditure
19 requirements shall be based upon seventy-five percent of the
20 funding provided for the current fiscal year accounted for by
21 program reduced by the historical employee vacancy factor in
22 form specified by the director and the remainder of the
23 estimate of expenditure requirements prioritized by program.
24 The estimates shall be accompanied with performance measures
25 for evaluating the effectiveness of the program. If a
26 department or establishment fails to submit estimates within
27 the time specified, the legislative fiscal bureau shall use
28 the amounts of the appropriations to the department or
29 establishment for the fiscal year in process at the time the
30 estimates are required to be submitted as the amounts for the
31 department's or establishment's request in the documents
32 submitted to the general assembly for the ensuing fiscal year
33 and the governor shall cause estimates to be prepared for that
34 department or establishment as in the governor's opinion are
35 reasonable and proper. The director shall furnish standard

1 budget request forms to each department or agency of state
2 government.

3 Sec. 2. Section 421.38, subsection 1, paragraph a, Code
4 1999, is amended to read as follows:

5 a. ~~TIME-AND FUNDING LIMIT.~~ A claim shall not be allowed
6 by the department of revenue and finance if ~~either-of-the~~
7 ~~following-has-occurred:~~

8 ~~{1}--The-claim-is-presented-after-the-lapse-of-three-months~~
9 ~~from-its-accrual:~~

10 ~~{2}--The~~ the appropriation or fund of certification
11 available for paying the claim has been exhausted or proves
12 insufficient.

13 Sec. 3. Section 421.38, subsection 1, paragraph b,
14 unnumbered paragraph 1, Code 1999, is amended to read as
15 follows:

16 ~~The time-limitation-set-forth-in-paragraph-"a",~~
17 ~~subparagraph-{1},~~ authority of the director is subject to the
18 following exceptions:

19 DIVISION II

20 SCHOOL BUDGET PROCESS

21 Sec. 4. Section 24.17, unnumbered paragraph 1, Code 1999,
22 is amended to read as follows:

23 The local budgets of the various political subdivisions
24 shall be certified by the chairperson of the certifying board
25 or levying board, as the case may be, in duplicate to the
26 county auditor not later than March 15 of each year on forms,
27 and pursuant to instructions, prescribed by the department of
28 management. ~~However,-if-the-political-subdivision-is-a-school~~
29 ~~district,-as-defined-in-section-257.2,-its-budget-shall-be~~
30 ~~certified-not-later-than-April-15-of-each-year.~~

31 Sec. 5. Section 24.27, Code 1999, is amended to read as
32 follows:

33 24.27 PROTEST TO BUDGET.

34 Not later than March 25 ~~or-April-25-if-the-municipality-is~~
35 ~~a-school-district,~~ a number of persons in any municipality

1 equal to one-fourth of one percent of those voting for the
2 office of governor, at the last general election in the
3 municipality, but the number shall not be less than ten, and
4 the number need not be more than one hundred persons, who are
5 affected by any proposed budget, expenditure or tax levy, or
6 by any item ~~thereof~~ of a proposed budget, may appeal from any
7 decision of the certifying board or the levying board by
8 filing with the county auditor of the county in which the
9 municipal corporation is located, a written protest setting
10 forth their objections to the budget, expenditure or tax levy,
11 or to one or more items thereof, and the grounds for their
12 objections. If a budget is certified after March 15 ~~or-April~~
13 ~~15-in-the-case-of-a-school-district~~, all appeal time limits
14 shall be extended to correspond to allowances for a timely
15 filing. Upon the filing of a protest, the county auditor
16 shall immediately prepare a true and complete copy of the
17 written protest, together with the budget, proposed tax levy
18 or expenditure to which objections are made, and shall
19 transmit them ~~forthwith~~ to the state board, and shall also
20 send a copy of the protest to the certifying board or to the
21 levying board, as the case may be.

22 Sec. 6. Section 76.2, unnumbered paragraph 2, Code 1999,
23 is amended to read as follows:

24 If the resolution is filed prior to April 1 ~~or-May-17-if~~
25 ~~the-political-subdivision-is-a-school-district~~, the annual
26 levy shall begin with the tax levy for collection commencing
27 July 1 of that year. If the resolution is filed after April 1
28 ~~or-May-17-in-the-case-of-a-school-district~~, the annual levy
29 shall begin with the tax levy for collection in the next
30 succeeding fiscal year. However, the governing authority of a
31 political subdivision may adjust a levy of taxes made under
32 this section for the purpose of adjusting the annual levies
33 and collections for property severed from the political
34 subdivision, subject to the approval of the director of the
35 department of management.

1 Sec. 7. Section 257.19, unnumbered paragraph 2, Code 1999,
2 is amended to read as follows:

3 Certification of a board's intent to participate for a
4 budget year, the method of funding, and the amount to be
5 raised shall be made to the department of management not later
6 than ~~April-15~~ March 15 of the base year. Funding for the
7 instructional support program shall be obtained from
8 instructional support state aid and from local funding using
9 either an instructional support property tax or a combination
10 of an instructional support property tax and an instructional
11 support income surtax.

12 Sec. 8. Section 257.29, unnumbered paragraph 2, Code 1999,
13 is amended to read as follows:

14 The educational improvement program shall provide
15 additional revenues each fiscal year equal to a specified
16 percent of the regular program district cost of the district,
17 as determined by the board but not more than the maximum
18 percent authorized by the electors if an election has been
19 held. Certification of a district's participation for a
20 budget year, the method of funding, and the amount to be
21 raised shall be made to the department of management not later
22 than ~~April-15~~ March 15 of the base year.

23 Sec. 9. Section 275.29, Code 1999, is amended to read as
24 follows:

25 275.29 DIVISION OF ASSETS AND LIABILITIES AFTER
26 REORGANIZATION.

27 Between July 1 and July 20, the board of directors of the
28 newly formed school district shall meet with the boards of the
29 school districts affected by the organization of the new
30 school corporation, including the boards of districts
31 receiving territory of the school districts affected, for the
32 purpose of reaching joint agreement on an equitable division
33 of the assets of the several school corporations or parts of
34 school corporations and an equitable distribution of the
35 liabilities of the affected corporations or parts of

1 corporations. In addition, if outstanding bonds are in
2 existence in any district, the initial board of directors of
3 the newly formed school district shall meet with the boards of
4 all school districts affected prior to ~~April~~ March 15 prior to
5 the school year the reorganization is effective to determine
6 the distribution of the bonded indebtedness between the
7 districts so that the newly formed district may certify its
8 budget under the procedures specified in chapter 24. The
9 boards shall consider the mandatory levy required in section
10 76.2 and shall assure the satisfaction of outstanding
11 obligations of each affected school corporation. If the
12 petition includes plans for the distribution of the bonded
13 indebtedness, the exclusion of territory from the reorganized
14 district does not require action pursuant to this section.

15 Sec. 10. Section 279.54, unnumbered paragraph 1, Code
16 1999, is amended to read as follows:

17 If a majority of those voting in an election approves
18 raising the additional enrichment amount for an asbestos
19 project under section 279.53 and this section, not later than
20 ~~April-15~~ March 15 of the previous school year the board shall
21 certify to the department of management that the required.
22 procedures have been carried out, the method of funding the
23 amount to be raised, and the department of management shall
24 establish the amount of additional enrichment property tax to
25 be levied or the amount of the combination of the enrichment
26 property tax and the amount of enrichment income surtax to be
27 imposed for each school year for which the additional
28 enrichment amount for an asbestos project is authorized. The
29 enrichment property tax and income surtax, if an income surtax
30 is imposed, shall be levied and imposed, collected, and paid
31 to the school district in the manner provided for the
32 instructional support program in sections 257.21 through
33 257.26.

34 Sec. 11. Section 298.2, subsection 3, Code 1999, is
35 amended to read as follows:

1 3. The board of directors of a school district may certify
2 for levy by ~~April-15~~ March 15 of a school year a tax on all
3 taxable property in the school district for the regular
4 physical plant and equipment levy.

5 Sec. 12. Section 298.2, subsection 4, unnumbered paragraph
6 2, Code 1999, is amended to read as follows:

7 If a combination of a property tax and income surtax is
8 used, by ~~April-15~~ March 15 of the previous school year, the
9 board shall certify the percent of the income surtax to be
10 imposed and the amount to be raised to the department of
11 management and the department of management shall establish
12 the rate of the property tax and income surtax for the school
13 year. The physical plant and equipment property tax and
14 income surtax shall be levied or imposed, collected, and paid
15 to the school district in the manner provided for the
16 instructional support program in sections 257.21 through
17 257.26.

18 Sec. 13. Section 298.4, unnumbered paragraph 1, Code 1999,
19 is amended to read as follows:

20 The board of directors of a school district may certify for
21 levy by ~~April-15~~ March 15 of a school year, a tax on all
22 taxable property in the school district for a district
23 management levy. The revenue from the tax levied in this
24 section shall be placed in the district management levy fund
25 of the school district. The district management levy shall be
26 expended only for the following purposes:

27 Sec. 14. Section 298.9, Code 1999, is amended to read as
28 follows:

29 298.9 SPECIAL LEVIES.

30 If the voter-approved physical plant and equipment levy,
31 consisting solely of a physical plant and equipment property
32 tax levy, is voted at a special election and certified to the
33 board of supervisors after the regular levy is made, the board
34 shall at its next regular meeting levy the tax and cause it to
35 be entered upon the tax list to be collected as other school

1 taxes. If the certification is filed prior to ~~May~~ April 1,
2 the annual levy shall begin with the tax levy of the year of
3 filing. If the certification is filed after ~~May~~ April 1 in a
4 year, the levy shall begin with the levy of the fiscal year
5 succeeding the year of the filing of the certification.

6 Sec. 15. Section 298.10, Code 1999, is amended to read as
7 follows:

8 298.10 LEVY FOR CASH RESERVE.

9 The board of directors of a school district may certify for
10 levy by ~~April 15~~ March 15 of a school year, a tax on all
11 taxable property in the school district in order to raise an
12 amount for a necessary cash reserve for a school district's
13 general fund. The amount raised for a necessary cash reserve
14 does not increase a school district's authorized expenditures
15 as defined in section 257.7.

16 Sec. 16. Section 300.2, unnumbered paragraph 2, Code 1999,
17 is amended to read as follows:

18 If a majority of the votes cast upon the proposition is in
19 favor of the proposition, the board shall certify the amount
20 required for a fiscal year to the county board of supervisors
21 by ~~April 15~~ March 15 of the preceding fiscal year. The board
22 of supervisors shall levy the amount certified. The amount
23 shall be placed in the public education and recreation levy
24 fund of the district and shall be used only for the purposes
25 specified in this chapter.

26 Sec. 17. APPLICABILITY. This division of this Act is
27 first applicable to school budgets and levies certified for
28 the fiscal year beginning July 1, 2001.

29 DIVISION III

30 STANDING APPROPRIATIONS

31 Sec. 18. Section 7D.29, Code 1999, is amended to read as
32 follows:

33 7D.29 PERFORMANCE OF DUTY -- EXPENSE.

34 The executive council shall not employ others, or incur any
35 expense, for the purpose of performing any duty imposed upon

1 the council when the duty may, without neglect of their usual
 2 duties, be performed by the members, or by their regular
 3 employees, but, subject to this limitation, the council may
 4 incur the necessary expense to perform or cause to be
 5 performed any legal duty imposed on the council, ~~and pay the~~
 6 ~~same out of any money in the state treasury not otherwise~~
 7 ~~appropriated.~~ There is appropriated from the Iowa economic
 8 emergency fund created in section 8.55 for the fiscal year in
 9 which the necessary expenses are incurred an amount sufficient
 10 to pay the necessary expenses.

11 Sec. 19. Section 8.55, subsection 3, Code 1999, is amended
 12 to read as follows:

13 3. The moneys in the Iowa economic emergency fund may be
 14 appropriated by the general assembly only in the fiscal year
 15 for which the appropriation is made. The moneys in the fund
 16 are subject to the standing appropriations made in sections
 17 7D.29 and 25.2. Otherwise moneys in the fund shall only be
 18 appropriated by the general assembly for emergency
 19 expenditures. However, except as provided in section 8.58,
 20 the balance in the Iowa economic emergency fund may be used in
 21 determining the cash position of the general fund of the state
 22 for the payment of state obligations.

23 Sec. 20. Section 12D.4A, Code Supplement 1999, is amended
 24 to read as follows:

25 12D.4A ADMINISTRATIVE FUND ---APPROPRIATION.

26 For the fiscal year beginning July 1, 1998, and ending June
 27 30, 1999, and for the fiscal year beginning July 1, 1999, and
 28 ending June 30, 2000, an amount, not to exceed four hundred
 29 thousand dollars annually, shall be transferred from the
 30 unclaimed property trust fund established in section 556.18 to
 31 the administrative fund for the payment of costs of
 32 administration and operation of the trust. ~~For the fiscal~~
 33 ~~year beginning July 1, 2000, and succeeding fiscal years,~~
 34 ~~there shall be appropriated to the administrative fund by the~~
 35 ~~general assembly from the general fund of the state an amount~~

1 sufficient-for-the-payment-of-costs-of-administration-and
2 operation-of-the-trust.

3 Sec. 21. Section 18.12, subsection 9, paragraphs a and b,
4 Code Supplement 1999, are amended to read as follows:

5 a. Lease all buildings and office space necessary to carry
6 out the provisions of this chapter or necessary for the proper
7 functioning of any state agency at the seat of government.
8 For state agencies at the seat of government, the director may
9 lease buildings and office space in Polk county or in a county
10 contiguous to Polk county. If no specific appropriation has
11 been made, the proposed lease shall be submitted to the
12 executive council for approval. The If approved by the
13 executive council, the payment of the cost of any lease for
14 which no specific appropriation has been made shall be
15 considered a performance of the duty of the executive council
16 and shall be paid from the-fund-provided funding appropriated
17 in section 7D.29.

18 b. When the general assembly is not in session, the
19 director may request moneys from the executive council for
20 moving state agencies located at the seat of government from
21 one location to another. The request may include moving
22 costs, telecommunications costs, repair costs, or any other
23 costs relating to the move. ~~The-executive-council-may-approve~~
24 ~~and-shall-pay-the-costs-from-funds-provided-in-section-7D-29~~
25 if-it If the executive council determines the agency or
26 department has no available funds for these expenses costs and
27 approves the request, payment of the costs shall be considered
28 a performance of the duty of the executive council and shall
29 be paid from funding appropriated in section 7D.29.

30 Sec. 22. Section 25.2, subsection 3, Code 1999, is amended
31 to read as follows:

32 3. Payments authorized by the state appeal board shall be
33 paid from the appropriation or fund of original certification
34 of the claim. However, if that appropriation or fund has
35 since reverted under section 8.33, ~~then-such~~ and the payment

1 of the claim is authorized by the state appeal board shall-be
2 ~~out-of-any-money-in-the-state-treasury-not-otherwise~~
3 appropriated, there is appropriated from the Iowa economic
4 emergency fund created in section 8.55 for the fiscal year of
5 the board's authorization an amount sufficient to pay the
6 claim as authorized by the board.

7 EXPLANATION

8 This bill relates to time period requirements associated
9 with state and local budgetary matters.

10 In Division I, Code section 8.23, relating to submission of
11 state executive branch agency budget materials, is amended to
12 move the date of submission of budget estimates for the
13 ensuing fiscal year to the department of management from
14 October 1 to November 1. Current law provides for the final
15 submission to the department of management and legislative
16 fiscal bureau on November 15.

17 The bill amends Code section 421.38, relating to the
18 director of revenue and finance's authority for payment of
19 certain claims. The bill removes a restriction requiring
20 presentation of a claim within three months of its accrual.

21 In Division II, Code section 24.17, relating to
22 certification of the budgets of political subdivisions of the
23 state, is amended to remove an authorization for school
24 districts to complete budget certification by April 15. Under
25 current law, political subdivisions except for school
26 districts must complete the budget certification by March 15.

27 The bill includes conforming amendments for moving the
28 following school levy provisions to be 30 days earlier: Code
29 section 24.27, relating to budget protests; Code section 76.2,
30 relating to obligations in advance of levying for bonding;
31 Code section 257.19, relating to instructional support
32 funding; Code section 257.29, relating to educational
33 improvement program levy; Code section 275.29, relating to
34 division of assets and liabilities after a school
35 reorganization; Code section 279.54, relating to the school

1 district income surtax; Code section 298.2, imposition of
2 physical plant and equipment levy; Code section 298.4,
3 relating to the district management levy; Code section 298.9,
4 relating to the physical plant and equipment levy; Code
5 section 298.10, relating to the levy for cash reserve; and
6 Code section 300.2, relating to the educational and
7 recreational tax levy. Division II is first applicable to
8 school budgets and levies certified for the fiscal year
9 beginning July 1, 2001.

10 Division III of the bill relates to certain standing
11 appropriations.

12 Code section 7D.29 relates to the performance of duty of
13 the executive council. The bill strikes a standing
14 appropriation from moneys in the state treasury not otherwise
15 appropriated and replaces it with a standing appropriation
16 from the Iowa economic emergency fund. The bill includes a
17 conforming amendment in Code section 18.12, relating to leases
18 and moving expenses associated with state agencies located at
19 the seat of government. Current law authorizes the executive
20 council to authorize payment of these costs.

21 Code section 8.55, relating to the Iowa economic emergency
22 fund, is amended to authorize standing appropriations from the
23 fund for purposes of Code sections 7D.29 and 25.2.

24 Code section 12D.4A, relating to the administrative fund
25 for the Iowa educational savings plan trust, is amended to
26 strike language directing the general assembly to appropriate
27 an amount sufficient to pay for the administrative and
28 operating costs of the trust.

29 Code section 25.2 relating to payment of claims against the
30 state, is amended. Under current law, if the appropriation to
31 pay a claim has reverted at the close of the fiscal year, the
32 claim is paid from moneys in the state treasury not otherwise
33 appropriated. This Code section is amended to strike the
34 standing appropriation from moneys in the state treasury not
35 otherwise appropriated, and replacing it with a standing

1 appropriation from the Iowa economic emergency fund.

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