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APR 4 2002

WAYS & MEANS CALENDAR

HOUSE FILE 2618

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2570)

(SUCCESSOR TO HF 2428)

Passed House, Date (P. 1314) 4-10-02

Passed Senate, Date _____

Vote: Ayes 89 Nays 6

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to volunteer fire fighters by creating a
2 volunteer fire fighters pension fund, providing for the
3 deposit of certain insurance premium tax receipts in the fund,
4 and establishing a volunteer fire fighters pension task force.

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

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HF 2618

1 Section 1. Section 8.57, Code 2001, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 6. a. A volunteer fire fighters pension
4 fund is created in the state treasury under the authority of
5 the department of management. The fund shall consist of
6 appropriations made to the fund and transfers of interest,
7 earnings, and moneys from other funds as provided by law. The
8 fund shall be separate from the general fund of the state and
9 the balance in the fund shall not be considered part of the
10 balance of the general fund of the state. However, the fund
11 shall be considered a special account for the purposes of
12 section 8.53, relating to generally accepted accounting
13 principles.

14 b. Moneys in the volunteer fire fighters pension fund are
15 not subject to section 8.33. Notwithstanding section 12C.7,
16 subsection 2, interest or earnings on moneys in the fund shall
17 be credited to the fund.

18 c. Moneys in the volunteer fire fighters pension fund in a
19 fiscal year are appropriated and shall be used to provide
20 pensions for qualified volunteer fire fighters. A formula for
21 distributions from the fund shall be established by law.

22 d. For the fiscal year beginning July 1, 2004, and for
23 each fiscal year thereafter, the amount, not to exceed five
24 million dollars, of premium tax receipts collected pursuant to
25 section 432.1, subsection 2, from property and casualty
26 insurance, in the fiscal year shall be deposited in the
27 volunteer fire fighters pension fund. The moneys deposited in
28 the volunteer fire fighters pension fund are appropriated and
29 shall be used as provided in this subsection.

30 Sec. 2. Section 8.58, Code 2001, is amended to read as
31 follows:

32 8.58 EXEMPTION FROM AUTOMATIC APPLICATION.

33 To the extent that moneys appropriated under section 8.57
34 do not result in moneys being credited to the general fund
35 under section 8.55, subsection 2, moneys appropriated under

1 section 8.57 and moneys contained in the cash reserve fund,
2 rebuild Iowa infrastructure fund, environment first fund,
3 volunteer fire fighters pension fund, and Iowa economic
4 emergency fund shall not be considered in the application of
5 any formula, index, or other statutory triggering mechanism
6 which would affect appropriations, payments, or taxation
7 rates, contrary provisions of the Code notwithstanding.

8 To the extent that moneys appropriated under section 8.57
9 do not result in moneys being credited to the general fund
10 under section 8.55, subsection 2, moneys appropriated under
11 section 8.57 and moneys contained in the cash reserve fund,
12 rebuild Iowa infrastructure fund, environment first fund,
13 volunteer fire fighters pension fund, and Iowa economic
14 emergency fund shall not be considered by an arbitrator or in
15 negotiations under chapter 20.

16 Sec. 3. VOLUNTEER FIRE FIGHTERS PENSION TASK FORCE --
17 REPORT. A volunteer fire fighters pension task force is
18 created concerning the establishment of a pension system for
19 volunteer fire fighters in this state. The task force shall
20 examine pension plans established by other states for
21 volunteer fire fighters and shall solicit information from
22 volunteer fire fighters, and cities and townships with
23 volunteer fire fighters, concerning the establishment of a
24 pension system for volunteer fire fighters.

25 Membership of the task force is to be determined by the
26 legislative council. Members shall be appointed by the
27 legislative council. The membership shall include, but not be
28 limited to, the following:

29 1. The commissioner of insurance or the commissioner's
30 designee.

31 2. The treasurer of state or the treasurer's designee.

32 3. A representative of a pension system established
33 pursuant to Code chapter 411.

34 4. A representative of the Iowa public employees'
35 retirement system.

1 5. A representative of a pension system established for
2 private sector employees.

3 6. A representative of the state fire and emergency
4 response council.

5 7. A representative of volunteer fire fighters in the
6 state.

7 8. A representative of township trustees.

8 9. A representative of cities.

9 The legislative service bureau and the legislative fiscal
10 bureau shall provide staffing assistance to the task force.
11 The department of management shall provide other assistance to
12 the task force in completing its duties.

13 The task force shall submit a report to the general
14 assembly by January 1, 2003. The report shall contain the
15 findings and recommendations of the task force.

16 EXPLANATION

17 This bill creates a volunteer fire fighters pension fund
18 under the authority of the department of management. The fund
19 is to be used to provide pensions for qualified volunteer fire
20 fighters. The bill provides that a formula for distributions
21 from the fund shall be established in statute.

22 The bill provides that, for each fiscal year beginning on
23 or after July 1, 2004, premium tax receipts collected from
24 premiums paid on property and casualty insurance, not to
25 exceed \$5 million each year, shall be deposited in the
26 volunteer fire fighters pension fund.

27 The bill also creates the volunteer fire fighters pension
28 task force to gather information from other states and from
29 volunteer fire fighters and cities and townships concerning
30 establishment of a pension system for volunteer fire fighters.
31 The bill specifies membership on the task force. The bill
32 provides that the task force shall submit a report containing
33 findings and recommendations to the general assembly by
34 January 1, 2003.

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Legislative Fiscal Bureau Fiscal Note

HF 2618 - Rural Fire Department Funding (LSB 6172 HZ)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.state.ia.us)
Fiscal Note Version - New

Description

House File 2618 creates a Volunteer Fire Fighter Pension Fund. The fund is financed through a diversion from the General Fund of up to \$5.0 million in insurance tax receipts, starting in FY 2005. The Bill also creates a Volunteer Fire Fighter Pension Task Force to report to the General Assembly by January 1, 2003.

Assumptions

1. Insurance premiums collected on property and casualty policies subject to Iowa insurance premium tax will generate taxes in excess of \$5.0 million per year.
2. The cost of the Task Force, including expenses and staff time for the Legislative Fiscal Bureau, the Legislative Service Bureau, and the Department of Management will total \$25,000 or less in FY 2003.

Fiscal Impact

House File 2618 will reduce General Fund revenues by \$5.0 million per year, beginning in FY 2005. The cost of the Volunteer Fire Fighter Pension Task Force will be \$25,000 or less in FY 2003.

Sources

General Fund Receipt Reports
Legislative Fiscal Bureau Analysis

/s/ Dennis C Prouty

April 8, 2002

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

HOUSE FILE 2618**H-8560**

1 Amend House File 2618 as follows:
2 1. Page 1, by striking lines 22 through 27, and
3 inserting the following:
4 "d. For the fiscal year beginning July 1, 2004,
5 five hundred thousand dollars of premium tax receipts
6 collected in that fiscal year pursuant to section
7 432.1, subsection 2, from property and casualty
8 insurance, shall be deposited in the volunteer fire
9 fighters pension fund. For each fiscal year
10 thereafter, an amount of such premium tax receipts
11 equal to the amount deposited in the previous fiscal
12 year plus five hundred thousand dollars shall be
13 deposited in the volunteer fire fighters pension fund
14 until the amount annually deposited in such fund
15 reaches five million dollars. Thereafter, the amount
16 of premium tax receipts that shall be deposited in the
17 volunteer fire fighters pension fund in each fiscal
18 year shall be five million dollars. The moneys
19 deposited in".
20 2. Page 2, line 24, by inserting after the word
21 "fighters." the following: "The task force shall also
22 determine a procedure by which a city, township,
23 county, or benefited fire district fire department may
24 elect to join the pension system."

By TYMESON of Madison
HUSER of Polk

H-8560 FILED APRIL 9, 2002

Adopted
4-10-02
(P.1312)

HOUSE FILE 2618**H-8561**

1 Amend House File 2618 as follows:
2 1. By striking page 1, line 1, through page 2,
3 line 15.
4 2. Title page, by striking lines 2 through 4 and
5 inserting the following: "volunteer fire fighters
6 pension task force."
7 3. By renumbering as necessary.

By METCALF of Polk

H-8561 FILED APRIL 9, 2002

Lost
4/10/02
(P.1313)

HOUSE FILE 2618

H-8584

1 Amend House File 2618 as follows:

2 1. Page 2, by inserting before line 16, the
3 following:

4 "Sec. ____ . NEW SECTION. 100.4A REPORT OF BURN
5 INJURIES.

6 In every case where a person receives a second or
7 third degree burn to five percent or more of the
8 person's body as a whole, a burn to the upper
9 respiratory tract or occurring laryngeal edema due to
10 the inhalation of super-heated air, or any burn injury
11 or wound which is likely to result in death, the burn
12 injury or wound shall be reported to the state fire
13 marshal's office. The report to the state fire
14 marshal's office shall be made by the attending
15 physician."

16 2. By renumbering as necessary.

By SHEY of Linn

CONNORS of Polk

KREIMAN of Davis

SIEVERS of Scott

DOTZLER of Black Hawk

H-8584 FILED APRIL 9, 2002

W/D 4-10-02 (P. 1313)

HOUSE FILE 2618

H-8608

1 Amend the amendment, H-8561, to House File 2618, as
2 follows:

3 1. Page 1, by inserting after line 3, the
4 following:

5 " ____ . Page 2, line 24, by inserting after the
6 word "fighters." the following: "The task force shall
7 also identify and examine the difficulties that
8 volunteer fire departments have with attracting and
9 retaining fire fighters and shall propose solutions to
10 these issues of attraction and retention.""

By METCALF of Polk

H-8608 FILED APRIL 11, 2002

*Adopted
4-10-02 (P. 1313)*

HOUSE FILE 2618

H-8632

1 Amend House File 2618 as follows:

2 1. Page 1, line 19, by striking the words "are
3 appropriated and".

4 2. Page 1, line 28, by striking the words "are
5 appropriated and".

By HUSER of Polk

H-8632 FILED APRIL 11, 2002

Adopted 4-10-02 (P. 1314)

Substituted for HF 2468

5/10/02 WSM

HOUSE FILE **2618**
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2570)

(SUCCESSOR TO HF 2428)
2468

(As Amended and Passed by the House April 10, 2002)

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

A BILL FOR

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House Amendments _____

Deleted Language *

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31 in such fund reaches five million dollars. Thereafter, the
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