

*Substituted for  
by HF 760  
11-8-01*

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**WITHDRAWN**  
*11-8-01*

SENATE FILE **550**  
BY COMMITTEE ON STATE  
GOVERNMENT

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

**A BILL FOR**

1 An Act relating to the state general fund expenditure limitation  
2 and budgeting practices and including effective date and  
3 applicability provisions.

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

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SF 550

1 Section 1. Section 2.47A, subsection 1, paragraph c, Code  
2 2001, is amended by striking the paragraph.

3 Sec. 2. Section 8.6, subsection 14, Code 2001, is amended  
4 by striking the subsection.

5 Sec. 3. Section 8.6, subsection 15, Code 2001, is amended  
6 to read as follows:

7 15. CAPITAL PROJECT PLANNING AND BUDGETING AUTHORITY. To  
8 call upon any state agency, as defined in section 8.3A, for  
9 assistance the director may require in performing the  
10 director's duties under ~~subsections~~ subsection 13 ~~and-14~~. All  
11 state agencies, upon the request of the director, shall assist  
12 the director and are authorized to make available to the  
13 director any existing studies, surveys, plans, data, and other  
14 materials in the possession of the state agencies which are  
15 relevant to the director's duties.

16 Sec. 4. Section 8.21, unnumbered paragraph 2, Code 2001,  
17 is amended to read as follows:

18 If the governor is required to use a lesser amount in the  
19 budget process because of a later meeting of the state revenue  
20 estimating conference under section 8.22A, subsection 3, the  
21 governor shall transmit recommendations for a ~~balanced~~ budget  
22 ~~meeting-this~~ in conformance with that requirement within  
23 fourteen days of the later meeting of the state revenue  
24 estimating conference.

25 Sec. 5. Section 8.22A, subsection 5, Code 2001, is amended  
26 to read as follows:

27 5. At the meeting in which the conference agrees to the  
28 revenue estimate for the succeeding fiscal year in accordance  
29 with the provisions of subsection 3, the conference shall also  
30 agree to the following ~~estimate~~ estimates which shall be used  
31 by the governor ~~and-the-general-assembly~~ in preparation of the  
32 budget message under section 8.22 and the general assembly in  
33 the budget process for the succeeding fiscal year:

34 a. The amount of lottery revenues for the following fiscal  
35 year to be available for disbursement following the deductions

1 made pursuant to section 99E.10, subsection 1.

2 b. The amount of revenue for the following fiscal year  
3 from gambling revenues and from interest earned on the cash  
4 reserve fund and the economic emergency fund to be deposited  
5 in the rebuild Iowa infrastructure fund under section 8.57,  
6 subsection 5, paragraph "e".

7 c. The amount of accruals of those revenues collected by  
8 or due from entities other than the state on or before June 30  
9 of the fiscal year but not remitted to the state until after  
10 June 30.

11 d. The amount of accrued lottery revenues collected on or  
12 before June 30 of the fiscal year but not transferred to the  
13 general fund of the state until after June 30.

14 Sec. 6. Section 8.25, Code 2001, is amended to read as  
15 follows:

16 8.25 TENTATIVE BUDGET.

17 Upon the receipt of the estimates of expenditure  
18 requirements called for by section 8.23 ~~and the preparation of~~  
19 ~~the estimates of income called for by section 8.24~~ and not  
20 later than the following December 1, ~~next succeeding~~, the  
21 director of the department of management, ~~hereinabove provided~~  
22 ~~for~~, shall cause to be prepared a tentative budget conforming  
23 as to scope, contents and character to the requirements of  
24 section 8.22 and containing the estimates of expenditures and  
25 revenue as called for by sections section 8.23 and 8.24, which  
26 tentative budget shall be transmitted to the governor.

27 Sec. 7. Section 8.29, unnumbered paragraphs 1, 2, and 3,  
28 Code 2001, are amended by striking the unnumbered paragraphs.

29 Sec. 8. Section 8.35A, subsection 1, Code 2001, is amended  
30 to read as follows:

31 1. By July 1, the director of the department of  
32 management, in conjunction with the director of revenue and  
33 finance, shall provide a projected expenditure breakdown of  
34 each appropriation for the beginning fiscal year to the  
35 legislative fiscal bureau in the form and level of detail

1 requested by the bureau. By the fifteenth of each month, the  
2 director, in conjunction with the director of revenue and  
3 finance, shall transmit to the legislative fiscal bureau a  
4 record for each appropriation of actual expenditures for the  
5 prior month of the fiscal year and the fiscal year to date in  
6 the form and level of detail as requested by the bureau. By  
7 October 1, the director, in conjunction with the director of  
8 revenue and finance, shall transmit the total record of an  
9 appropriation, including reversions and transfers for the  
10 prior fiscal year ending June 30, to the legislative fiscal  
11 bureau.

12 Sec. 9. Section 8.53, unnumbered paragraph 1, Code 2001,  
13 is amended by striking the unnumbered paragraph.

14 Sec. 10. Section 8.54, subsection 4, Code 2001, is amended  
15 to read as follows:

16 4. The state general fund expenditure limitation amount  
17 provided for in this section shall be used by the governor in  
18 the preparation of the budget under section 8.22 and approval  
19 of the budget and by the general assembly in the budget  
20 process. If a source for new revenues is proposed, the budget  
21 revenue projection used for that new revenue source for the  
22 period beginning on the effective date of the new revenue  
23 source and ending in the fiscal year in which the source is  
24 included in the revenue base shall be an amount determined by  
25 subtracting estimated tax refunds payable from the projected  
26 revenue from that new revenue source, multiplied by ninety-  
27 five percent. If a new revenue source is established and  
28 implemented, the original state general fund expenditure  
29 limitation amount provided for in subsection 3 shall be  
30 readjusted to include ninety-five percent of the estimated  
31 revenue from the new revenue source.

32 Sec. 11. Section 8.54, subsections 7 and 8, Code 2001, are  
33 amended by striking the subsections and inserting in lieu  
34 thereof the following:

35 7. The governor shall transmit to the general assembly, in

1 accordance with section 8.21, a budget which does not exceed  
2 the state general fund expenditure limitation. The general  
3 assembly shall pass a budget which does not exceed the state  
4 general fund expenditure limitation. The governor shall not  
5 transmit a budget with recommended appropriations in excess of  
6 the state general fund expenditure limitation and the general  
7 assembly shall not pass a budget with appropriations in excess  
8 of the state general fund expenditure limitation. The  
9 governor shall not approve or disapprove appropriation bills  
10 or items of appropriation bills passed by the general assembly  
11 in a manner that would cause the final budget approved by the  
12 governor to exceed the state general fund expenditure  
13 limitation. In complying with the requirements of this  
14 subsection, the governor and the general assembly shall not  
15 rely on any anticipated reversion of appropriations in order  
16 to meet the state general fund expenditure limitation.

17 Sec. 12. Sections 8.24, 8.37, 8.39A, and 8.42, Code 2001,  
18 are repealed.

19 Sec. 13. EFFECTIVE DATE -- APPLICABILITY. This Act, being  
20 deemed of immediate importance, takes effect upon enactment.  
21 Sections 1 through 5, 7, 8, 10, and 11 are first applicable to  
22 the budget and appropriations made for the fiscal year  
23 beginning July 1, 2002, and ending June 30, 2003.

24 EXPLANATION

25 This bill relates to the state general fund expenditure  
26 limitation and related state funds and budgeting practices.

27 In addition to the elimination of obsolete provisions in  
28 Code sections 8.37, 8.42, and 8.53, the bill also does the  
29 following: Code sections 2.47A(1)(c), 8.6(14), and 8.6(15)  
30 are amended to eliminate the requirement for preparing an  
31 annual five-year capital priority plan by the department of  
32 management.

33 Code section 8.21, relating to the date requirements for  
34 the governor to transmit the governor's budget recommendations  
35 to the general assembly, is amended in conformance with the

1 expenditure limitation law to strike the word "balanced".

2 Code section 8.22A, relating to the revenue estimating  
3 conference, is amended to require that for the meeting in  
4 which the revenue estimate for the succeeding fiscal year is  
5 developed, the conference must include an estimate of the  
6 accruals. Accruals are revenues collected or owed by entities  
7 other than the state on or before June 30 of the fiscal year  
8 but not remitted until after June 30. Accruals also include  
9 lottery revenue collected on or before June 30 of the fiscal  
10 year but transferred to the state general fund after June 30.  
11 The estimates developed at that meeting are required to be  
12 used in calculation of the state general fund expenditure  
13 limitation under Code section 8.54.

14 The repeal of Code section 8.24 and the amendment of Code  
15 section 8.25 eliminate the department of management's  
16 requirement to prepare estimates of total government income.

17 Code section 8.29 is amended to eliminate budget analysts  
18 from the department of management from being attached to board  
19 of regents institutions.

20 Code section 8.35A is amended so that the director of  
21 revenue and finance will assist the director of the department  
22 of management in providing projected and actual expenditures  
23 to the legislative fiscal bureau.

24 The repeal of Code section 8.39A deletes the requirement of  
25 the departments of agriculture and land stewardship and  
26 natural resources to notify specific legislators about the  
27 transfer of moneys or full-time equivalent positions.

28 The bill takes effect upon enactment with some sections  
29 being first applicable to the budget that commences on July 1,  
30 2002.

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