

JAN 16 2004  
APPROPRIATIONS CALENDAR

HOUSE FILE 2039  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 501)

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

**A BILL FOR**

1 An Act relating to the state general fund expenditure limitation  
2 by revising the percentage amount used for the limitation and  
3 including effective date and applicability provisions.

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

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HF 2039

1 Section 1. Section 8.54, subsections 2 and 3, Code 2003,  
2 are amended to read as follows:

3 2. There is created a state general fund expenditure  
4 limitation for each fiscal year ~~beginning-on-or-after-July-1,~~  
5 ~~1993~~, calculated as provided in this section.

6 3. Except as otherwise provided in this section, the state  
7 general fund expenditure limitation for a fiscal year shall be  
8 ~~ninety-nine~~ ninety-eight percent of the adjusted revenue  
9 estimate.

10 Sec. 2. EFFECTIVE DATE -- APPLICABILITY. Section 1 of  
11 this Act, amending section 8.54, takes effect December 15,  
12 2004, or the date the revenue estimating conference agrees to  
13 the revenue estimate for the fiscal year beginning July 1,  
14 2005, and ending June 30, 2006, that is required to be used by  
15 the governor and the general assembly for preparation and  
16 passage of the state budget for that fiscal year pursuant to  
17 section 8.22A, subsections 3 and 4, whichever date is earlier.  
18 Section 1 of this Act is first applicable to the expenditure  
19 limitation calculated in accordance with section 8.54 for the  
20 fiscal year beginning July 1, 2005, and ending June 30, 2006.

21 EXPLANATION

22 This bill relates to the state general fund expenditure  
23 limitation by revising the percentage amount used for the  
24 limitation.

25 Current law provides that the expenditure limitation  
26 calculated for a fiscal year is 99 percent of the adjusted  
27 revenue estimate agreed to by the revenue estimating  
28 conference for that fiscal year at the meeting held by  
29 December 15 prior to the commencement of the fiscal year. The  
30 bill changes the percentage amount to 98 percent of the  
31 adjusted revenue estimate.

32 The bill takes effect December 15, 2004, or the date the  
33 revenue estimating conference agrees to a revenue estimate for  
34 the fiscal year beginning July 1, 2005, that shall be used by  
35 the governor and the general assembly for preparation and

1 passage of the state budget for that fiscal year pursuant to  
2 Code section 8.22A, subsections 3 and 4, whichever date is  
3 earlier. The bill is first applicable to the budget  
4 activities of the governor and general assembly for fiscal  
5 year 2005-2006.

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HOUSE FILE 2039

H-8005

1 Amend House File 2039 as follows:

2 1. Page 1, by inserting after line 9 the  
3 following:

4 "Sec. 200. Section 8.55, subsection 2, paragraph  
5 a, as enacted by 2002 Iowa Acts, Second Extraordinary  
6 Session, chapter 1001, section 25, and as made  
7 effective by 2003 Iowa Acts, chapter 179, section 40,  
8 is amended to read as follows:

9 a. The maximum balance of the fund is the amount  
10 equal to ~~two and one-half~~ five percent of the adjusted  
11 revenue estimate for the fiscal year. If the amount  
12 of moneys in the Iowa economic emergency fund is equal  
13 to the maximum balance, moneys in excess of this  
14 amount shall be transferred to the general fund."

15 2. Page 1, by inserting after line 20 the  
16 following:

17 "Sec. \_\_\_\_\_. CONTINGENT EFFECTIVE DATE. Section 200  
18 of this Act, amending Code section 8.55, takes effect  
19 on July 1 of the fiscal year immediately following the  
20 fiscal year in which all transfers have been made from  
21 the Iowa economic emergency fund, as required by  
22 section 8.55, subsection 2, paragraphs "b", "c", and  
23 "d". The director of the department of management  
24 shall notify the Iowa Code editor when the transfers  
25 have been made."

26 3. By renumbering as necessary.

By WISE of Lee  
HOGG of Linn  
STRUYK of Pottawattamie

H-8005 FILED JANUARY 21, 2004

HOUSE FILE 2039

H-8001

1 Amend House File 2039 as follows:

2 1. Page 1, by striking lines 10 through 20, and  
3 inserting the following:

4 "Sec. \_\_\_\_ . CONTINGENT EFFECTIVE DATE --

5 APPLICABILITY. If, on the date the revenue estimating  
6 conference meets to agree to the revenue estimate for  
7 the following fiscal year pursuant to section 8.22A,  
8 subsections 3 and 4, both the actual total revenues  
9 and the actual sales and use tax revenues credited to  
10 the general fund of the state during the most recently  
11 available twelve-month period exceed by two percent or  
12 more both the actual total revenues and the actual  
13 sales and use tax revenues credited to the general  
14 fund of the state, respectively, during the twelve  
15 months immediately preceding that period, section 1 of  
16 this Act, amending section 8.54, shall take effect on  
17 that date. Section 1 of this Act is first applicable  
18 to the expenditure limitation calculated in accordance  
19 with section 8.54 for the fiscal year succeeding the  
20 fiscal year in which section 1 of this Act takes  
21 effect. The revenue estimating conference shall  
22 notify the Code editor in writing of the date that the  
23 conditions for the effectiveness of section 1 of this  
24 Act were met."

25 2. Title page, line 3, by inserting after the  
26 word "including" the following: "contingent".

27 3. By renumbering as necessary.

By WISE of Lee

DANDEKAR of Linn

PETERSEN of Polk

BELL of Jasper

H-8001 FILED JANUARY 20, 2004

**HOUSE FILE 2039**

**H-8002**

- 1 Amend House File 2039 as follows:
- 2 1. Page 1, by inserting before line 1 the
- 3 following:
- 4 "Sec. 100. CASH RESERVE TRANSFER TO GENERAL FUND.
- 5 Notwithstanding any conflicting provisions of section
- 6 8.56, there is transferred from the cash reserve fund
- 7 created in section 8.56, to the general fund of the
- 8 state for the fiscal year beginning July 1, 2002, and
- 9 ending June 30, 2003, the following amount:
- 10 ..... \$ 45,828,000"
- 11 2. Page 1, line 10, by striking the word
- 12 "Section" and inserting the following:
- 13 "1. Section 100 of this Act, providing a cash
- 14 reserve transfer to the general fund of the state,
- 15 being deemed of immediate importance, takes effect
- 16 upon enactment and is retroactively applicable to June
- 17 30, 2003.
- 18 2. Section".
- 19 3. Title page, line 1, by inserting after the
- 20 words "relating to" the following: "state budget
- 21 provisions involving the ending balance in the general
- 22 fund of the state and".
- 23 4. Title page, line 1, by inserting after the
- 24 word "limitation" the following: "by transferring
- 25 funds from the cash reserve fund and".
- 26 5. By renumbering as necessary.

**By DIX of Butler**

**H-8002 FILED JANUARY 20, 2004**

**HOUSE FILE 2039****H-8003**

1 Amend House File 2039 as follows:

2 1. Page 1, by inserting after line 9 the  
3 following:

4 "Sec. \_\_\_\_ . Section 8.57, Code Supplement 2003, is  
5 amended by adding the following new subsection:

6 NEW SUBSECTION. 1A. a. There is appropriated  
7 from the surplus existing in the general fund of the  
8 state at the conclusion of the fiscal year beginning  
9 July 1, 2005, and ending June 30, 2006, and at the  
10 conclusion of each succeeding fiscal year for  
11 distribution to the senior living trust fund, an  
12 amount equal to one percent of the adjusted revenue  
13 estimate for the current fiscal year. The  
14 appropriation made in this paragraph shall be  
15 distributed to the senior living trust fund in the  
16 succeeding fiscal year. For the purposes of this  
17 subsection, "surplus" means the same as defined in  
18 subsection 1, paragraph "b".

19 b. The appropriation made in paragraph "a" shall  
20 be made before the appropriations are made pursuant to  
21 subsections 1, 2, and 3, of the surplus existing in  
22 the general fund of the state at the conclusion of the  
23 fiscal year beginning July 1, 2005, and ending June  
24 30, 2006, and each succeeding fiscal year.

25 c. The appropriation made in paragraph "a" shall  
26 continue until the aggregate of the appropriations  
27 made or transferred to the senior living trust fund  
28 pursuant to paragraph "a" of this subsection and  
29 section 8.55, subsection 2, paragraph "c", is equal to  
30 one hundred eighteen million dollars.

31 d. The aggregate amount of the appropriations to  
32 be transferred from the Iowa economic emergency fund  
33 to the senior living trust fund pursuant to section  
34 8.55, subsection 2, paragraph "c", shall be reduced by  
35 the appropriations made pursuant to paragraph "a" of  
36 this subsection.

37 e. This subsection is repealed when the aggregate  
38 amount of appropriations specified in paragraph "c"  
39 has been distributed or transferred to the senior  
40 living trust fund. The director of the department of  
41 management shall notify the Iowa Code editor when the  
42 aggregate amount has been distributed or transferred."

43 2. Title page, line 2, by inserting after the  
44 word "limitation" the following: ", providing for a  
45 standing limited appropriation to the senior living  
46 trust fund,".

47 3. By renumbering as necessary.

**By** DIX of Butler  
HEATON of Henry

## HOUSE FILE 2039

## H-8004

1 Amend House File 2039 as follows:

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

4 "Sec. \_\_\_\_ . Section 8.54, subsection 1, Code 2003,  
5 is amended by adding the following new paragraph  
6 before paragraph a and relettering the succeeding  
7 paragraphs:

8 NEW PARAGRAPH. 1a. "Actual revenue" is the amount  
9 of revenue credited to the general fund of the state  
10 during a designated period."

11 2. Page 1, by striking lines 6 through 9, and  
12 inserting the following:

13 "3. Except as otherwise provided in this section,  
14 the state general fund expenditure limitation for a  
15 fiscal year shall be one of the following:

16 a. If, at the time the revenue estimating  
17 conference agrees to a revenue estimate used to  
18 establish the appropriate adjusted revenue estimate  
19 for a fiscal year, the conference agrees to an  
20 estimate for the amount of revenue to be credited to  
21 the general fund of the state during the fiscal year  
22 in progress that is more than one hundred two percent  
23 of the actual revenue credited to the general fund of  
24 the state at the close of the most recently completed  
25 fiscal year, the state general fund expenditure  
26 limitation shall be ninety-eight percent of the  
27 adjusted revenue estimate.

28 b. If, at the time the revenue estimating  
29 conference agrees to a revenue estimate used to  
30 establish the appropriate adjusted revenue estimate  
31 for a fiscal year, the conference agrees to an  
32 estimate for the amount of revenue to be credited to  
33 the general fund of the state during the fiscal year  
34 in progress that is one hundred two percent or less of  
35 the actual revenue credited to the general fund of the  
36 state at the close of the most recently completed  
37 fiscal year, the state general fund expenditure  
38 limitation shall be ninety-nine percent of the  
39 adjusted revenue estimate."

By KUHN of Floyd

H-8004 FILED JANUARY 20, 2004



HOUSE FILE 2039

H-8007

1 Amend the amendment, H-8002, to House File 2039 as  
2 follows:  
3 1. Page 1, by inserting after line 10, the  
4 following:  
5 "\_\_\_\_. Page 1, by inserting after line 9, the  
6 following:  
7 "Sec. \_\_\_\_ . Section 8.56, Code Supplement 2003, is  
8 amended by adding the following new subsection:  
9 NEW SUBSECTION. 5. Notwithstanding conflicting  
10 provisions of this section, there is appropriated from  
11 the cash reserve fund to the general fund of the state  
12 for a fiscal year, an amount not to exceed fifty  
13 million dollars, for the purposes of reducing or  
14 preventing any overdraft on or deficit in the general  
15 fund of the state. An appropriation made pursuant to  
16 this subsection is subject to all of the following  
17 conditions:  
18 a. The revenue estimating conference has agreed to  
19 an estimate for reduced general fund receipts for the  
20 fiscal year in progress that results in a  
21 determination that budget resources are insufficient  
22 to pay all appropriations in full.  
23 b. The appropriation expenditure is made only for  
24 the fiscal year to which the appropriation applies and  
25 the general assembly is not in session.  
26 c. The governor determines that the expenditure of  
27 the appropriation is a necessary alternative to  
28 applying uniform reductions in accordance with section  
29 8.31. Prior to the expenditure of an appropriation  
30 made under this subsection, the governor shall notify  
31 the cochairpersons of the fiscal committee of the  
32 legislative council and the legislative services  
33 agency that the conditions described in this  
34 subsection exist.""  
35 2. By renumbering as necessary.

By HOGG of Linn  
WISE of Lee

H-8007 FILED JANUARY 22, 2004  
LOST

HOUSE FILE 2039

H-8006

1 Amend the amendment, H-8003, to House File 2039 as  
2 follows:  
3 1. Page 1, line 13, by inserting after the word  
4 "year." the following: "However, if the amount of the  
5 surplus existing in the general fund of the state at  
6 the conclusion of a fiscal year is less than two  
7 percent of the adjusted revenue estimate for that  
8 fiscal year, the amount of the appropriation made in  
9 this paragraph shall be equal to fifty percent of the  
10 surplus amount."

By KURTENBACH of Story

H-8006 FILED JANUARY 22, 2004  
ADOPTED

HOUSE FILE 2039  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 501)

(As Amended and Passed by the House January 22, 2004)

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

**A BILL FOR**

1 An Act relating to state budget provisions involving the ending  
2 balance in the general fund of the state and the state general  
3 fund expenditure limitation by transferring funds from the  
4 cash reserve fund and by revising the percentage amount used  
5 for the limitation, providing for a standing limited  
6 appropriation to the senior living trust fund, and including  
7 effective date and applicability provisions.

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

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House Amendments \_\_\_\_\_

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1 Section 1. CASH RESERVE TRANSFER TO GENERAL FUND.

2 Notwithstanding any conflicting provisions of section 8.56,  
3 there is transferred from the cash reserve fund created in  
4 section 8.56, to the general fund of the state for the fiscal  
5 year beginning July 1, 2002, and ending June 30, 2003, the  
6 following amount:

7 ..... \$ 45,828,000

8 Sec. 2. Section 8.54, subsections 2 and 3, Code 2003, are  
9 amended to read as follows:

10 2. There is created a state general fund expenditure  
11 limitation for each fiscal year ~~beginning-on-or-after-July-1,~~  
12 ~~1993,~~ calculated as provided in this section.

13 3. Except as otherwise provided in this section, the state  
14 general fund expenditure limitation for a fiscal year shall be  
15 ~~ninety-nine~~ ninety-eight percent of the adjusted revenue  
16 estimate.

17 Sec. 3. Section 8.57, Code Supplement 2003, is amended by  
18 adding the following new subsection:

19 NEW SUBSECTION. 1A. a. There is appropriated from the  
20 surplus existing in the general fund of the state at the  
21 conclusion of the fiscal year beginning July 1, 2005, and  
22 ending June 30, 2006, and at the conclusion of each succeeding  
23 fiscal year for distribution to the senior living trust fund,  
24 an amount equal to one percent of the adjusted revenue  
25 estimate for the current fiscal year. However, if the amount  
26 of the surplus existing in the general fund of the state at  
27 the conclusion of a fiscal year is less than two percent of  
28 the adjusted revenue estimate for that fiscal year, the amount  
29 of the appropriation made in this paragraph shall be equal to  
30 fifty percent of the surplus amount. The appropriation made  
31 in this paragraph shall be distributed to the senior living  
32 trust fund in the succeeding fiscal year. For the purposes of  
33 this subsection, "surplus" means the same as defined in  
34 subsection 1, paragraph "b".

35 b. The appropriation made in paragraph "a" shall be made

1 before the appropriations are made pursuant to subsections 1,  
2 2, and 3, of the surplus existing in the general fund of the  
3 state at the conclusion of the fiscal year beginning July 1,  
4 2005, and ending June 30, 2006, and each succeeding fiscal  
5 year.

6 c. The appropriation made in paragraph "a" shall continue  
7 until the aggregate of the appropriations made or transferred  
8 to the senior living trust fund pursuant to paragraph "a" of  
9 this subsection and section 8.55, subsection 2, paragraph "c",  
10 is equal to one hundred eighteen million dollars.

11 d. The aggregate amount of the appropriations to be  
12 transferred from the Iowa economic emergency fund to the  
13 senior living trust fund pursuant to section 8.55, subsection  
14 2, paragraph "c", shall be reduced by the appropriations made  
15 pursuant to paragraph "a" of this subsection.

16 e. This subsection is repealed when the aggregate amount  
17 of appropriations specified in paragraph "c" has been  
18 distributed or transferred to the senior living trust fund.  
19 The director of the department of management shall notify the  
20 Iowa Code editor when the aggregate amount has been  
21 distributed or transferred.

22 Sec. 4. EFFECTIVE DATE -- APPLICABILITY.

23 1. Section 1 of this Act, providing a cash reserve  
24 transfer to the general fund of the state, being deemed of  
25 immediate importance, takes effect upon enactment and is  
26 retroactively applicable to June 30, 2003.

27 2. Section 2 of this Act, amending section 8.54, takes  
28 effect December 15, 2004, or the date the revenue estimating  
29 conference agrees to the revenue estimate for the fiscal year  
30 beginning July 1, 2005, and ending June 30, 2006, that is  
31 required to be used by the governor and the general assembly  
32 for preparation and passage of the state budget for that  
33 fiscal year pursuant to section 8.22A, subsections 3 and 4,  
34 whichever date is earlier. Section 2 of this Act is first  
35 applicable to the expenditure limitation calculated in

1 accordance with section 8.54 for the fiscal year beginning  
2 July 1, 2005, and ending June 30, 2006.

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## HOUSE FILE 2039

## S-5003

1 Amend House File 2039, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 1, by inserting after line 7, the  
4 following:

5 "Sec. \_\_\_\_ Section 8.54, subsection 1, Code 2003,  
6 is amended by adding the following new paragraph  
7 before paragraph a and relettering the succeeding  
8 paragraphs:

9 NEW PARAGRAPH. 1a. "Actual revenue" is the amount  
10 of revenue credited to the general fund of the state  
11 during a designated period."

12 2. Page 1, by striking lines 13 through 16, and  
13 inserting the following:

14 "3. Except as otherwise provided in this section,  
15 the state general fund expenditure limitation for a  
16 fiscal year shall be ninety-nine percent of the  
17 adjusted revenue estimate. However, the general  
18 assembly may utilize a state general fund expenditure  
19 limitation for a fiscal year of ninety-eight percent  
20 of the adjusted revenue estimate provided all of the  
21 following conditions are met:

22 a. At the time the revenue estimating conference  
23 agrees to a revenue estimate used to establish the  
24 appropriate adjusted revenue estimate for a fiscal  
25 year, the conference agrees to an estimate for the  
26 amount of revenue to be credited to the general fund  
27 of the state during the fiscal year in progress that  
28 is more than one hundred two percent of the actual  
29 revenue credited to the general fund of the state at  
30 the close of the most recently completed fiscal year.

31 b. The general assembly determines that an  
32 expenditure limitation based upon ninety-eight percent  
33 of the adjusted revenue estimate will provide  
34 sufficient general fund revenue to continue the  
35 enacted appropriation amounts for the fiscal year in  
36 progress plus the additional amount needed to provide  
37 for full funding of the increase in state payments  
38 under the state school foundation program resulting  
39 from the increase in allowable growth, standing  
40 appropriations, and contractual obligations.

41 c. Prior to passage of bills making appropriations  
42 for that fiscal year, the general assembly approves a  
43 bill formally confirming and stating the determination  
44 required by paragraph "b".

45 3. By renumbering as necessary.

By KEITH A. KREIMAN  
HERMAN C. QUIRMBACH

S-5003 FILED FEBRUARY 9, 2004

LOST

HOUSE FILE 2039

S-5004

1 Amend House File 2039, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. By striking page 1, line 8 through page 2,  
4 line 21 and inserting the following:

5 "Sec. \_\_\_\_ . SENIOR LIVING TRUST FUND. There is  
6 appropriated from the general fund of the state to the  
7 senior living trust fund for the fiscal year beginning  
8 July 1, 2004, and ending June 30, 2005, the following  
9 amount:

10 ..... \$118,000,000

11 Sec. \_\_\_\_ . Section 8.55, subsection 2, paragraph c,  
12 Code Supplement 2003, is amended by striking the  
13 paragraph."

14 2. Page 2, line 23, by striking the figure "1."

15 3. By striking page 2, line 27 through page 3,  
16 line 2.

17 4. Title page, by striking lines 1 through 7 and  
18 inserting the following: "An Act relating to state  
19 budget provisions involving the general fund of the  
20 state, senior living trust fund, and state reserve  
21 funds by making appropriations and including an  
22 effective date and applicability provision."

23 5. By renumbering as necessary.

By EUGENE S. FRAISE  
DARYL BEALL  
DENNIS H. BLACK  
JOE BOLKCOM  
MIKE CONNOLLY  
THOMAS G. COURTNEY  
DICK L. DEARDEN  
WILLIAM A. DOTZLER  
ROBERT E. DVORSKY  
MICHAEL E. GRONSTAL

JACK HATCH  
JACK HOLVECK  
WALLY E. HORN  
JOHN P. KIBBIE  
KEITH KREIMAN  
MATT McCOY  
HERMAN QUIRMBACH  
AMANDA RAGAN  
DR. JOE M. SENG  
ROGER STEWART

S-5004 FILED FEBRUARY 9, 2004

LOST

Dix, Chair  
Jenkins  
Kuhn

Succeeded By  
JF 2039

HSB 501  
APPROPRIATIONS

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON DIX)

Passed House, Date \_\_\_\_\_

Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

### A BILL FOR

1 An Act relating to the state general fund expenditure limitation  
2 by revising the percentage amount used for the limitation and  
3 including effective date and applicability provisions.

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

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1 Section 1. Section 8.54, subsections 2 and 3, Code 2003,  
2 are amended to read as follows:

3 2. There is created a state general fund expenditure  
4 limitation for each fiscal year ~~beginning-on-or-after-July-1,~~  
5 ~~1993~~, calculated as provided in this section.

6 3. Except as otherwise provided in this section, the state  
7 general fund expenditure limitation for a fiscal year shall be  
8 ~~ninety-nine~~ ninety-eight percent of the adjusted revenue  
9 estimate.

10 Sec. 2. EFFECTIVE DATE -- APPLICABILITY. Section 1 of  
11 this Act, amending section 8.54, takes effect December 15,  
12 2004, or the date the revenue estimating conference agrees to  
13 the revenue estimate for the fiscal year beginning July 1,  
14 2005, and ending June 30, 2006, that is required to be used by  
15 the governor and the general assembly for preparation and  
16 passage of the state budget for that fiscal year pursuant to  
17 section 8.22A, subsections 3 and 4, whichever date is earlier.  
18 Section 1 of this Act is first applicable to the expenditure  
19 limitation calculated in accordance with section 8.54 for the  
20 fiscal year beginning July 1, 2005, and ending June 30, 2006.

21 EXPLANATION

22 This bill relates to the state general fund expenditure  
23 limitation by revising the percentage amount used for the  
24 limitation.

25 Current law provides that the expenditure limitation  
26 calculated for a fiscal year is 99 percent of the adjusted  
27 revenue estimate agreed to by the revenue estimating  
28 conference for that fiscal year at the meeting held by  
29 December 15 prior to the commencement of the fiscal year. The  
30 bill changes the percentage amount to 98 percent of the  
31 adjusted revenue estimate.

32 The bill takes effect December 15, 2004, or the date the  
33 revenue estimating conference agrees to a revenue estimate for  
34 the fiscal year beginning July 1, 2005, that shall be used by  
35 the governor and the general assembly for preparation and

1 passage of the state budget for that fiscal year pursuant to  
2 Code section 8.22A, subsections 3 and 4, whichever date is  
3 earlier. The bill is first applicable to the budget  
4 activities of the governor and general assembly for fiscal  
5 year 2005-2006.

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ITEM VETO

HOUSE FILE 2039

AN ACT

RELATING TO STATE BUDGET PROVISIONS INVOLVING THE ENDING BALANCE IN THE GENERAL FUND OF THE STATE AND THE STATE GENERAL FUND EXPENDITURE LIMITATION BY TRANSFERRING FUNDS FROM THE CASH RESERVE FUND AND BY REVISING THE PERCENTAGE AMOUNT USED FOR THE LIMITATION, PROVIDING FOR A STANDING LIMITED APPROPRIATION TO THE SENIOR LIVING TRUST FUND, AND INCLUDING EFFECTIVE DATE AND APPLICABILITY PROVISIONS.

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

Section 1. CASH RESERVE TRANSFER TO GENERAL FUND.

Notwithstanding any conflicting provisions of section 8.56, there is transferred from the cash reserve fund created in

section 8.56, to the general fund of the state for the fiscal year beginning July 1, 2002, and ending June 30, 2003, the following amount:

..... \$ 45,828,000

\* Sec. 2. Section 8.54, subsections 2 and 3, Code 2003, are amended to read as follows:

2. There is created a state general fund expenditure limitation for each fiscal year beginning on or after July 1, 1993, calculated as provided in this section.

3. Except as otherwise provided in this section, the state general fund expenditure limitation for a fiscal year shall be ~~ninety-nine~~ ninety-eight percent of the adjusted revenue estimate. ]K

Sec. 3. Section 8.57, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. a. There is appropriated from the surplus existing in the general fund of the state at the conclusion of the fiscal year beginning July 1, 2005, and ending June 30, 2006, and at the conclusion of each succeeding fiscal year for distribution to the senior living trust fund, an amount equal to one percent of the adjusted revenue estimate for the current fiscal year. However, if the amount of the surplus existing in the general fund of the state at the conclusion of a fiscal year is less than two percent of the adjusted revenue estimate for that fiscal year, the amount of the appropriation made in this paragraph shall be equal to fifty percent of the surplus amount. The appropriation made in this paragraph shall be distributed to the senior living trust fund in the succeeding fiscal year. For the purposes of this subsection, "surplus" means the same as defined in subsection 1, paragraph "b".

b. The appropriation made in paragraph "a" shall be made before the appropriations are made pursuant to subsections 1,

2, and 3, of the surplus existing in the general fund of the state at the conclusion of the fiscal year beginning July 1, 2005, and ending June 30, 2006, and each succeeding fiscal year.

c. The appropriation made in paragraph "a" shall continue until the aggregate of the appropriations made or transferred to the senior living trust fund pursuant to paragraph "a" of this subsection and section 8.55, subsection 2, paragraph "c", is equal to one hundred eighteen million dollars.

d. The aggregate amount of the appropriations to be transferred from the Iowa economic emergency fund to the senior living trust fund pursuant to section 8.55, subsection 2, paragraph "c", shall be reduced by the appropriations made pursuant to paragraph "a" of this subsection.

e. This subsection is repealed when the aggregate amount of appropriations specified in paragraph "c" has been distributed or transferred to the senior living trust fund. The director of the department of management shall notify the Iowa Code editor when the aggregate amount has been distributed or transferred.

Sec. 4. EFFECTIVE DATE -- APPLICABILITY.

1. Section 1 of this Act, providing a cash reserve transfer to the general fund of the state, being deemed of immediate importance, takes effect upon enactment and is retroactively applicable to June 30, 2003.

~~2. Section 2 of this Act, amending section 8.54, takes effect December 15, 2004, or the date the revenue estimating conference agrees to the revenue estimate for the fiscal year beginning July 1, 2005, and ending June 30, 2006, that is required to be used by the governor and the general assembly for preparation and passage of the state budget for that fiscal year pursuant to section 8.22A, subsections 3 and 4, whichever date is earlier. Section 2 of this Act is first~~

~~applicable to the expenditure limitation calculated in accordance with section 8.54 for the fiscal year beginning July 1, 2005, and ending June 30, 2006~~

CHRISTOPHER C. RANTS  
Speaker of the House

JEFFREY M. LAMBERTI  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2039, Eightieth General Assembly.

MARGARET THOMSON  
Chief Clerk of the House

Approved \_\_\_\_\_, 2004

THOMAS J. VILSACK  
Governor