

FEB 5 2004
APPROPRIATIONS

HOUSE FILE 2169
BY WISE, STRUYK, HOGG,
and DANDEKAR

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

A BILL FOR

1 An Act increasing the maximum balance of the Iowa economic
2 emergency fund and providing a contingent effective date.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2169

1 Section 1. Section 8.55, subsection 2, paragraph a, as
2 enacted by 2002 Iowa Acts, Second Extraordinary Session,
3 chapter 1001, section 25, and as made effective by 2003 Iowa
4 Acts, chapter 179, section 40, is amended to read as follows:

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

11 Sec. 2. CONTINGENT EFFECTIVE DATE. This Act takes effect
12 on July 1 of the fiscal year immediately following the fiscal
13 year in which all transfers have been made from the Iowa
14 economic emergency fund, as required by section 8.55,
15 subsection 2, paragraphs "b", "c", and "d". The director of
16 the department of management shall notify the Iowa Code editor
17 when the transfers have been made.

18 EXPLANATION

19 This bill increases the maximum balance of the Iowa
20 economic emergency fund.

21 Under current law, effective July 1, 2004, the maximum
22 balance of the Iowa economic emergency fund is reduced from 5
23 percent to 2.5 percent of the adjusted revenue estimate for
24 the fiscal year. A corresponding increase to the maximum
25 balance of the cash reserve fund takes effect on the same
26 date. The bill restores the maximum balance of the Iowa
27 economic emergency fund to 5 percent of the adjusted revenue
28 estimate for the fiscal year. The bill has a contingent
29 effective date for the change to take effect when required
30 transfers from the economic emergency fund have been
31 completed. The transfers are required to be made to the
32 endowment for Iowa's health account of the tobacco settlement
33 trust fund and the senior living trust fund. The director of
34 the department of management is required to notify the Iowa
35 Code editor when the transfers have been made.