

Senate File 2396 - Introduced

SENATE FILE _____
BY NOBLE

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

A BILL FOR

1 An Act relating to the establishment of and disbursement from a
2 property taxpayer rebate fund, providing appropriations, and
3 including an effective date provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 6096XS 82
6 sc/nh/5

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1 1 Section 1. Section 8.54, subsections 5 and 6, Code 2007,
1 2 are amended to read as follows:

~~1 3 5. For fiscal years in which section 8.55, subsection 2,
1 4 results in moneys being transferred to the general fund, the
1 5 original state general fund expenditure limitation amount
1 6 provided for in subsection 3 shall be readjusted to include
1 7 the moneys which are so transferred.~~

1 8 ~~6. 5. The scope of the expenditure limitation under
1 9 subsection 3 shall not encompass federal funds, donations,
1 10 constitutionally dedicated moneys, and moneys in expenditures
1 11 from state retirement system moneys, and moneys disbursed from
1 12 the property taxpayer rebate fund pursuant to section 8.55A.~~

1 13 Sec. 2. Section 8.55, subsection 2, Code 2007, is amended
1 14 to read as follows:

1 15 2. a. The maximum balance of the fund is the amount equal
1 16 to two and one-half percent of the adjusted revenue estimate
1 17 for the fiscal year. If the amount of moneys in the Iowa
1 18 economic emergency fund is equal to the maximum balance,
1 19 moneys in excess of this amount shall be transferred to the
1 20 ~~general fund property taxpayer rebate fund established in
1 21 section 8.55A.~~

1 22 b. Notwithstanding paragraph "a", any moneys in excess of
1 23 the maximum balance in the economic emergency fund after the
1 24 distribution of the surplus in the general fund of the state
1 25 at the conclusion of each fiscal year shall not be transferred
1 26 to the ~~general fund of the state property taxpayer rebate fund~~
1 27 but shall be transferred to the senior living trust fund. The
1 28 total amount appropriated, reverted, or transferred, in the
1 29 aggregate, under this paragraph, section 8.57, subsection 2,
1 30 and any other law providing for an appropriation or reversion
1 31 or transfer of an appropriation to the credit of the senior
1 32 living trust fund, for all fiscal years beginning on or after
1 33 July 1, 2004, shall not exceed the amount specified in section
1 34 8.57, subsection 2, paragraph "c".

1 35 Sec. 3. NEW SECTION. 8.55A PROPERTY TAXPAYER REBATE
2 1 FUND.

2 2 1. a. A property taxpayer rebate fund is created in the
2 3 state treasury. The property taxpayer rebate fund shall be
2 4 separate from the general fund of the state and shall not be
2 5 considered part of the general fund of the state. The moneys
2 6 in the property taxpayer rebate fund are not subject to
2 7 section 8.33 and shall not be transferred, used, obligated,
2 8 appropriated, or otherwise encumbered except as provided in
2 9 this section. Notwithstanding section 12C.7, subsection 2,
2 10 interest or earnings on moneys deposited in the property
2 11 taxpayer rebate fund shall be credited to the fund. Moneys in
2 12 the property taxpayer rebate fund may be used for cash flow
2 13 purposes during a fiscal year provided that any moneys so
2 14 allocated are returned to the property taxpayer rebate fund by
2 15 the end of that fiscal year.

2 16 b. In addition to the amounts transferred to the property
2 17 taxpayer rebate fund pursuant to section 8.55, subsection 2,
2 18 the general assembly shall annually appropriate for deposit to
2 19 the fund an amount equal to the product of the balance in the

2 20 fund as of the previous June 30 times the consumer price
2 21 index. For purposes of this paragraph, "consumer price index"
2 22 means the consumer price index for the midwest region, as
2 23 published in the federal register by the United States
2 24 department of labor, bureau of labor statistics.

2 25 c. In addition to the amounts transferred to the property
2 26 taxpayer rebate fund pursuant to section 8.55, subsection 2,
2 27 and the amounts appropriated pursuant to paragraph "b", the
2 28 general assembly, for any fiscal year, may appropriate moneys
2 29 to the fund.

2 30 2. a. There is appropriated for a fiscal year in which
2 31 the fund balance reaches at least fifty million dollars to the
2 32 director of revenue the total sum in the fund to be used as
2 33 provided in paragraph "c".

2 34 b. By September 15 of the fiscal year, the director of
2 35 revenue shall notify the county treasurer in each county that
3 1 an appropriation pursuant to paragraph "a" was made.

3 2 c. By October 15 of the fiscal year, the county treasurers
3 3 shall certify to the department of revenue the amount of
3 4 property taxes collected in the previous fiscal year. By
3 5 November 15 of the fiscal year, the department shall issue to
3 6 the county treasurer of each county an amount equal to the pro
3 7 rata percentage of the total amount certified by all the
3 8 treasurers and the amount certified for that county.

3 9 d. The county treasurer shall apply the amount received as
3 10 either a credit on the property taxes due the following March
3 11 or shall issue a rebate check to each property taxpayer no
3 12 later than the following April 15. Each property taxpayer in
3 13 the county shall receive a credit or rebate in an amount equal
3 14 to the pro rata percentage of the property taxes paid by the
3 15 taxpayer in the previous fiscal year and the total amount of
3 16 property taxes certified in the county for that fiscal year.

3 17 3. a. In addition to the appropriation made in subsection
3 18 2, the moneys in the property taxpayer rebate fund may be used
3 19 for cash flow purposes pursuant to an appropriation made by
3 20 the general assembly. The appropriation shall be made in
3 21 accordance with this subsection only for the fiscal year in
3 22 which the appropriation is made. The moneys shall only be
3 23 appropriated by the general assembly for nonrecurring
3 24 emergency expenditures and shall not be appropriated for
3 25 payment of any collective bargaining agreement or arbitrator's
3 26 decision negotiated or awarded under chapter 20. Except as
3 27 provided in section 8.58, the property taxpayer rebate fund
3 28 shall be considered a special account for the purposes of
3 29 section 8.53 in determining the cash position of the general
3 30 fund of the state for the payment of state obligations.

3 31 b. Except as provided in subsection 2, an appropriation
3 32 shall not be made from the property taxpayer rebate fund
3 33 unless the appropriation is in accordance with all of the
3 34 following:

3 35 (1) The appropriation is contained in a bill or joint
4 1 resolution in which the appropriation is the only subject
4 2 matter of the bill or joint resolution.

4 3 (2) The bill or joint resolution states the reasons the
4 4 appropriation is necessary.

4 5 c. In addition to the requirements of paragraph "b", an
4 6 appropriation shall not be made from the property taxpayer
4 7 rebate fund unless the bill or joint resolution is approved by
4 8 vote of at least two-thirds of the members of both chambers of
4 9 the general assembly and is signed by the governor.

4 10 Sec. 4. Section 8.58, Code 2007, is amended to read as
4 11 follows:

4 12 8.58 EXEMPTION FROM AUTOMATIC APPLICATION.

4 13 ~~To the extent that moneys appropriated under section 8.57~~
~~4 14 do not result in moneys being credited to the general fund~~
~~4 15 under section 8.55, subsection 2, moneys~~ Moneys ~~appropriated~~
4 16 under section 8.57 and moneys contained in the cash reserve
4 17 fund, rebuild Iowa infrastructure fund, environment first
4 18 fund, and Iowa economic emergency fund, and property taxpayer
4 19 rebate fund shall not be considered in the application of any
4 20 formula, index, or other statutory triggering mechanism which
4 21 would affect appropriations, payments, or taxation rates,
4 22 contrary provisions of the Code notwithstanding.

4 23 ~~To the extent that moneys appropriated under section 8.57~~
~~4 24 do not result in moneys being credited to the general fund~~
~~4 25 under section 8.55, subsection 2, moneys~~ Moneys ~~appropriated~~
4 26 under section 8.57 and moneys contained in the cash reserve
4 27 fund, rebuild Iowa infrastructure fund, environment first
4 28 fund, and Iowa economic emergency fund, and property taxpayer
4 29 rebate fund shall not be considered by an arbitrator or in
4 30 negotiations under chapter 20.

4 31 Sec. 5. EFFECTIVE DATE. This Act takes effect January 1,
4 32 2009.

4 33 EXPLANATION

4 34 This bill establishes a property taxpayer rebate fund.
4 35 Moneys in the economic emergency fund in excess of the limit
5 1 of the fund and after payment of certain amounts to the senior
5 2 living trust fund are to be deposited into the property
5 3 taxpayer rebate fund. Present law requires such excess to be
5 4 deposited into the state general fund.

5 5 The bill also provides that an appropriation shall be made
5 6 to the fund annually in an amount equal to the product of the
5 7 balance in the fund on the previous June 30 times the consumer
5 8 price index. The bill defines "consumer price index". The
5 9 bill also provides that the general assembly may make further
5 10 appropriations to the fund in its discretion.

5 11 Once the balance of the property taxpayer rebate fund
5 12 reaches \$50 million, the fund is to be rebated to the property
5 13 taxpayers based on property taxes paid in the previous year.

5 14 The bill allows the general assembly to make an
5 15 appropriation from the fund for cash flow purposes but only if
5 16 the appropriation is for nonrecurring emergency expenditures,
5 17 made for the fiscal year in which the appropriation is made,
5 18 is the only subject matter of the bill, and is approved by at
5 19 least two-thirds of the members of each house and signed by
5 20 the governor.

5 21 The bill takes effect January 1, 2009.

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