

**House File 363 - Introduced**

HOUSE FILE 363

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**A BILL FOR**

1 An Act creating a responsible governing fund, making transfers,  
2 and including applicability provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8.54, subsection 5, Code 2013, is amended  
2 to read as follows:

3 5. For fiscal years in which ~~it is anticipated that the~~  
4 ~~distribution~~ there will be a transfer of moneys from the Iowa  
5 economic emergency fund ~~in accordance with section 8.55,~~  
6 ~~subsection 2,~~ will result in moneys being transferred to the  
7 general fund of the state in accordance with law, the original  
8 state general fund expenditure limitation amount provided for  
9 in subsection 3 shall be readjusted to include the amount of  
10 moneys anticipated to be so transferred.

11 Sec. 2. Section 8.55, subsection 2, paragraph b, Code 2013,  
12 is amended to read as follows:

13 b. ~~The~~ Unless otherwise provided by law, the remainder of  
14 the excess, if any, shall be transferred to the ~~general fund of~~  
15 ~~the state~~ responsible governing fund.

16 Sec. 3. NEW SECTION. 8.57F Responsible governing fund.

17 1. A responsible governing fund is created. The fund shall  
18 be separate from the general fund of the state and the balance  
19 in the fund shall not be considered part of the balance of the  
20 general fund of the state. The moneys credited to the fund  
21 are not subject to section 8.33 and shall not be transferred,  
22 used, obligated, appropriated, or otherwise encumbered except  
23 as provided in this section.

24 2. Moneys in the responsible governing fund shall only  
25 be used pursuant to appropriations or transfers made by  
26 the general assembly for temporary or one-time expenditures  
27 to ensure public safety, construct necessary facilities,  
28 provide for proper maintenance of public property, or provide  
29 transitional funding of a public service. In addition,  
30 the moneys may be used to restore an amount of a standing  
31 appropriation from the general fund of the state that was  
32 subject to a reduction from the amount specified in law due to  
33 an exception that was applied for the fiscal year preceding the  
34 fiscal year of the restoration.

35 3. a. Moneys in the responsible governing fund may be used

1 for cash flow purposes during a fiscal year provided that any  
2 moneys so allocated are returned to the fund by the end of that  
3 fiscal year.

4 *b.* Except as provided in section 8.58, the responsible  
5 governing fund shall be considered a special account for the  
6 purposes of section 8.53 in determining the cash position  
7 of the general fund of the state for the payment of state  
8 obligations.

9 4. Notwithstanding section 12C.7, subsection 2, interest or  
10 earnings on moneys deposited in the responsible governing fund  
11 shall be credited to the fund.

12 Sec. 4. Section 8.58, Code 2013, is amended to read as  
13 follows:

14 **8.58 Exemption from automatic application.**

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

26 2. To the extent that moneys appropriated under section  
27 8.57 do not result in moneys being credited to the general  
28 fund ~~under section 8.55, subsection 2 of the state,~~ moneys  
29 appropriated under section 8.57 and moneys contained in  
30 the cash reserve fund, rebuild Iowa infrastructure fund,  
31 environment first fund, Iowa economic emergency fund, ~~and~~  
32 taxpayers trust fund, and responsible governing fund shall not  
33 be considered by an arbitrator or in negotiations under chapter  
34 20.

35 Sec. 5. APPLICABILITY. This Act applies to moneys credited

1 to the Iowa economic emergency fund for fiscal years beginning  
2 on or after July 1, 2014.

3

EXPLANATION

4 This bill creates a responsible governing fund in new Code  
5 section 8.57F and makes transfers to the fund.

6 The new fund is separate from the general fund of the state  
7 and interest or earnings on moneys in the fund are credited to  
8 the fund. Moneys in the fund may be used temporarily for cash  
9 flow purposes. Otherwise, moneys in the fund can be used only  
10 as provided by appropriations or transfers made by the general  
11 assembly for temporary or one-time expenditures to ensure  
12 public safety, construct necessary facilities, provide for  
13 proper maintenance of public property, or provide transitional  
14 funding of a public service. In addition, the moneys may be  
15 used to restore an amount of a standing appropriation from  
16 the general fund of the state that was subject to a reduction  
17 from the amount specified in law due to an exception that was  
18 applied for the fiscal year preceding the fiscal year of the  
19 restoration.

20 Under current law in Code section 8.55, relating to the Iowa  
21 economic emergency fund, when the fund reaches its maximum  
22 balance, a formula provides for transfer of up to \$60 million  
23 of the excess to the taxpayers trust fund and the remaining  
24 excess is transferred to the general fund of the state. The  
25 bill transfers the remaining excess to the new fund instead of  
26 the general fund, unless otherwise provided by law.

27 The Code section 8.55 requirement to transfer the remaining  
28 excess from the Iowa economic emergency fund to the general  
29 fund is addressed in the Code section 8.54 requirement to  
30 readjust the state general fund expenditure limitation to  
31 include the amount anticipated to be transferred. The bill  
32 revises the requirement to only apply the readjustment when  
33 there is a transfer of the excess to the general fund provided  
34 for by law.

35 Code section 8.58 is amended to include the new fund

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1 in the list of reserve funds that are not considered in  
2 the application of any formula, index, or other statutory  
3 triggering mechanism which would affect appropriations,  
4 payments, or taxation rates, or by an arbitrator or in public  
5 employee collective bargaining negotiations under Code chapter  
6 20.

7 The bill applies to moneys credited to the Iowa economic  
8 emergency fund for fiscal years beginning on or after July 1,  
9 2014.