

**House File 648 - Introduced**

HOUSE FILE 648

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 239)

**A BILL FOR**

1 An Act relating to state and local finances by making transfers  
2 and appropriations and including effective date and  
3 applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

STATE BOND REPAYMENT FUND

1  
2  
3 Section 1. STATE BOND REPAYMENT FUND — TAXPAYERS TRUST  
4 FUND. Notwithstanding section 8.55, subsection 2, paragraph  
5 "b", if the Iowa economic emergency fund reaches its maximum  
6 balance in the fiscal year beginning July 1, 2013, after the  
7 designated portion of the excess moneys is transferred to the  
8 taxpayers trust fund pursuant to section 8.55, subsection 2,  
9 paragraph "a", the next \$113,800,000 is transferred to the  
10 state bond repayment fund created by this Act. Any excess  
11 remaining after the transfer to the state bond repayment fund  
12 is transferred to the taxpayers trust fund.

13 Sec. 2. NEW SECTION. 8.57F State bond repayment fund.

14 1. a. The state bond repayment fund is created. The  
15 fund shall be separate from the general fund of the state and  
16 the balance in the fund shall not be considered part of the  
17 balance of the general fund of the state. The moneys credited  
18 to the fund are not subject to section 8.33 and shall not  
19 be transferred, used, obligated, appropriated, or otherwise  
20 encumbered except as provided in this section.

21 b. Moneys in the fund shall only be used for the defeasance  
22 or redemption of outstanding obligations of state-issued  
23 revenue bonds that have a debt service paid by a dedicated  
24 revenue source.

25 c. Moneys in the fund may be used for cash flow purposes  
26 during a fiscal year provided that any moneys so allocated are  
27 returned to the fund by the end of that fiscal year.

28 d. Except as provided in section 8.58, the fund shall be  
29 considered a special account for the purposes of section 8.53  
30 in determining the cash position of the general fund of the  
31 state for the payment of state obligations.

32 2. The moneys credited to the fund for the fiscal year  
33 beginning July 1, 2013, are appropriated to the treasurer of  
34 state to defease or redeem the following state bonds in lieu  
35 of the revenue source otherwise designated by law for payment

1 of the bonds:

2     *a.* The school infrastructure program bonds issued pursuant  
3 to sections 12.81 through 12.86.

4     *b.* The Iowa jobs program bonds issued pursuant to section  
5 12.87, subsection 1, paragraph "b", subparagraph (3).

6     *c.* In conjunction with the Iowa finance authority, the  
7 prison infrastructure revenue bonds issued pursuant to section  
8 16.177.

9     *d.* In conjunction with the honey creek premier destination  
10 park authority, the premier destination park bonds issued  
11 pursuant to section 463C.12.

12     Sec. 3. 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 fund  
17 under section 8.55, subsection 2, moneys appropriated under  
18 section 8.57 and moneys contained in the cash reserve fund,  
19 rebuild Iowa infrastructure fund, environment first fund, Iowa  
20 economic emergency fund, ~~and~~ taxpayers trust fund, and state  
21 bond repayment fund shall not be considered in the application  
22 of any formula, index, or other statutory triggering mechanism  
23 which would affect appropriations, payments, or taxation rates,  
24 contrary provisions of the Code notwithstanding.

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

33     Sec. 4. EFFECTIVE UPON ENACTMENT — APPLICABILITY.

34     1. This division of this Act, being deemed of immediate  
35 importance, takes effect upon enactment.

1 2. The section of this division of this Act providing for  
2 transfer of moneys from the Iowa economic emergency fund to  
3 the state bond repayment fund instead of the general fund of  
4 the state applies to transfers made from the Iowa economic  
5 emergency fund after the effective date of this division of  
6 this Act and the state general fund expenditure limitation  
7 calculated for the fiscal year beginning July 1, 2013, shall  
8 be adjusted accordingly.

9 DIVISION II

10 PUBLIC RETIREMENT SYSTEMS

11 Sec. 5. JUDICIAL RETIREMENT FUND. There is transferred from  
12 the general fund of the state to the judicial retirement fund  
13 described in section 602.9104, for the fiscal year beginning  
14 July 1, 2012, and ending June 30, 2013, an amount equal to  
15 \$18,900,000.

16 Sec. 6. PEACE OFFICERS' RETIREMENT, ACCIDENT, AND  
17 DISABILITY SYSTEM RETIREMENT FUND. There is transferred  
18 from the general fund of the state to the peace officers'  
19 retirement, accident, and disability system retirement fund  
20 described in section 97A.8, for the fiscal year beginning  
21 July 1, 2012, and ending June 30, 2013, an amount equal to  
22 \$91,300,000.

23 Sec. 7. EFFECTIVE UPON ENACTMENT. This division of this  
24 Act, being deemed of immediate importance, takes effect upon  
25 enactment.

26 DIVISION III

27 MISCELLANEOUS APPROPRIATIONS

28 Sec. 8. UNI — ADVANCED MANUFACTURING EQUIPMENT. There  
29 is appropriated from the general fund of the state to the  
30 university of northern Iowa for the fiscal year beginning July  
31 1, 2012, and ending June 30, 2013, the following amount, or  
32 so much thereof as is necessary, to be used for the purposes  
33 designated:

34 For purposes of improving the economic growth of the state  
35 by the purchase of advanced manufacturing equipment at cedar

1 valley techworks:

2 ..... \$ 1,000,000

3 Sec. 9. UNI — FUNDING. There is appropriated from the  
4 general fund of the state to the university of northern Iowa  
5 for the fiscal year beginning July 1, 2012, and ending June 30,  
6 2013, the following amount, or so much thereof as is necessary,  
7 to be used for the purposes designated:

8 For funding issues related to high enrollment by in-state  
9 students:

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

11 Notwithstanding section 8.33, moneys appropriated in this  
12 section that remain unencumbered or unobligated at the close of  
13 a fiscal year shall not revert but shall remain available for  
14 expenditure for the purposes designated until June 30, 2015.

15 Sec. 10. ISU — BIOECONOMY INITIATIVE. There is  
16 appropriated from the general fund of the state to Iowa state  
17 university of science and technology for the fiscal year  
18 beginning July 1, 2012, and ending June 30, 2013, the following  
19 amount, or so much thereof as is necessary, to be used for the  
20 purposes designated:

21 For implementing the bioeconomy initiative:

22 ..... \$ 7,500,000

23 The appropriation in this section is in lieu of the  
24 appropriation made for the same purpose in 2013 Iowa Acts,  
25 Senate File 430, if enacted.

26 Sec. 11. ISU — RESEARCH PARK. There is appropriated  
27 from the general fund of the state to Iowa state university  
28 of science and technology for the fiscal year beginning July  
29 1, 2012, and ending June 30, 2013, the following amount, or  
30 so much thereof as is necessary, to be used for the purposes  
31 designated:

32 For the economic development core facility located at the  
33 research park:

34 ..... \$ 12,000,000

35 Sec. 12. UNIVERSITY OF IOWA — STATE HYGIENIC

1 LABORATORY. There is appropriated from the general fund of  
2 the state to the state university of Iowa for the fiscal year  
3 beginning July 1, 2012, and ending June 30, 2013, the following  
4 amount, or so much thereof as is necessary, to be used for the  
5 purposes designated:

6 For infrastructure improvements to construct a multipurpose  
7 training facility at the state hygienic laboratory at the state  
8 university of Iowa:

9 ..... \$ 1,000,000

10 The appropriation in this section is in lieu of the  
11 appropriation made for the same purpose in 2013 Iowa Acts,  
12 House File 638, if enacted.

13 Sec. 13. DEPARTMENT OF PUBLIC SAFETY. There is appropriated  
14 from the general fund of the state to the department of public  
15 safety for the fiscal year beginning July 1, 2012, and ending  
16 June 30, 2013, the following amount, or so much thereof as is  
17 necessary, to be used for the purposes designated:

18 For equipment:

19 ..... \$ 1,000,000

20 Sec. 14. DEPARTMENT OF AGRICULTURE AND LAND  
21 STEWARDSHIP. There is appropriated from the general fund of  
22 the state to the department of agriculture and land stewardship  
23 for the fiscal year beginning July 1, 2012, and ending June 30,  
24 2013, the following amount, or so much thereof as is necessary,  
25 to be used for the purposes designated:

26 For deposit in the agricultural drainage well water quality  
27 assistance fund created in section 460.303 to be used for  
28 purposes of supporting the agricultural drainage well water  
29 quality assistance program as provided in section 460.304:

30 ..... \$ 1,620,000

31 The appropriation in this section is in lieu of the  
32 appropriation made for the same purpose in 2013 Iowa Acts,  
33 Senate File 435, if enacted.

34 Sec. 15. DEPARTMENT OF ADMINISTRATIVE SERVICES. There  
35 is appropriated from the general fund of the state to the

1 department of administrative services for the fiscal year  
2 beginning July 1, 2012, and ending June 30, 2013, the following  
3 amount, or so much thereof as is necessary, to be used for the  
4 purposes designated:

5 For projects related to major repairs and major maintenance  
6 needs including health, life, and fire safety needs and for  
7 compliance with the federal Americans with Disabilities Act for  
8 state buildings:

9 ..... \$ 2,500,000

10 Sec. 16. NONREVERSION. Unless otherwise provided,  
11 notwithstanding section 8.33, moneys appropriated in this  
12 division of this Act that remain unencumbered or unobligated at  
13 the close of the fiscal year shall not revert but shall remain  
14 available for expenditure for the purposes designated until the  
15 close of the succeeding fiscal year.

16 Sec. 17. EFFECTIVE UPON ENACTMENT. This division of this  
17 Act, being deemed of immediate importance, takes effect upon  
18 enactment.

19 EXPLANATION

20 This bill relates to state and local finances by making  
21 transfers and appropriations. The bill is organized into  
22 divisions.

23 BOND REPAYMENT FUND. The bill creates a state bond repayment  
24 fund in new Code section 8.57F.

25 The excess revenues from the ending balance in the general  
26 fund of the state from the fiscal year beginning July 1, 2012,  
27 that under current law, flow through the cash reserve fund then  
28 to the Iowa economic emergency fund in the succeeding fiscal  
29 year, are addressed. Once the Iowa economic emergency fund  
30 has reached its maximum balance in the fiscal year beginning  
31 July 1, 2013, after the designated portion of the excess  
32 moneys is transferred to the taxpayers trust fund pursuant  
33 to Code section 8.55, subsection 2, paragraph "a", the next  
34 \$113,800,000 is transferred to the state bond repayment fund.  
35 Any excess remaining after the transfer to the state bond

1 repayment fund is transferred to the taxpayers trust fund.

2 The state bond repayment fund is created to be separate  
3 from the general fund of the state and the balance in the fund  
4 is not to be considered part of the balance of the general  
5 fund of the state. Moneys in the fund shall only be used for  
6 the defeasance or redemption of outstanding obligations of  
7 state-issued revenue bonds that have debt service paid by a  
8 dedicated revenue source.

9 The moneys credited to the fund for the fiscal year beginning  
10 July 1, 2013, are appropriated to the treasurer of state to be  
11 used to defease or redeem various specified bonds in lieu of  
12 the revenue sources otherwise designated by law.

13 Code section 8.58, exempting the balances in existing  
14 reserve funds from being considered in the application of any  
15 formula, index, or other statutory triggering mechanism which  
16 would affect appropriations, payments, or taxation rates,  
17 and by an arbitrator or collective bargaining negotiation  
18 under Code chapter 20, is amended by adding the new state bond  
19 repayment fund created in the bill.

20 The division takes effect upon enactment, applies to  
21 transfers made from the Iowa economic emergency fund to the  
22 state bond repayment fund instead of the general fund on or  
23 after the effective date, and requires the effect of such  
24 transfers to be reflected by adjusting the state general fund  
25 expenditure limitation calculated for fiscal year 2013-2014  
26 accordingly.

27 PUBLIC RETIREMENT SYSTEMS. The bill transfers moneys from  
28 the general fund of the state to the judicial retirement fund  
29 and to the peace officers' retirement, accident, and disability  
30 system retirement fund for FY 2012-2013. The division takes  
31 effect upon enactment.

32 MISCELLANEOUS APPROPRIATIONS. The bill makes various  
33 appropriations from the general fund of the state to the  
34 university of northern Iowa, Iowa state university of science  
35 and technology, the university of Iowa, the department



H.F. 648

1 of public safety, the department of agriculture and land  
2 stewardship, and the department of administrative services for  
3 FY 2012-2013. The division takes effect upon enactment.