

House Study Bill 239 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON SODERBERG)

A BILL FOR

1 An Act creating the state bond repayment fund, making transfers
2 to and appropriations from the fund, and including effective
3 date and applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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

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

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

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

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

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

30 2. The following amounts, or so much thereof as is
31 necessary, of the moneys credited to the fund for the fiscal
32 year beginning July 1, 2013, are appropriated to the treasurer
33 of state to defease or redeem the following state bonds in the
34 indicated fiscal year in lieu of the revenue source otherwise
35 designated by law for defeasance or redemption of the bonds:

1 a. In the fiscal year beginning July 1, 2015, in conjunction
2 with the honey creek premier destination park authority,
3 for redemption of the premier destination park bonds issued
4 pursuant to section 463C.12, thirty-three million seven hundred
5 thousand dollars.

6 b. In the fiscal year beginning July 1, 2015, in conjunction
7 with the Iowa finance authority, defeasance of the prison
8 infrastructure revenue bonds issued pursuant to section 16.177,
9 twenty-six million one hundred thousand dollars.

10 c. In the fiscal year beginning July 1, 2020, redemption
11 of Iowa jobs program bonds issued pursuant to sections 12.87
12 through 12.90, due for redemption during that fiscal year,
13 twenty-nine million five hundred thousand dollars.

14 d. In the fiscal year beginning July 1, 2020, school
15 infrastructure program bonds issued pursuant to sections 12.81
16 through 12.86, due for defeasance during that fiscal year,
17 twenty-four million five hundred thousand dollars.

18 Sec. 3. Section 8.58, Code 2013, is amended to read as
19 follows:

20 **8.58 Exemption from automatic application.**

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

31 2. To the extent that moneys appropriated under section
32 8.57 do not result in moneys being credited to the general fund
33 under section 8.55, subsection 2, moneys appropriated under
34 section 8.57 and moneys contained in the cash reserve fund,
35 rebuild Iowa infrastructure fund, environment first fund, Iowa

1 economic emergency fund, ~~and taxpayers trust fund~~, and state
2 bond repayment fund shall not be considered by an arbitrator or
3 in negotiations under chapter 20.

4 Sec. 4. EFFECTIVE UPON ENACTMENT — APPLICABILITY.

5 1. This Act, being deemed of immediate importance, takes
6 effect upon enactment.

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

14 EXPLANATION

15 This bill creates the state bond repayment fund in new Code
16 section 8.57F.

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

29 The state bond repayment fund is created to be separate
30 from the general fund of the state and the balance in the fund
31 is not to be considered part of the balance of the general
32 fund of the state. Moneys in the fund shall only be used for
33 the defeasance or redemption of outstanding obligations of
34 state-issued revenue bonds that have a debt service paid by a
35 dedicated revenue source.

1 The moneys credited to the fund for the fiscal year beginning
2 July 1, 2013, are appropriated to the treasurer of state
3 to be used to defease or redeem various specified bonds in
4 later fiscal years in lieu of the revenue sources otherwise
5 designated by law.

6 Code section 8.58, exempting the balances in existing
7 reserve funds from being considered in the application of any
8 formula, index, or other statutory triggering mechanism which
9 would affect appropriations, payments, or taxation rates,
10 and by an arbitrator or collective bargaining negotiation
11 under Code chapter 20, is amended by adding the new state bond
12 repayment fund created in the bill.

13 The bill takes effect upon enactment, applies to transfers
14 made from the Iowa economic emergency fund to the state bond
15 repayment fund instead of the general fund on or after the
16 effective date, and requires the effect of such transfers to
17 be reflected by adjusting the state general fund expenditure
18 limitation calculated for fiscal year 2013-2014 accordingly.