

Senate File 584 - Introduced

SENATE FILE 584

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SF 175)

A BILL FOR

1 An Act relating to the use of moneys in the Iowa economic
2 emergency fund, and including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8.55, subsection 2, unnumbered paragraph
2 1, Code 2021, is amended to read as follows:

3 The maximum balance of the fund is the amount equal to two
4 and one-half percent of the adjusted revenue estimate for the
5 fiscal year. If the amount of moneys in the Iowa economic
6 emergency fund ~~is equal to~~ exceeds the maximum balance,
7 moneys in excess of ~~this amount~~ the maximum balance shall be
8 distributed as follows:

9 Sec. 2. Section 8.55, subsection 3, paragraph c, Code 2021,
10 is amended by striking the paragraph and inserting in lieu
11 thereof the following:

12 c. Moneys in the fund may be used to prevent or reduce an
13 overdraft on or deficit in the general fund of the state, upon
14 executive order by the governor, in an amount not to exceed one
15 percent of the adjusted revenue estimate for the fiscal year
16 for which the moneys are spent. Moneys in the fund shall not be
17 used for this purpose until the governor issues an executive
18 order and notifies the legislative fiscal committee and the
19 legislative services agency that the balance of the general
20 fund is or will be negative and that an appropriation made
21 pursuant to this paragraph brings or will bring the general
22 fund into balance or reduces or will reduce the deficit in the
23 general fund.

24 Sec. 3. Section 8.55, subsection 3, paragraph e, Code 2021,
25 is amended to read as follows:

26 e. ~~If an appropriation is made~~ moneys are spent pursuant to
27 paragraph "c" for a fiscal year, there is appropriated from the
28 general fund of the state to the Iowa economic emergency fund
29 for the following fiscal year, the amount ~~of the appropriation~~
30 made spent pursuant to paragraph "c", that has not already been
31 returned to the Iowa economic emergency fund.

32 Sec. 4. EFFECTIVE DATE. This Act, being deemed of immediate
33 importance, takes effect upon enactment.

34 EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill relates to the use of moneys in the Iowa economic
3 emergency fund.

4 Currently, an appropriation from the Iowa economic emergency
5 fund to the general fund is authorized for purposes of reducing
6 or preventing an overdraft on or deficit in the general fund.
7 The amount of the appropriation is the amount used from the
8 Iowa economic emergency fund for cash flow purposes and that
9 was not returned to the fund by the end of the fiscal year,
10 not to exceed 1 percent of the adjusted revenue estimate for
11 the fiscal year for which the appropriation is made. There
12 are two conditions that must be met before the appropriation
13 can be made. First, prior to the appropriation, the balance
14 of the general fund at the end of the fiscal year for which the
15 appropriation is made is negative. Second, the governor issues
16 an official proclamation and notifies the legislative fiscal
17 committee and the legislative services agency that the balance
18 of the general fund is negative and that the appropriation made
19 brings the general fund into balance.

20 The bill provides instead that moneys in the Iowa economic
21 emergency fund may be used to prevent or reduce an overdraft
22 on or deficit in the general fund, upon executive order by the
23 governor, in an amount not to exceed 1 percent of the adjusted
24 revenue estimate for the fiscal year for which the moneys
25 are spent. The bill prohibits moneys in the fund from being
26 used for this purpose until the governor issues an executive
27 order and notifies the legislative fiscal committee and the
28 legislative services agency that the balance of the general
29 fund is or will be negative and that an appropriation from the
30 Iowa economic emergency fund brings or will bring the general
31 fund into balance or reduces or will reduce the deficit in the
32 general fund.

33 The bill takes effect upon enactment.