

nance organization authorized under this chapter and payments by a health maintenance organization to providers for health care services, to insurers, or corporations authorized under chapter 514 for insurance, indemnity, or other service benefits authorized under this chapter are not premiums received and taxable under the provisions of section 432.1 for the first five years of the existence of the health maintenance organization, its successors or assigns. After the first five years, the payments received shall be considered premiums received and shall be taxable under the provisions of section 432.1, subsection 1. However, payments made by the United States secretary of health and human services under contracts issued under section 1833 or 1876 of the federal Social Security Act, section 4015 of the federal Omnibus Budget Reconciliation Act of 1987, or chapter 249A for enrolled members shall not be considered premiums received and shall not be taxable under section 432.1.

Sec. 9. GAAP. The department of revenue and finance and the office of the auditor of state are directed to study the impact this Act may have on the balance of the general fund of the state according to generally accepted accounting principles, especially the impact on the 2005-2006 fiscal year. The report shall contain the data used and recommendations made. The report shall be submitted to the legislative council and its fiscal committee by August 15, 2002.

Sec. 10. EFFECTIVE DATE. Section 9 of this Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 9, 2002

CHAPTER 1159

SCHOOL FINANCE — ALLOWABLE GROWTH

S.F. 2328

AN ACT providing for the establishment of the state percent of growth for purposes of the state school foundation program and providing an applicability date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 257.8, subsection 1, Code Supplement 2001, as amended by 2002 Iowa Acts, Senate File 2315,¹ section 1, is amended to read as follows:

1. STATE PERCENT OF GROWTH. ~~The state percent of growth for the budget year beginning July 1, 2001, is four percent.~~ The state percent of growth for the budget year beginning July 1, 2002, is one percent. The state percent of growth for the budget year beginning July 1, 2003, is two percent. The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the submission in the year preceding the base year of the governor's budget under section 8.21. The establishment of the state percent of growth for a budget year shall be the only subject matter of the bill which enacts the state percent of growth for a budget year.

Sec. 2. APPLICABILITY. This Act is applicable for computing state aid under the state school foundation program for the school budget year beginning July 1, 2003.

Approved May 9, 2002

¹ Chapter 1167 herein