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APPROPRIATIONS

HOUSE FILE 2630

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RAYHONS, GREINER, HOFFMAN,
and HUTTER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

HF 2630

1 An Act relating to the state general fund expenditure limitation
2 by providing for inclusion of appropriations previously made
3 from the general fund of the state, and providing effective
4 and applicability dates.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 8.54, Code 2005, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 8. If an appropriation is made for a
4 fiscal year from a source other than the general fund of the
5 state for a designated purpose and in either of the two fiscal
6 years immediately preceding that fiscal year the designated
7 purpose was funded by an appropriation from the general fund
8 of the state, for the purposes of the state general fund
9 expenditure limitation, the amount of the appropriation from
10 the other source shall be considered to have been transferred
11 to and appropriated from the general fund of the state and
12 shall be counted as both a new revenue causing readjustment of
13 the expenditure limitation amount and as an appropriation made
14 under the expenditure limitation amount. The requirements of
15 this subsection shall apply to either or both the initial and
16 immediately succeeding fiscal years for which the
17 appropriation is made from the other funding source.

18 Sec. 2. EFFECTIVE AND APPLICABILITY DATES.

19 1. This Act takes effect July 1, 2006.

20 2. The provisions of this Act shall be applied to the
21 state general fund expenditure limitation in phases as
22 follows:

23 a. For the limitation applicable to the fiscal year
24 beginning July 1, 2007, one-third of the amount of an
25 appropriation made from the other source shall be counted as
26 both a new revenue causing readjustment of the expenditure
27 limitation amount and as an appropriation made under the
28 expenditure limitation amount.

29 b. For the limitation applicable to the fiscal year
30 beginning July 1, 2008, two-thirds of the amount of an
31 appropriation made from the other source shall be counted as
32 both a new revenue causing readjustment of the expenditure
33 limitation amount and as an appropriation made under the
34 expenditure limitation amount.

35 c. For the limitation applicable to the fiscal year

1 beginning July 1, 2009, and subsequent fiscal years, all of
2 the amount of an appropriation made from the other source
3 shall be counted as both a new revenue causing readjustment of
4 the expenditure limitation amount and as an appropriation made
5 under the expenditure limitation amount.

6 EXPLANATION

7 This bill relates to the state general fund expenditure by
8 providing for inclusion under the limitation of appropriations
9 previously made from the general fund.

10 The bill provides that if an appropriation is made for a
11 fiscal year from a source other than the general fund of the
12 state for a designated purpose and in either of the two fiscal
13 years immediately preceding that fiscal year the designated
14 purpose was funded by an appropriation from the general fund
15 of the state, for the purposes of the state general fund
16 expenditure limitation, the appropriation from the other
17 source shall be considered to have been transferred to and
18 appropriated from the general fund of the state and shall be
19 counted as both a new revenue and an appropriation made under
20 the expenditure limitation amount. "New revenue" is a defined
21 term that means a revenue amount that was not included in the
22 estimate made by the revenue estimating conference that was
23 used to calculate the initial state general fund expenditure
24 limitation for a fiscal year. The state general fund
25 expenditure limitation is adjusted to include 95 percent of
26 the new revenue. The requirements apply to the initial and
27 immediately succeeding fiscal years for which the
28 appropriation is made from the other funding source.

29 The bill takes effect July 1, 2006, and is applicable to
30 the state general fund expenditure limitation in phases of
31 one-third per year commencing with the limitation established
32 for the fiscal year beginning July 1, 2007. Full
33 implementation commences with the fiscal year beginning July
34 1, 2009.

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