

MAR 7 2001

WAYS AND MEANS

HOUSE FILE 537

BY COMMITTEE ON LOCAL GOVERNMENT

(SUCCESSOR TO HF 4)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to local government fiscal reform.

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

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HF 537

1 Section 1. Section 23A.2, subsection 10, paragraph h, Code
2 2001, is amended by striking the paragraph.

3 Sec. 2. Section 25B.2, subsection 3, Code 2001, is amended
4 by striking the subsection.

5 Sec. 3. Section 25B.3, subsection 1, Code 2001, is amended
6 to read as follows:

7 1. "Political subdivision" means a city, county, township,
8 community college, area education agency, or school district.

9 Sec. 4. NEW SECTION. 25B.5A UNFUNDED STATE MANDATES --
10 EFFECT.

11 If, on or after July 1, 2001, a state mandate is enacted by
12 the general assembly, or otherwise imposed, on a political
13 subdivision and the state mandate requires a political
14 subdivision to engage in any new activity, to provide a new
15 service, or to provide any service beyond that required by any
16 law enacted prior to July 1, 2001, and the state does not
17 appropriate moneys to fully fund the cost of the state mandate
18 as identified pursuant to section 25B.5, the political
19 subdivision is not required to perform the activity or provide
20 the service and the political subdivision shall not be subject
21 to any liabilities imposed by the state or the imposition of
22 any fines or penalties for the failure to comply with the
23 state mandate.

24 Sec. 5. NEW SECTION. 28L.1 IOWA COMMISSION ON STATE AND
25 LOCAL TAXATION.

26 1. An Iowa commission on state and local taxation is
27 created which shall consist of thirteen members appointed as
28 follows:

29 a. Three senators appointed by the majority leader of the
30 senate, one of whom shall be nominated by the minority leader
31 of the senate. Two of the appointees shall be residents of a
32 county with a population of less than forty thousand.

33 b. Three representatives appointed by the speaker of the
34 house, one of whom shall be nominated by the minority leader
35 of the house. Two of the appointees shall be residents of a

1 county with a population of less than forty thousand.

2 c. One member appointed by the Iowa state association of
3 counties.

4 d. One member appointed by the Iowa league of cities.

5 e. One member appointed by the Iowa association of school
6 boards.

7 f. One member from an organization representing
8 agricultural interests appointed jointly by the majority
9 leader of the senate and the speaker of the house.

10 g. One member from an organization representing taxpayers
11 and appointed jointly by the majority leader of the senate and
12 the speaker of the house.

13 h. One member from an organization representing business
14 taxpayers and appointed jointly by the majority leader of the
15 senate and the speaker of the house.

16 i. One member representing small business owners appointed
17 jointly by the majority leader of the senate and the speaker
18 of the house.

19 2. In making all appointments, consideration shall be
20 given to gender, race, or ethnic representation, population
21 and demographic factors, and representation of different
22 geographic regions. Appointments made under subsection 1,
23 paragraphs "c" through "e", are not subject to section 69.16
24 or 69.16A.

25 3. Members of the commission shall hold office for four
26 years beginning June 1 of the year of appointment and until
27 their successors are appointed, except that three initial
28 appointees shall be appointed for one year, three initial
29 appointees for two years, three initial appointees for three
30 years, and three initial appointees for four years. The
31 commission shall conduct its organizational meeting no later
32 than September 1, 2001, and at that meeting shall elect a
33 chairperson to serve until May 2002.

34 4. Legislative members of the commission are eligible for
35 per diem and expenses as provided in section 2.10. Other

1 members of the commission shall be reimbursed for actual and
2 necessary expenses incurred in performance of their duties.
3 Members may also be eligible to receive compensation as
4 provided in section 7E.6.

5 5. A majority of the commission members shall constitute a
6 quorum. For the purpose of conducting business, a majority
7 vote of the commission shall be required. Beginning in May
8 2002, the commission shall meet in May of each year for the
9 purpose of electing one of its members as chairperson. The
10 commission shall meet quarterly and at other times as
11 necessary at the call of the chairperson or when any five
12 members of the commission file a written request with the
13 chairperson for a meeting. Written notice of the time and
14 place of each meeting shall be given to each member of the
15 commission.

16 6. The commission may establish committees as it deems
17 advisable and feasible, whose membership shall include at
18 least two members of the commission, but only the commission
19 may take final action on a proposal or recommendation of a
20 committee.

21 7. Any vacancy shall be filled in the same manner as
22 regular appointments are made for the unexpired portion of the
23 regular term. A member of the commission may be removed for
24 any of the causes and in the manner provided in chapter 66.

25 Sec. 6. NEW SECTION. 28L.2 STAFF AND FACILITIES.

26 The commission and committees established by the commission
27 may accept technical and operational assistance from the staff
28 of the legislative service bureau and the legislative fiscal
29 bureau, other state or federal agencies, units of local
30 governments, or any other public or private source. The
31 directors of the legislative service bureau and the
32 legislative fiscal bureau may assign professional, technical,
33 legal, clerical, or other staff, as necessary and authorized
34 by the legislative council for continued operation of the
35 commission. However, technical and operational assistance

1 provided by the bureaus shall be provided within existing
2 appropriations made to or with existing resources of the
3 legislative service bureau and legislative fiscal bureau. The
4 legislative council may also provide to the commission
5 available facilities and equipment as requested by the
6 commission. The legislative council shall provide funding for
7 consulting services should the commission deem it appropriate.

8 Sec. 7. NEW SECTION. 28L.3 REVIEW OF STATE AND LOCAL
9 REVENUE AND SERVICES.

10 1. The commission shall conduct a review of the following:

11 a. Revenue sources available to local governments,
12 including taxes, fees, state appropriations, and federal
13 moneys.

14 b. Revenue sources available to the state, including
15 taxes, fees, and federal moneys, and the portion of state
16 revenues annually appropriated, or otherwise disbursed, to
17 local governments.

18 c. Services provided by local governments, including those
19 provided at the discretion of a local government and those
20 mandated by federal or state statutes and regulations.

21 2. In conducting its review of revenue sources, the
22 commission shall study state and local taxes from the
23 standpoint of equity, neutrality, competitiveness, simplicity,
24 and stability.

25 3. The commission shall hold public hearings to allow
26 persons and organizations to be heard.

27 4. The commission shall submit a report to the general
28 assembly on the status of the review no later than March 15,
29 2002. The status report shall summarize the commission's
30 activities to date and may include such other information that
31 the commission deems relevant and necessary.

32 5. a. The commission shall submit a final report to the
33 general assembly no later than January 15, 2006.

34 b. The final report shall include the following:

35 (1) A statement of goals that the commission believes are

1 necessary to achieve principles of taxation agreed upon by the
2 committee.

3 (2) Any strategies formulated by the commission that
4 consist of recommended methods of state and local taxation,
5 specific structural changes, and any modifications to the
6 current system of state and local taxation.

7 (3) Such other information that the commission deems
8 relevant and necessary.

9 6. This section shall not be construed to preclude the
10 enactment of legislation that eliminates or reduces any state
11 or local government tax during the period the Iowa commission
12 on state and local taxation is conducting the review required
13 by this section.

14 Sec. 8. NEW SECTION. 28L.4 DUTIES OF THE COMMISSION.

15 The commission shall:

16 1. Conduct the review as required in section 28L.3.

17 2. Monitor legislative or administrative action on
18 recommendations in the report required in section 28L.3.

19 3. Annually report on the state of local governments in
20 Iowa.

21 4. Annually report on state and federal issues relating to
22 local government that have a potential fiscal impact on local
23 governments.

24 5. Annually report on court decisions having an impact on
25 state and local government revenue or services.

26 6. The reports in subsections 3, 4, and 5 shall be filed
27 with the governor, president of the senate, speaker of the
28 house, and the majority and minority leaders of each house,
29 and shall be made available to legislators and the public upon
30 request. The reports must be submitted no later than January
31 15 of each year.

32 Sec. 9. NEW SECTION. 28L.5 INFORMATION.

33 The commission may request from any state agency or
34 official the information and assistance as needed to perform
35 the duties of the commission. A state agency or official

1 shall furnish the information or assistance requested within
2 the authority and resources of the state agency or official.
3 This section does not require the production or opening of any
4 public record which is required by law to be kept
5 confidential.

6 Sec. 10. NEW SECTION. 28L.6 FUTURE REPEAL.

7 This chapter is repealed effective July 1, 2006.

8 Sec. 11. Section 123.38, unnumbered paragraph 2, Code
9 2001, is amended to read as follows:

10 Any licensee or permittee, or the licensee's or permittee's
11 executor or administrator, or any person duly appointed by the
12 court to take charge of and administer the property or assets
13 of the licensee or permittee for the benefit of the licensee's
14 or permittee's creditors, may voluntarily surrender a license
15 or permit to the division. When a license or permit is
16 surrendered the division shall notify the local authority, and
17 the division or the local authority shall refund to the person
18 surrendering the license or permit, a proportionate amount of
19 the fee received by the division or the local authority for
20 the license or permit as follows: if a license or permit is
21 surrendered during the first three months of the period for
22 which it was issued, the refund shall be three-fourths of the
23 amount of the fee; if surrendered more than three months but
24 not more than six months after issuance, the refund shall be
25 one-half of the amount of the fee; if surrendered more than
26 six months but not more than nine months after issuance, the
27 refund shall be one-fourth of the amount of the fee. No
28 refund shall be made, however, for any special liquor permit,
29 nor for a liquor control license, wine permit, or beer permit
30 surrendered more than nine months after issuance. For
31 purposes of this paragraph, any portion of license or permit
32 fees used for the purposes authorized in section ~~331.424~~
33 ~~subsection-17-paragraphs-"a"-and-"b"-and-in-section~~ 331.424A~~7~~
34 shall not be deemed received either by the division or by a
35 local authority. No refund shall be made to any licensee or

1 permittee, upon the surrender of the license or permit, if
2 there is at the time of surrender, a complaint filed with the
3 division or local authority, charging the licensee or
4 permittee with a violation of this chapter. If upon a hearing
5 on a complaint the license or permit is not revoked or
6 suspended, then the licensee or permittee is eligible, upon
7 surrender of the license or permit, to receive a refund as
8 provided in this section; but if the license or permit is
9 revoked or suspended upon hearing the licensee or permittee is
10 not eligible for the refund of any portion of the license or
11 permit fee.

12 Sec. 12. Section 218.99, Code 2001, is amended to read as
13 follows:

14 218.99 COUNTIES TO BE NOTIFIED OF PATIENTS' PERSONAL
15 ACCOUNTS.

16 The administrator in control of a state institution shall
17 direct the business manager of each institution under the
18 administrator's jurisdiction ~~which-is-mentioned-in-section~~
19 ~~331.4247-subsection-17-paragraphs-"a"-and-"b",~~ and for which
20 services are paid under section 331.424A, to quarterly inform
21 the county of legal settlement's entity designated to perform
22 the county's single entry point process of any patient or
23 resident who has an amount in excess of two hundred dollars on
24 account in the patients' personal deposit fund and the amount
25 on deposit. The administrators shall direct the business
26 manager to further notify the entity designated to perform the
27 county's single entry point process at least fifteen days
28 before the release of funds in excess of two hundred dollars
29 or upon the death of the patient or resident. If the patient
30 or resident has no county of legal settlement, notice shall be
31 made to the director of human services and the administrator
32 in control of the institution involved.

33 Sec. 13. Section 331.301, subsection 12, Code 2001, is
34 amended to read as follows:

35 12. The board of supervisors may credit funds to a reserve

1 for the purposes authorized by subsection 11 of this section,
2 ~~section-331.424, subsection-1, paragraph-"f"~~, and section
3 331.441, subsection 2, paragraph "b". Moneys credited to the
4 reserve, and interest earned on such moneys, shall remain in
5 the reserve until expended for purposes authorized by
6 subsection 11 of this section,~~section-331.424, subsection-1,~~
7 ~~paragraph-"f"~~, or section 331.441, subsection 2, paragraph
8 "b".

9 Sec. 14. Section 331.325, Code 2001, is amended to read as
10 follows:

11 331.325 CONTROL AND MAINTENANCE OF PIONEER CEMETERIES --
12 CEMETERY COMMISSION.

13 1. As used in this section, "pioneer cemetery" means a
14 cemetery where there have been six or fewer burials in the
15 preceding fifty years.

16 2. Each county board of supervisors may adopt an ordinance
17 assuming jurisdiction and control of pioneer cemeteries in the
18 county. The board shall exercise the powers and duties of
19 township trustees relating to the maintenance and repair of
20 cemeteries in the county as provided in sections 359.28
21 through 359.41 except that the board shall not certify a tax
22 levy pursuant to section 359.30 or 359.33 and except that the
23 maintenance and repair of all cemeteries under the
24 jurisdiction of the county including pioneer cemeteries shall
25 be paid from the ~~county-general~~ cemetery fund. The
26 maintenance and improvement program for a pioneer cemetery may
27 include restoration and management of native prairie grasses
28 and wildflowers.

29 3. In lieu of management of the cemeteries, the board of
30 supervisors may create, by ordinance, a cemetery commission to
31 assume jurisdiction and management of the pioneer cemeteries
32 in the county. The ordinance shall delineate the number of
33 commissioners, the appointing authority, the term of office,
34 officers, employees, organizational matters, rules of
35 procedure, compensation and expenses, and other matters deemed

1 pertinent by the board. The board may delegate any power and
2 duties relating to cemeteries which may otherwise be exercised
3 by township trustees pursuant to sections 359.28 through
4 359.41 to the cemetery commission except the commission shall
5 not certify a tax levy pursuant to section 359.30 or 359.33
6 and except that the expenses of the cemetery commission shall
7 be paid from the ~~county-general~~ cemetery fund.

8 4. Notwithstanding sections 359.30 and 359.33, the costs
9 of management, repair, and maintenance of pioneer cemeteries
10 shall be paid from the ~~county-general~~ cemetery fund.

11 Sec. 15. Section 331.421, subsections 1 and 10, Code 2001,
12 are amended by striking the subsections.

13 Sec. 16. Section 331.421, Code 2001, is amended by adding
14 the following new subsection:

15 NEW SUBSECTION. 7A. "Item" means a budgeted expenditure,
16 appropriation, or cash reserve from a fund for a service area,
17 program, program element, or purpose.

18 Sec. 17. Section 331.423, Code 2001, is amended by
19 striking the section and inserting in lieu thereof the
20 following:

21 331.423 PROPERTY TAX DOLLARS -- MAXIMUMS.

22 1. Annually, the board shall determine separate property
23 tax levy limits to pay for general county services and rural
24 county services in accordance with this section. The property
25 tax levies separately certified for general county services
26 and rural county services in accordance with section 331.434
27 shall not exceed the amount determined under this section.

28 2. For purposes of this section and section 331.423A:

29 a. "Annual price index" means the change, computed to four
30 decimal places, between the preliminary price index for the
31 third quarter of the calendar year preceding the calendar year
32 in which the fiscal year starts and the revised price index
33 for the third quarter of the previous calendar year as
34 published in the same issue in which such preliminary price
35 index is first published. The price index used shall be the

1 state and local government chain-type price index used in the
2 quantity and price indexes for gross domestic product as
3 published by the United States department of commerce. The
4 annual price index shall not be less than zero and shall not
5 exceed four hundredths. The change shall then be added to one
6 to create a multiplier for the annual price index.

7 b. "Boundary adjustment" means annexation, severance,
8 incorporation, or discontinuance as those terms are defined in
9 section 368.1.

10 c. "Budget year" is the fiscal year beginning during the
11 calendar year in which a budget is first certified.

12 d. "Current fiscal year" is the fiscal year ending during
13 the calendar year in which a budget is first certified.

14 e. "Local sales and services taxes" means local sales and
15 services taxes imposed under the authority of chapter 422B.

16 f. "Net new valuation taxes" means the amount of property
17 tax dollars equal to the tentative maximum general rate for
18 purposes of the general fund, or the tentative maximum rural
19 rate for purposes of the rural services fund, times the
20 increase from the previous fiscal year in taxable valuation
21 due to the following:

22 (1) Net new construction.

23 (2) Additions or improvements to existing structures.

24 (3) Remodeling of existing structures for which a building
25 permit is required.

26 (4) Net boundary adjustment.

27 (5) A municipality no longer dividing tax revenues in an
28 urban renewal area as provided in section 403.19, to the
29 extent that the incremental valuation released is due to new
30 construction or revaluation on property newly constructed
31 after the division of revenue begins.

32 (6) That portion of taxable property located in an urban
33 revitalization area on which an exemption was allowed and such
34 exemption has expired.

35 g. "Property tax replacement dollars" means revenues

1 received under sections 427B.17 through 427B.19D, revenues
2 received under chapter 437A, subchapter II, and amounts
3 appropriated by the general assembly for property tax relief
4 first enacted for fiscal years beginning on or after July 1,
5 2001.

6 h. "Tentative maximum general rate" means the amount
7 calculated in subsection 3, paragraph "b", subparagraph (1),
8 divided by the net taxable valuation in the county. For
9 purposes of this paragraph, "net taxable valuation" is the
10 amount of taxable valuation in the county minus the amount of
11 taxable valuation used to calculate net new valuation taxes.

12 i. "Tentative maximum rural rate" means the amount
13 calculated in subsection 3, paragraph "c", subparagraph (1),
14 divided by the net taxable valuation in the unincorporated
15 area of the county. For purposes of this paragraph, "net
16 taxable valuation" is the amount of taxable valuation in the
17 unincorporated area of the county minus the amount of taxable
18 valuation in the unincorporated area of the county used to
19 calculate net new valuation taxes.

20 j. "Unused taxing authority" means the maximum amount of
21 property tax dollars calculated under subsection 3 for a
22 fiscal year minus the amount actually levied under this
23 section in that fiscal year. Unused taxing authority may be
24 carried forward to the following fiscal year. However, the
25 amount of unused taxing authority which may be carried forward
26 shall not exceed twenty-five percent of the maximum amount of
27 property tax dollars available in the current fiscal year.

28 3. a. Effective for the fiscal year beginning July 1,
29 2002, the maximum amount of property tax dollars levied which
30 may be certified by a county for general county services and
31 rural county services shall be the tentative maximum property
32 tax dollars calculated under paragraphs "b" and "c",
33 respectively, and adjusted by the amounts in paragraphs "d",
34 "e", and "f".

35 b. The tentative maximum property tax dollars for general

1 county services is an amount equal to the sum of the
2 following:

3 (1) The current fiscal year's tentative maximum property
4 tax dollars for general county services minus the unused
5 taxing authority carried forward from the previous fiscal year
6 times the annual price index.

7 (2) The amount of net new valuation taxes.

8 (3) The amount of unused taxing authority carried forward
9 from the previous fiscal year.

10 c. The tentative maximum property tax dollars for rural
11 county services is an amount equal to the sum of the
12 following:

13 (1) The current fiscal year's tentative maximum property
14 tax dollars for rural county services minus the unused taxing
15 authority carried forward from the previous fiscal year times
16 the annual price index.

17 (2) The amount of net new valuation taxes.

18 (3) The amount of unused taxing authority carried forward
19 from the previous fiscal year.

20 d. Subtract the amount of property tax replacement dollars
21 to be received for the budget year that will be deposited in
22 the general fund or the rural services fund, as applicable.

23 e. Subtract the amount of local sales and services taxes
24 for property tax relief estimated by the department of revenue
25 and finance to be received for the budget year that will be
26 deposited in the general fund or the rural services fund, as
27 applicable.

28 f. Subtract the amount of local sales and services taxes
29 received for property tax relief in the previous fiscal year
30 for the county general fund and rural services fund, and add
31 the amount of local sales and services taxes that was budgeted
32 for property tax relief for each of those funds in that fiscal
33 year.

34 4. Property taxes certified for deposit in the mental
35 health, mental retardation, and developmental disabilities

1 services fund in section 331.424A, the cemetery fund in
2 section 331.424B, the county supplemental funds in section
3 331.425, and the debt service fund in section 331.430, any
4 capital projects fund established by the county for deposit of
5 bond, loan, or note proceeds, and any temporary increase
6 approved pursuant to section 331.424 are not counted against
7 the maximum amount of property tax dollars that may be
8 certified for a fiscal year under subsection 3.

9 5. The department of management shall adopt rules to
10 administer this section and section 331.423A after
11 consultation with the county finance committee.

12 Sec. 18. NEW SECTION. 331.423A BASE YEAR PROPERTY TAX
13 DOLLARS.

14 1. For purposes of calculating maximum property tax
15 dollars under section 331.423, the tentative maximum property
16 tax dollars for the fiscal year beginning July 1, 2000, for
17 general county services shall be calculated as provided in
18 this subsection.

19 a. The tentative maximum amount of property tax dollars
20 for general county services for taxes payable in the fiscal
21 year beginning July 1, 2000, shall be an amount equal to the
22 sum of the following, divided by three, and adjusted by the
23 amounts in paragraph "b":

24 (1) The sum of the amount of property taxes levied for
25 general county services and the amount of property tax
26 replacement dollars received and the amount of local sales and
27 services tax revenues received as property tax relief and
28 deposited in the general fund, all for the fiscal year
29 beginning July 1, 1997, times one and one hundred ten
30 thousandths.

31 (2) The sum of the amount of property taxes levied for
32 general county services and the amount of property tax
33 replacement dollars received and the amount of local sales and
34 services tax revenues received as property tax relief and
35 deposited in the general fund, all for the fiscal year

1 beginning July 1, 1998, times one and eighty-nine thousandths.

2 (3) The sum of the amount of property taxes levied for
3 general county services and the amount of property tax
4 replacement dollars received and the amount of local sales and
5 services tax revenues received as property tax relief and
6 deposited in the general fund, all for the fiscal year
7 beginning July 1, 1999, times one and sixty-seven thousandths.

8 b. The amount computed under the formula in paragraph "a"
9 shall be adjusted by subtracting the amount of the ending fund
10 balance differential for general county services as provided
11 in this paragraph. The ending fund balance differential for
12 general county services is the difference between the general
13 fund's ending balance for the fiscal year beginning July 1,
14 1999, and the general fund's ending balance for the fiscal
15 year beginning July 1, 1996, divided by three.

16 2. For purposes of calculating maximum property tax
17 dollars under section 331.423, the tentative maximum property
18 tax dollars for the fiscal year beginning July 1, 2000, for
19 rural county services shall be calculated as provided in this
20 subsection.

21 a. The tentative maximum amount of property tax dollars
22 for rural county services for taxes payable in the fiscal year
23 beginning July 1, 2000, shall be an amount equal to the sum of
24 the following, divided by three, and adjusted by the amounts
25 in paragraph "b":

26 (1) The sum of the amount of property taxes levied for
27 rural county services and the amount of property tax
28 replacement dollars received and the amount of local sales and
29 services tax revenues received as property tax relief and
30 deposited in the rural services fund, all for the fiscal year
31 beginning July 1, 1997, times one and one hundred ten
32 thousandths.

33 (2) The sum of the amount of property taxes levied for
34 rural county services and the amount of property tax
35 replacement dollars received and the amount of local sales and

1 services tax revenues received as property tax relief and
2 deposited in the rural services fund, all for the fiscal year
3 beginning July 1, 1998, times one and eighty-nine thousandths.

4 (3) The sum of the amount of property taxes levied for
5 rural county services and the amount of property tax
6 replacement dollars received and the amount of local sales and
7 services tax revenues received as property tax relief and
8 deposited in the rural services fund, all for the fiscal year
9 beginning July 1, 1999, times one and sixty-seven thousandths.

10 b. The amount computed under the formula in paragraph "a"
11 shall be adjusted by subtracting the amount of the ending fund
12 balance differential for rural county services as provided in
13 this paragraph. The ending fund balance differential for
14 rural county services is the difference between the rural
15 services fund's ending balance for the fiscal year beginning
16 July 1, 1999, and the rural services fund's ending balance for
17 the fiscal year beginning July 1, 1996, divided by three.

18 3. a. The tentative maximum amount of property tax
19 dollars for general county services for taxes payable in the
20 fiscal year beginning July 1, 2001, is an amount equal to the
21 amount computed in subsection 1 times the annual price index
22 plus the amount of net new valuation taxes.

23 b. The tentative maximum amount of property tax dollars
24 for rural county services for taxes payable in the fiscal year
25 beginning July 1, 2001, is an amount equal to the amount
26 computed in subsection 2 times the annual price index plus the
27 amount of net new valuation taxes.

28 4. Each county shall calculate its tentative maximum
29 property tax dollars under this section on forms prescribed by
30 the department of management.

31 Sec. 19. NEW SECTION. 331.423B ENDING FUND BALANCE.

32 Effective for a fiscal year beginning on or after July 1,
33 2007, budgeted ending fund balances shall not exceed twenty-
34 five percent of actual expenditures in the previous fiscal
35 year for either the general fund or the rural services fund.

1 Budgeted ending fund balances for a fiscal year in excess of
2 twenty-five percent of actual expenditures in the previous
3 fiscal year shall be reserved or designated for a specific
4 purpose and specifically described in the certified budget.

5 Up to ten percent of an amount reserved or designated for a
6 specific purpose may be used for a purpose other than that
7 described in the certified budget. Such change in use shall
8 be treated as an amendment to the budget subject to section
9 331.435. The board of supervisors may change the specific
10 purpose for which all or a portion of funds in excess of ten
11 percent are reserved or designated if the proposition to
12 change the specific purpose has been submitted at a special
13 election and received a favorable majority of the votes cast
14 on the proposition. The special election shall be held in the
15 manner provided in section 331.425, except that if the change
16 in purpose is to the general services fund ending balance,
17 registered voters in the county may vote on the proposition
18 and if the change in purpose is to the rural services fund
19 ending balance, registered voters residing outside the
20 corporate limits of a city within the county may vote on the
21 proposition.

22 Sec. 20. Section 331.424, Code 2001, is amended by
23 striking the section and inserting in lieu thereof the
24 following:

25 331.424 AUTHORITY TO LEVY BEYOND MAXIMUM PROPERTY TAX
26 DOLLARS.

27 1. The board may certify additions to the maximum amount
28 of property tax dollars to be levied for a period of time not
29 to exceed two years if the proposition has been submitted at a
30 special election and received a favorable majority of the
31 votes cast on the proposition.

32 2. The special election is subject to the following:

33 a. The board must give at least thirty-two days' notice to
34 the county commissioner of elections that the special election
35 is to be held.

1 b. The special election shall be conducted by the county
2 commissioner of elections in accordance with law.

3 c. The proposition to be submitted shall be substantially
4 in the following form:

5 "Vote "yes" or "no" on the following:

6 Shall the county of _____ levy for an additional \$ _____
7 each year for ___ years beginning July 1, _____, in excess of
8 the statutory limits otherwise applicable for the (general
9 county services or rural services) fund?"

10 d. The canvass shall be held beginning at one p.m. on the
11 second day which is not a holiday following the special
12 election.

13 e. Notice of the special election shall be published at
14 least once in a newspaper as specified in section 331.305
15 prior to the date of the special election. The notice shall
16 appear as early as practicable after the board has voted to
17 seek additional property tax dollars.

18 3. Registered voters in the county may vote on the
19 proposition to increase property taxes for the general fund in
20 excess of the statutory limit. Registered voters residing
21 outside the corporate limits of a city within the county may
22 vote on the proposition to increase property taxes for the
23 rural services fund in excess of the statutory limit.

24 4. The amount of additional property tax dollars certified
25 under this subsection shall not be included in the computation
26 of the maximum amount of property tax dollars which may be
27 certified and levied under section 331.423.

28 Sec. 21. Section 331.424B, Code 2001, is amended to read
29 as follows:

30 331.424B CEMETERY LEVY.

31 The board may levy annually a tax not to exceed six and
32 three-fourths cents per thousand dollars of the assessed value
33 of all taxable property in the county to repair and maintain
34 all cemeteries under the jurisdiction of the board including
35 pioneer cemeteries and to pay other expenses of the board or

1 the cemetery commission as provided in section 331.325. The
2 proceeds of the tax levy shall be credited to the county
3 general cemetery fund. ~~Sections 444.25A and 444.25B do not~~
4 ~~apply to the property tax levied or expended for cemeteries~~
5 ~~pursuant to section 331.325.~~

6 Sec. 22. Section 331.425, Code 2001, is amended by
7 striking the section and inserting in lieu thereof the
8 following:

9 331.425 COUNTY SUPPLEMENTAL FUNDS.

10 A county may establish county supplemental funds for the
11 following purposes:

12 1. Accounting for pension and related employee benefit
13 funds as provided by the county finance committee. A county
14 may certify taxes to be levied for a county supplemental fund
15 in the amount necessary to meet its obligations.

16 2. Accounting for gifts received by the county for a
17 particular purpose.

18 3. Accounting for money and property received and handled
19 by the county as trustee or custodian or in the capacity of an
20 agent.

21 4. Accounting for tort liability insurance, property
22 insurance, and any other insurance that may be necessary in
23 the operation of the county, costs of a self-insurance
24 program, costs of a local government risk pool, and amounts
25 payable under any insurance agreements to provide or procure
26 such insurance, self-insurance program, or local government
27 risk pool.

28 Sec. 23. Section 331.427, subsection 2, paragraph 1, Code
29 2001, is amended to read as follows:

30 1. Services listed in ~~section 331.424, subsection 1, and~~
31 section 331.554.

32 Sec. 24. Section 331.428, subsection 2, paragraph d, Code
33 2001, is amended by striking the paragraph.

34 Sec. 25. Section 331.429, subsection 1, Code 2001, is
35 amended by adding the following new paragraph:

1 NEW PARAGRAPH. f. Notwithstanding paragraphs "a" and "b",
2 transfers from the general fund or rural services fund in
3 accordance with this paragraph. The board may transfer
4 additional funds from the general fund or rural services fund
5 in excess of the amounts in paragraphs "a" and "b" if the
6 proposition has been submitted at a special election and
7 received a favorable majority of the votes cast on the
8 proposition. The board shall direct the county commissioner
9 of elections to submit the proposition at an election. The
10 board must give at least thirty-two days' notice to the county
11 commissioner of elections that the special election is to be
12 held. For a transfer from the general fund, registered voters
13 of the county may vote on the proposition. For a transfer
14 from the rural services fund, registered voters of the county
15 residing outside the corporate limits of a city within the
16 county may vote on the proposition. The proposition to be
17 submitted shall be substantially in the following form:

18 "Vote "yes" or "no" on the following question:
19 Shall the county of _____ transfer an additional \$ _____
20 each year for two years beginning July 1, _____, from the
21 (general fund or rural services fund) to the secondary road
22 fund?"

23 Notice of the special election shall be published at least
24 once in a newspaper in the manner provided in section 331.305.
25 Notice of the special election shall appear as early as
26 practicable after the board has voted to transfer funds from
27 the general fund or rural services fund to the secondary road
28 fund.

29 If a majority of the votes cast are in favor of the
30 proposition, the board shall certify the results of the
31 election to the department of management and transfer the
32 approved amount to the secondary road fund in the appropriate
33 fiscal year.

34 Sec. 26. Section 384.1, Code 2001, is amended by striking
35 the section and inserting in lieu thereof the following:

1 384.1 PROPERTY TAX DOLLARS -- MAXIMUMS.

2 1. A city shall certify taxes to be levied by the city on
3 all taxable property within the city limits, for all city
4 government purposes. Annually, the city council may certify
5 basic levies for city government purposes, subject to the
6 limitation on property tax dollars provided in this section.

7 2. For purposes of this section:

8 a. "Annual price index" means the change, computed to four
9 decimal places, between the preliminary price index for the
10 third quarter of the calendar year preceding the calendar year
11 in which the fiscal year starts and the revised price index
12 for the third quarter of the previous calendar year as
13 published in the same issue in which such preliminary price
14 index is first published. The price index used shall be the
15 state and local government chain-type price index used in the
16 quantity and price indexes for gross domestic product as
17 published by the United States department of commerce. The
18 annual price index shall not be less than zero and shall not
19 exceed four hundredths. The change shall then be added to one
20 to create a multiplier for the annual price index.

21 b. "Boundary adjustment" means annexation, severance,
22 incorporation, or discontinuance as those terms are defined in
23 section 368.1.

24 c. "Budget year" is the fiscal year beginning during the
25 calendar year in which a budget is certified.

26 d. "Current fiscal year" is the fiscal year ending during
27 the calendar year in which a budget is certified.

28 e. "Local sales and services taxes" means local sales and
29 services taxes imposed under the authority of chapter 422B.

30 f. "Net new valuation taxes" means the amount of property
31 tax dollars equal to the tentative maximum general rate for
32 city government purposes times the increase from the previous
33 year in taxable valuation due to the following:

34 (1) Net new construction.

35 (2) Additions or improvements to existing structures.

1 (3) Remodeling of existing structures for which a building
2 permit is required.

3 (4) Net boundary adjustment.

4 (5) A municipality no longer dividing tax revenues in an
5 urban renewal area as provided in section 403.19, to the
6 extent that the incremental valuation released is due to new
7 construction or revaluation on property newly constructed
8 after the division of revenue begins.

9 (6) That portion of taxable property located in an urban
10 revitalization area on which an exemption was allowed and such
11 exemption has expired.

12 g. "Property tax replacement dollars" means revenues
13 received under sections 427B.17 through 427B.19D, revenues
14 received under chapter 437A, subchapter II, and amounts
15 appropriated by the general assembly for property tax relief
16 first enacted for fiscal years beginning on or after July 1,
17 2001.

18 h. "Tentative maximum general rate" means the amount
19 calculated in subsection 3, paragraph "b", subparagraph (1),
20 divided by the net taxable valuation in the city. For
21 purposes of this paragraph, "net taxable valuation" is the
22 amount of taxable valuation in the city minus the amount of
23 taxable valuation in the city used to calculate net new
24 valuation taxes.

25 i. "Unused taxing authority" means the maximum amount of
26 property tax dollars calculated under subsection 3 for a
27 fiscal year minus the amount actually levied under this
28 section in that fiscal year. Unused taxing authority may be
29 carried forward to the following fiscal year. However, the
30 amount of unused taxing authority which may be carried forward
31 shall not exceed twenty-five percent of the maximum amount of
32 property tax dollars available in the current fiscal year.

33 3. a. Effective for the fiscal year beginning July 1,
34 2002, the maximum amount of property tax dollars which may be
35 certified by a city for city government purposes shall be the

1 tentative maximum property tax dollars calculated under
2 paragraph "b", and adjusted by the amounts in paragraphs "c",
3 "d", and "e".

4 b. The tentative maximum property tax dollars for city
5 government purposes is an amount equal to the sum of the
6 following:

7 (1) The current fiscal year's tentative maximum property
8 tax dollars for city government purposes minus the unused
9 taxing authority carried forward from the previous fiscal year
10 times the annual price index.

11 (2) The amount of net new valuation taxes.

12 (3) The amount of unused taxing authority carried forward
13 from the previous fiscal year.

14 c. Subtract the amount of property tax replacement dollars
15 to be received for the budget year that will be deposited in
16 the city general fund.

17 d. Subtract the amount of local sales and services taxes
18 for property tax relief estimated by the department of revenue
19 and finance to be received for the budget year that will be
20 deposited in the city general fund.

21 e. Subtract the amount of local sales and services taxes
22 received for property tax relief in the previous fiscal year
23 for the city general fund, and add the amount of local sales
24 and services taxes that was budgeted for property tax relief
25 for the city general fund in that fiscal year.

26 4. Property taxes certified for deposit in the debt
27 service fund in section 384.4, trust and agency funds in
28 section 384.6, capital improvements reserve fund in section
29 384.7, the emergency fund in section 384.8, any capital
30 projects fund established by the city for deposit of bond,
31 loan, or note proceeds, any temporary increase approved
32 pursuant to section 384.12A, property taxes collected from a
33 voted levy in section 384.12, and property taxes levied under
34 section 384.12, subsection 18, are not counted against the
35 maximum amount of property tax dollars that may be certified

1 for a fiscal year under subsection 3.

2 5. Notwithstanding the maximum amount of taxes a city may
3 certify for levy, the tax levied by a city on tracts of land
4 and improvements on the tracts of land used and assessed for
5 agricultural or horticultural purposes shall not exceed three
6 dollars and three-eighths cents per thousand dollars of
7 assessed value in any year. Improvements located on such
8 tracts of land and not used for agricultural or horticultural
9 purposes and all residential dwellings are subject to the same
10 rate of tax levied by the city on all other taxable property
11 within the city.

12 6. The department of management shall adopt rules to
13 administer this section and section 384.1A after consultation
14 with the city finance committee.

15 Sec. 27. NEW SECTION. 384.1A BASE YEAR PROPERTY TAX
16 DOLLARS.

17 1. For purposes of calculating maximum property tax
18 dollars under section 384.1, the tentative maximum property
19 tax dollars for the fiscal year beginning July 1, 2000, for
20 city government purposes shall be calculated as provided in
21 this subsection.

22 a. The tentative maximum amount of property tax dollars
23 for city government purposes for taxes payable in the fiscal
24 year beginning July 1, 2000, shall be an amount equal to the
25 sum of the following, divided by three, and adjusted by the
26 amounts in paragraph "b".

27 (1) The sum of the amount of property taxes levied for
28 city government purposes and the amount of property tax
29 replacement dollars received and the amount of local sales and
30 services tax revenues received as property tax relief
31 deposited in the city general fund all for the fiscal year
32 beginning July 1, 1997, times one and one hundred ten
33 thousandths.

34 (2) The sum of the amount of property taxes levied for
35 city government purposes and the amount of property tax

1 replacement dollars received and the amount of local sales and
2 services tax revenues received as property tax relief
3 deposited in the city general fund all for the fiscal year
4 beginning July 1, 1998, times one and eighty-nine thousandths.

5 (3) The sum of the amount of property taxes levied for
6 city government purposes and the amount of property tax
7 replacement dollars received and the amount of local sales and
8 services tax revenues received as property tax relief
9 deposited in the city general fund all for the fiscal year
10 beginning July 1, 1999, times one and sixty-seven thousandths.

11 b. The amount computed under the formula in paragraph "a"
12 shall be adjusted by subtracting the amount of the ending fund
13 balance differential for city government purposes as provided
14 in this paragraph. The ending fund balance differential for
15 city government purposes is the difference between the city
16 general fund's ending balance for the fiscal year beginning
17 July 1, 1999, and the city general fund's ending balance for
18 the fiscal year beginning July 1, 1996, divided by three.

19 2. The tentative maximum amount of property tax dollars
20 for city government purposes for the fiscal year beginning
21 July 1, 2001, is an amount equal to the amount computed in
22 subsection 1 times the annual price index plus the amount of
23 net new valuation taxes.

24 3. Each city shall calculate its base year tentative
25 maximum property tax dollars and its maximum property tax
26 dollars under this section on forms prescribed by the
27 department of management.

28 Sec. 28. NEW SECTION. 384.1B ENDING FUND BALANCE.

29 Effective for a fiscal year beginning on or after July 1,
30 2007, budgeted ending fund balances shall not exceed twenty-
31 five percent of actual expenditures in the previous fiscal
32 year for the general fund. Budgeted ending fund balances for
33 a fiscal year in excess of twenty-five percent of actual
34 expenditures in the previous fiscal year shall be reserved or
35 designated for a specific purpose and specifically described

1 in the certified budget.

2 Up to ten percent of an amount reserved or designated for a
3 specific purpose may be used for a purpose other than that
4 described in the certified budget. Such change in use shall
5 be treated as an amendment to the budget subject to section
6 384.18. The city council may change the specific purpose for
7 which all or a portion of funds in excess of ten percent are
8 reserved or designated if the proposition to change the
9 specific purpose has been submitted at a special election and
10 received a favorable majority of the votes cast on the
11 proposition. The special election shall be held in the manner
12 provided in section 384.12A.

13 Sec. 29. Section 384.12, subsection 20, Code 2001, is
14 amended by striking the subsection.

15 Sec. 30. NEW SECTION. 384.12A AUTHORITY TO LEVY BEYOND
16 MAXIMUM PROPERTY TAX DOLLARS.

17 1. The city council may certify additions to the maximum
18 amount of property tax dollars to be levied for a period of
19 time not to exceed two years if the proposition has been
20 submitted at a special election and received a favorable
21 majority of the votes cast on the proposition.

22 2. The special election is subject to the following:

23 a. The city council must give at least thirty-two days'
24 notice to the county commissioner of elections that the
25 special election is to be held.

26 b. The special election shall be conducted by the county
27 commissioner of elections in accordance with law.

28 c. The proposition to be submitted shall be substantially
29 in the following form:

30 "Vote "yes" or "no" on the following:

31 Shall the city of _____ levy for an additional \$ _____
32 each year for ___ years beginning next July 1, ____, in excess
33 of the statutory limits otherwise applicable for the city
34 general fund?"

35 d. The canvass shall be held beginning at one p.m. on the

1 second day which is not a holiday following the special
2 election.

3 e. Notice of the special election shall be published at
4 least once in a newspaper as specified in section 362.3 prior
5 to the date of the special election. The notice shall appear
6 as early as practicable after the city council has voted to
7 seek additional property tax dollars.

8 3. The amount of additional property tax dollars levied
9 under subsection 2 shall not be included in the computation of
10 the maximum amount of property tax dollars which may be
11 certified and levied under section 384.1.

12 Sec. 31. Section 384.19, Code 2001, is amended by adding
13 the following new unnumbered paragraph:

14 NEW UNNUMBERED PARAGRAPH. For purposes of a tax protest
15 filed under this section, "item" means a budgeted expenditure,
16 appropriation, or cash reserve from a fund for a service area,
17 program, program element, or purpose.

18 Sec. 32. Section 331.426, Code 2001, is repealed.

19 Sec. 33. APPLICABILITY DATE. This Act applies to the
20 fiscal year beginning July 1, 2002, and all subsequent fiscal
21 years.

22 EXPLANATION

23 This bill relates to the limitation on property taxes for
24 cities and counties by removing the property tax rate
25 limitations on cities and counties and substituting a
26 limitation on property tax dollars, by providing for state
27 funding of certain mandates imposed on political subdivisions,
28 and by creating a commission to review state and local taxes.

29 The bill strikes Code section 25B.2, subsection 3, and
30 rewrites it as a new section 25B.5A outside the intent section
31 of Code chapter 25B. The bill provides that if a new state
32 mandate is imposed on or after July 1, 2001, which requires
33 engaging in a new activity, providing a new service, or
34 expanding a service beyond what was required before July 1,
35 2001, the state mandate must be fully funded. If the state

1 mandate is not fully funded, the affected political
2 subdivisions are not required to comply or implement the state
3 mandate. Also, no fines or penalties may be imposed on a
4 political subdivision for failure to comply or carry out an
5 unfunded state mandate. The rewritten section removes a
6 qualifying phrase which limits the circumstances under which a
7 political subdivision may fail to carry out an unfunded state
8 mandate. Community college and area education agency are
9 added to the definition of "political subdivision" as had been
10 provided in Code section 25B.2, subsection 3, which was
11 stricken.

12 The bill creates a commission on state and local taxation.
13 The 13 members of the commission are appointed by the senate
14 majority leader, speaker of the house of representatives, and
15 various associations representing local governments. The bill
16 requires the commission to hold its organizational meeting no
17 later than September 1, 2001. The commission is to be staffed
18 by the legislative service bureau and the legislative fiscal
19 bureau.

20 The bill requires the commission to conduct a review of
21 state and local taxation in Iowa. The commission is to submit
22 a status report on the review of state and local taxation and
23 the commission's other activities by March 15, 2002. A final
24 report is to be submitted to the general assembly by January
25 15, 2006. The commission is to also report annually on the
26 state of local governments in Iowa, state and federal issues
27 that have a potential fiscal impact on local governments, and
28 court decisions having an impact on state and local government
29 revenue and services. All annual reports of the commission
30 are to be filed with the governor, the president of the
31 senate, speaker of the house, and the majority and minority
32 leaders of each house. The reports shall also be made
33 available to other legislators and the public upon request.

34 The commission is repealed July 1, 2006.

35 The bill removes the property tax rate limitations on

1 cities and counties and substitutes a limitation on the
2 maximum amount of property tax dollars which may be certified
3 by a city or county.

4 The bill requires each city and county to compute a maximum
5 property tax dollars base based on averages of three fiscal
6 years' worth of tax askings by the city or county multiplied
7 by a cumulative growth factor, i.e., price index, applied to
8 each of the three years. Adjustments are made for the amount
9 of property tax replacement dollars received for the three
10 years and the amount of local sales and services taxes
11 received for the three years, if applicable. Another
12 adjustment is made for ending fund balance differentials
13 between three specified fiscal years.

14 The bill provides that the base year calculation shall be
15 the maximum property tax base for the fiscal year beginning
16 July 1, 2002, as adjusted by the growth factor. Each year,
17 property tax replacement dollars to be received and local
18 sales and services taxes to be received are subtracted from
19 the amount of property taxes for the fiscal year to reach the
20 maximum amount of property taxes authorized to be levied for
21 the fiscal year. "Property tax replacement dollars" is
22 defined to mean revenues received from the utility delivery,
23 generation, and transmission taxes and the machinery and
24 equipment reimbursements to cities and counties and amounts
25 appropriated by the general assembly as property tax relief.

26 The bill provides that a city or county that has not levied
27 at its maximum for a year may carry forward the unused taxing
28 authority from year to year in an amount not to exceed 25
29 percent of the budget for the year. The bill also provides
30 that taxes from new valuation be added in separately.

31 The bill allows a city or county to exceed its maximum tax
32 authority for up to two years at a time if approved by the
33 voters at a special election. The bill also allows the
34 secondary road fund levy limits to be exceeded if approved by
35 the voters at a special election.

1 The bill provides that the ending fund balance for the city
2 general fund or for the county general and rural funds shall
3 not exceed 25 percent of the budget for the fiscal year unless
4 the excess is reserved or designated for a specific purpose.
5 Through fiscal year 2007-2008, cities and counties may levy
6 unused taxing authority based on the amount of the ending fund
7 balance for fiscal year 2000-2001.

8 The bill repeals the supplemental levy for counties and the
9 sections of the Code that currently allow cities and counties
10 to exceed their levy rate limitations. The bill gives
11 counties authority to establish a cemetery fund to establish
12 supplemental funds for employee benefits, tort liability, and
13 other specified accounting purposes.

14 The bill applies to fiscal years beginning July 1, 2002,
15 and all subsequent fiscal years.

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**HOUSE FILE 537
FISCAL NOTE**

A fiscal note for **House File 537** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 537 establishes a limitation on property taxes for counties and cities by removing rate limitations, and instead places a limitation on property tax dollars that can be certified by a county. A base year computation is made on the averages of three fiscal years of taxes multiplied by a cumulative price index (FY 1998 - FY 2000). Adjustments are made for property tax replacement dollars and local sales and services taxes received for those three years. An additional adjustment is made for ending fund balance differentials between the three years. The base year calculation is then adjusted by an inflation factor and an adjustment for net new valuation taxes to determine a FY 2002 levy authority. For fiscal years beginning with FY 2003, the previous year's levy authority is adjusted by an inflation factor, net new valuation taxes, and property tax replacement dollars. The Bill provides that a county that has not levied at its maximum for a year may carry forward the unused taxing authority from year to year up to 25% of the maximum dollars available for the year. It also states that the ending fund balance for the county general and rural funds cannot exceed 25% of the budget for the fiscal year unless it is reserved or designated for a specific purpose. The Bill does not take effect until FY 2003.

The Department of Management is directed to adopt rules to administer this legislation, and provide forms for the counties to calculate their annual levys.

The Bill also establishes a Commission on State and Local Taxation. The commission would be made up of 13 members and would be staffed by the Legislative Service Bureau and the Legislative Fiscal Bureau. The Commission would be charged to conduct a review of State and local taxation in Iowa, and would submit a status report on this review to the General Assembly by March 15, 2002. Annual reports would deal with the state of local governments in Iowa, State and federal issues having a fiscal impact on local governments, and court decisions having an impact on State and local government revenue and services. A final report is to be submitted to the General Assembly by January 15, 2006. The Commission is repealed July 1, 2006.

ASSUMPTIONS

1. The Department of Management has considered the historical cost of software development related to local government budgeting.
2. There will be additional training needed for local government budget personnel.
3. There are potential changes that are needed in current property valuation

software.

4. Seven members of the Commission will be legislative members entitled to \$86 per day per diem plus expenses for Commission meetings. Six members of the Commission will not be legislative members and entitled to actual expenses incurred to attend Commission meetings.
5. The Commission will meet at least quarterly.
6. The Legislative Fiscal Bureau and the Legislative Service Bureau would staff this Commission with existing staff.
7. The Legislative Council is required to fund outside consulting services if the Commission deems it necessary.

FISCAL IMPACT

The fiscal impact on local governments varies. Further information on counties who have submitted fiscal information regarding the implementation of this Bill is available from the Legislative Fiscal Bureau.

The additional cost to the General Fund due to software development, additional training, and Commission expenses are as follows:

	Fiscal Year 2002			Fiscal Year 2003		
	Current Law	Proposed Law	Increase (Decrease)	Current Law	Proposed Law	Increase (Decrease)
<u>REVENUE</u>						
General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>						
Commission	\$ 0	\$ 4,000	\$ 4,000	\$ 0	\$ 4,000	\$ 4,000
Software Dev.	58,000	208,000	150,000	58,000	133,000	75,000
Total	\$ 58,000	\$ 212,000	\$ 154,000	\$ 58,000	\$ 137,000	\$ 79,000
NET EFFECT	\$ (58,000)	\$ (212,000)	\$ (154,000)	\$ (58,000)	\$ (137,000)	\$ (79,000)
<u>\ru40x\rr375X</u>						

SOURCES

Department of Management
 Legislative Fiscal Bureau
 Legislative Service Bureau

(LSB 1216hv, AAW)

FILED APRIL 9, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR