

FEB 15 2002
STATE GOVERNMENT

HOUSE FILE 2374
BY HEATON

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

A BILL FOR

1 An Act relating to requirements for executive branch
2 interdepartmental transfers of appropriations.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HF 2374

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 Section 1. Section 8.39, subsections 1, 2, and 3, Code
2 2001, are amended to read as follows:

3 1. Except as otherwise provided by law, an appropriation
4 or any part of it shall not be transferred or otherwise used
5 for any other purpose than that for which it was made.
6 However, with the prior written consent and approval of the
7 governor and the director of the department of management, the
8 governing board or head of any state department, institution,
9 or agency may, at any time during the fiscal year, make a
10 whole or partial intradepartmental transfer of its unexpended
11 appropriations for purposes within the scope of such
12 department, institution, or agency.

13 2. If the appropriation of a department, institution, or
14 agency is insufficient to properly meet the legitimate
15 expenses of the department, institution, or agency, the
16 director, with the approval of the governor, may make
17 authorize an interdepartmental transfer from any other
18 department, institution, or agency of the state having an
19 appropriation in excess of its needs, of sufficient funds to
20 meet that deficiency only by adopting an administrative rule
21 in accordance with this subsection implementing the transfer.
22 An interdepartmental transfer to an appropriation which is not
23 an entitlement appropriation is not authorized when the
24 general assembly is in regular session and, in addition, the
25 sum of interdepartmental transfers in a fiscal year to an
26 appropriation which is not an entitlement appropriation shall
27 not exceed fifty percent of the amount of the appropriation as
28 enacted by the general assembly. For the purposes of this
29 subsection, an entitlement appropriation is a line item
30 appropriation to the state public defender for indigent
31 defense or to the department of human services for foster
32 care, state supplementary assistance, or medical assistance,
33 or for the family investment program. A rule adopted under
34 this subsection shall be adopted under section 17A.4,
35 subsection 2, and section 17A.5, subsection 2, paragraph "b",

1 and the rule shall become effective immediately upon filing or
2 on a later effective date specified in the rule, unless the
3 effective date is delayed by the administrative rules review
4 committee. A rule adopted under this subsection shall not
5 take effect before the administrative rules review committee
6 reviews the rule. The delay authority provided to the
7 administrative rules review committee under section 17A.4,
8 subsection 5, and section 17A.8, subsection 9, shall be
9 applicable to a delay imposed under this subsection,
10 notwithstanding a provision in those sections making them
11 inapplicable to section 17A.5, subsection 2, paragraph "b".

12 3. Prior to any transfer of funds pursuant to subsection 1
13 ~~or-2-of-this-section~~ or a transfer of an allocation from a
14 subunit of a department which statutorily has independent
15 budgeting authority, the director shall notify the
16 chairpersons of the standing committees on budget of the
17 senate and the house of representatives and the chairpersons
18 of subcommittees of such committees of the proposed transfer.
19 The notice from the director shall include information
20 concerning the amount of the proposed transfer, the
21 ~~departments~~ department, ~~institutions~~ institution, or ~~agencies~~
22 agency affected-by-the-proposed proposing the transfer and the
23 reasons for the proposed transfer. Chairpersons notified
24 shall be given at least two weeks to review and comment on the
25 proposed transfer before the transfer ~~of-funds~~ is made.

26 Sec. 2. Section 422.103, Code 2001, is amended to read as
27 follows:

28 422.103 USE OF FUND.

29 Moneys credited to the special reserve fund shall be used
30 to pay claims approved by the director for refunds of income
31 tax paid by corporations which claims are based upon the
32 income allocation formula provided in section 422.33. ~~Moneys~~
33 ~~credited-to-the-special-reserve-fund-shall-be-exempt-from-the~~
34 ~~provisions-of-section-8-39-~~

5 EXPLANATION

1 This bill relates to requirements for executive branch
2 transfers of appropriations between departments.
3 Under current law in Code section 8.39, with approval of
4 the governor, executive branch agencies may make
5 intradepartmental and interdepartmental transfers of
6 appropriations, subject to reporting to members of the general
7 assembly. The bill provides that the director of the
8 department of management may exercise the director's current
9 authority to authorize an interdepartmental transfer of an
10 appropriation only by adopting an administrative rule
11 implementing the transfer. The administrative rule must be
12 adopted utilizing the emergency procedures under Code section
13 17A.4 and 17A.5, which dispense with public notice,
14 publication, and elapse of specified time periods before a
15 rule can be adopted. However, the rule cannot take effect
16 before review of the rule by the administrative rules review
17 committee, which may delay the rule. The bill provides that
18 the administrative rules review committee's delay authority is
19 applicable to a rule adopted for purposes of the bill,
20 notwithstanding a provision in law stating that the delay
21 authority does not apply to a rule adopted utilizing the
22 emergency procedures.
23 The bill makes a conforming amendment to existing transfer
24 authority in Code section 422.103, relating to payment of
25 claims for estimated tax from corporations by the director of
26 revenue and finance.
27
28
29
30
31
32
33
34
35