

Substituted for by HF 759
11-8-01

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SENATE FILE **553**
BY COMMITTEE ON APPROPRIATIONS

WITHDRAWN *11-8-01*

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

A BILL FOR

1 An Act relating to public funding and regulatory matters and
2 making and reducing appropriations for the fiscal year
3 beginning July 1, 2001, and including effective date and
4 applicability provisions.

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

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SF 553

DIVISION I

EXECUTIVE BRANCH

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3 Section 1. STANDING APPROPRIATIONS. After applying the
4 reduction made pursuant to executive order number 24 to the
5 appropriations for the following designated purposes, there is
6 appropriated from the general fund of the state for the fiscal
7 year beginning July 1, 2001, and ending June 30, 2002, the
8 following amounts, or so much thereof as is necessary, to
9 supplement the appropriations for the following designated
10 purposes:

11 1. For the endowment for Iowa's health account of the
12 tobacco settlement trust fund in 2001 Iowa Acts, chapter 174,
13 section 1, subsection 2, unnumbered paragraph 2:

14 \$ 311,664

15 2. For payment of claims against the state by the state
16 appeals board in sections 25.2 and 669.11:

17 \$ 236,500

18 3. For performance of duty by the executive council in
19 sections 7D.29, 18.12, and 29C.20:

20 \$ 64,500

21 4. For payment of expenses, compensation, and claims
22 incurred by members of the national guard while on active duty
23 in section 29A.29:

24 \$ 4,730

25 5. For the secretary of state's administration of absentee
26 ballots for Iowa residents serving in the armed forces in
27 section 53.50:

28 \$ 151

29 6. For state unemployment compensation administration
30 under chapter 96:

31 \$ 15,179

32 7. For the Iowa early intervention block grant program in
33 section 256D.5, subsection 1:

34 \$ 1,290,000

35 8. For instructional support state aid to school districts

1 in section 257.20:
2 \$ 636,324
3 9. For tuition grants in section 261.25, subsection 1:
4 \$ 425,000
5 10. For child development grants and other programs for
6 at-risk children in section 279.51:
7 \$ 497,080
8 11. For educational excellence in section 294A.25,
9 including the distributions required by that section, as
10 amended by 2001 Iowa Acts, chapter 181, sections 21, 22, and
11 24:
12 \$ 3,478,327
13 12. For school improvement technology in section 256D.5,
14 subsection 2:
15 \$ 430,000
16 13. For the property tax relief fund in section 426B.1:
17 \$ 4,085,000
18 14. For payment of costs associated with extradition of
19 criminals in section 820.24:
20 \$ 172
21 Sec. 2. ICN DEBT SERVICE. After applying the reduction
22 made pursuant to executive order number 24 to the
23 appropriation made for the following designated purpose, there
24 is appropriated from the general fund of the state to the
25 treasurer of state for the fiscal year beginning July 1, 2001,
26 and ending June 30, 2002, the following amount, or so much
27 thereof as is necessary, to supplement the appropriation for
28 the following designated purpose:
29 For Iowa communications network debt service in 2001 Iowa
30 Acts, chapter 176, section 21:
31 \$ 427,384
32 Sec. 3. NATIONAL GUARD EDUCATIONAL ASSISTANCE PROGRAM.
33 After applying the reduction made pursuant to executive order
34 number 24 to the appropriation made for the following
35 designated purpose, there is appropriated from the general

1 fund of the state to the college student aid commission for
2 the fiscal year beginning July 1, 2001, and ending June 30,
3 2002, the following amount, or so much thereof as is
4 necessary, to supplement the appropriation for the following
5 designated purpose:

6 For the national guard educational assistance program in
7 2001 Iowa Acts, chapter 181, section 1, subsection 6:
8 \$ 50,525

9 Sec. 4. COMMUNITY COLLEGES. After applying the reduction
10 made pursuant to executive order number 24 to the
11 appropriation made for community colleges, there is
12 appropriated from the general fund of the state to the
13 department of education for the fiscal year beginning July 1,
14 2001, and ending June 30, 2002, the following amount, or so
15 much thereof as is necessary, to supplement the following
16 appropriation:

17 To supplement the appropriation made in 2001 Iowa Acts,
18 chapter 181, section 6, subsection 14, for general state
19 financial aid, including general financial aid to merged areas
20 in lieu of personal property tax replacement payments, to
21 merged areas as defined in section 260C.2, for vocational
22 education programs in accordance with chapters 258 and 260C:
23 \$ 1,000,000

24 The appropriation made in this section shall be distributed
25 among the merged areas listed in 2001 Iowa Acts, chapter 181,
26 section 6, subsection 14, in proportion to the amount that
27 each original allocation bears to the total amount originally
28 appropriated in the subsection.

29 Sec. 5. STATE BOARD OF REGENTS. After applying the
30 reduction made pursuant to executive order number 24 to the
31 appropriations for the following designated purposes, there is
32 appropriated from the general fund of the state to the state
33 board of regents for the fiscal year beginning July 1, 2001,
34 and ending June 30, 2002, the following amounts, or so much
35 thereof as is necessary, to supplement the appropriations for

1 the following designated purposes:

2 1. For payments in lieu of tuition in 2001 Iowa Acts,
3 chapter 176, section 19:
4 \$ 1,121,500

5 2. For the state university of Iowa state hygienic
6 laboratory in 2001 Iowa Acts, chapter 181, section 8,
7 subsection 2, paragraph "f":
8 \$ 178,821

9 3. For the state school for the deaf in 2001 Iowa Acts,
10 chapter 181, section 8, subsection 5:
11 \$ 341,872

12 4. For the Iowa braille and sight saving school in 2001
13 Iowa Acts, chapter 181, section 8, subsection 6:
14 \$ 191,605

15 Sec. 6. IOWA VETERANS HOME. After applying the reduction
16 made pursuant to executive order number 24 to the
17 appropriation made for the following designated purpose, there
18 is appropriated from the general fund of the state to the
19 commission of veterans affairs for the fiscal year beginning
20 July 1, 2001, and ending June 30, 2002, the following amount,
21 or so much thereof as is necessary, to supplement the
22 appropriation for the following designated purpose:

23 For the Iowa veterans home in 2001 Iowa Acts, chapter 182,
24 section 7, subsection 2:
25 \$ 2,123,563

26 Sec. 7. DEPARTMENT OF CORRECTIONS. After applying the
27 reduction made pursuant to executive order number 24 to the
28 appropriations for the following designated purposes, there is
29 appropriated from the general fund of the state to the
30 department of corrections for the fiscal year beginning July
31 1, 2001, and ending June 30, 2002, the following amounts, or
32 so much thereof as is necessary, to supplement the
33 appropriations for the following designated purposes:

34 1. For the operation of adult correctional institutions in
35 2001 Iowa Acts, chapter 186, section 4, subsection 1, to be

1 allocated as follows:

2 a. For the operation of the Fort Madison correctional
3 facility in 2001 Iowa Acts, chapter 186, section 4, subsection
4 1, paragraph "a":

5 \$ 467,922

6 b. For the operation of the Anamosa correctional facility
7 in 2001 Iowa Acts, chapter 186, section 4, subsection 1,
8 paragraph "b":

9 \$ 383,705

10 c. For the operation of the Clarinda correctional facility
11 in 2001 Iowa Acts, chapter 186, section 4, subsection 1,
12 paragraph "g":

13 \$ 645,379

14 d. For restoring the bed capacity, including the
15 associated correctional officer positions, other essential
16 positions, authorized programs, and authorized services such
17 as treatment, medical, maintenance, and food service that were
18 reduced from the quantity of beds, programs, and services
19 funded and authorized as of July 1, 2001, in 2001 Iowa Acts,
20 chapter 186, section 4, subsection 1:

21 \$ 362,875

22 2. For reimbursement of counties for certain confinement
23 costs in 2001 Iowa Acts, chapter 186, section 4, subsection 1:

24 \$ 30,119

25 3. For the judicial district departments of correctional
26 services in 2001 Iowa Acts, chapter 186, section 6, subsection
27 1, for restoring the quantity of probation, parole, and
28 residential officer positions funded and authorized as of July
29 1, 2001, including restoring as many of the beds and programs
30 that were reduced from the quantity funded and authorized as
31 of July 1, 2001:

32 \$ 1,110,000

33 Sec. 8. IOWA LAW ENFORCEMENT ACADEMY. After applying the
34 reduction made pursuant to executive order number 24 to the
35 appropriation made for the following designated purpose, there

1 is appropriated from the general fund of the state to the Iowa
2 law enforcement academy for the fiscal year beginning July 1,
3 2001, and ending June 30, 2002, the following amount, or so
4 much thereof as is necessary, to supplement the appropriation
5 for the following designated purpose:

6 For the Iowa law enforcement academy in 2001 Iowa Acts,
7 chapter 186, section 10:
8 \$ 59,500

9 Sec. 9. DEPARTMENT OF PUBLIC DEFENSE. After applying the
10 reduction made pursuant to executive order number 24 to the
11 appropriations for the following designated purposes, there is
12 appropriated from the general fund of the state to the
13 department of public defense for the fiscal year beginning
14 July 1, 2001, and ending June 30, 2002, the following amounts,
15 or so much thereof as is necessary, to supplement the
16 appropriations for the following designated purposes:

17 1. For the military division in 2001 Iowa Acts, chapter
18 186, section 12, subsection 1:
19 \$ 238,088

20 2. For the emergency management division in 2001 Iowa
21 Acts, chapter 186, section 12, subsection 2:
22 \$ 46,383

23 Sec. 10. DEPARTMENT OF PUBLIC SAFETY. After applying the
24 reduction made pursuant to executive order number 24 to the
25 appropriations for the following designated purposes, there is
26 appropriated from the general fund of the state to the
27 department of public safety for the fiscal year beginning July
28 1, 2001, and ending June 30, 2002, the following amounts, or
29 so much thereof as is necessary, to supplement the
30 appropriations for the following designated purposes:

31 1. For the department's administrative functions in 2001
32 Iowa Acts, chapter 186, section 13, subsection 1:
33 \$ 109,710

34 2. For the division of criminal investigation and bureau
35 of identification in 2001 Iowa Acts, chapter 186, section 13,

1 subsection 2:

2 \$ 542,099

3 3. For the division of narcotics enforcement in 2001 Iowa
4 Acts, chapter 186, section 13, subsection 3, paragraph "a":

5 \$ 155,587

6 4. For the division of narcotics enforcement for
7 undercover enforcement in 2001 Iowa Acts, chapter 186, section
8 13, subsection 3, paragraph "b":

9 \$ 5,582

10 5. For the state fire marshal's office in 2001 Iowa Acts,
11 chapter 186, section 13, subsection 4, paragraph "a":

12 \$ 81,489

13 6. For the state fire marshal's office for fire protection
14 services in 2001 Iowa Acts, chapter 186, section 13,
15 subsection 4, paragraph "b":

16 \$ 26,184

17 7. For the capitol police division in 2001 Iowa Acts,
18 chapter 186, section 13, subsection 5:

19 \$ 56,914

20 8. For the division of the Iowa state patrol in 2001 Iowa
21 Acts, chapter 186, section 13, subsection 6:

22 \$ 1,652,907

23 9. For costs associated with the maintenance of the
24 automated fingerprint information system (AFIS) in 2001 Iowa
25 Acts, chapter 186, section 13, subsection 7:

26 \$ 10,309

27 10. For deposit in the public safety law enforcement sick-
28 leave benefit fund established under section 80.42 in 2001
29 Iowa Acts, chapter 186, section 13, subsection 8:

30 \$ 12,390

31 11. For costs associated with the training and equipment
32 needs of volunteer fire fighters in 2001 Iowa Acts, chapter
33 186, section 13, subsection 10:

34 \$ 24,795

35 Notwithstanding section 8.33, moneys appropriated in this

1 subsection that remain unencumbered or unobligated at the
2 close of the fiscal year shall not revert but shall remain
3 available for expenditure for the purposes designated until
4 the close of the succeeding fiscal year.

5 Sec. 11. DEPARTMENT OF GENERAL SERVICES. After applying
6 the reduction made pursuant to executive order number 24 to
7 the appropriations made for the following designated purposes,
8 there is appropriated from the general fund of the state to
9 the department of general services for the fiscal year
10 beginning July 1, 2001, and ending June 30, 2002, the
11 following amounts, or so much thereof as is necessary, to
12 supplement the appropriations for the following designated
13 purposes:

14 1. For rental space in 2001 Iowa Acts, chapter 187,
15 section 6, subsection 4:
16 \$ 44,243

17 2. For utility costs in 2001 Iowa Acts, chapter 187,
18 section 6, subsection 5:
19 \$ 94,941

20 Sec. 12. STATE WORKERS' COMPENSATION CLAIMS. After
21 applying the reduction made pursuant to executive order number
22 24 to the appropriation made for the following designated
23 purpose, there is appropriated from the general fund of the
24 state to the department of personnel for the fiscal year
25 beginning July 1, 2001, and ending June 30, 2002, the
26 following amount, or so much thereof as is necessary, to
27 supplement the appropriation for the following designated
28 purpose:

29 For distribution to state departments for funding of
30 premiums for paying workers' compensation claims in 2001 Iowa
31 Acts, chapter 187, section 20:
32 \$ 21,500

33 Sec. 13. DEPARTMENT OF HUMAN SERVICES FIELD OPERATIONS.
34 After applying the reduction made pursuant to executive order
35 number 24 for the following designated purpose, there is

1 appropriated from the general fund of the state to the
2 department of human services for the fiscal year beginning
3 July 1, 2001, and ending June 30, 2002, the following amount,
4 or so much thereof as is necessary, to supplement the
5 appropriation for the following designated purpose:

6 For field operations in 2001 Iowa Acts, chapter 191,
7 section 27:
8 \$ 3,000,000

9 If the federal government approves the state plan amendment
10 to commence, in the fiscal year beginning July 1, 2001, using
11 medical assistance funding for targeted case management
12 services for children, as submitted by the department pursuant
13 to 2001 Iowa Acts, chapter 191, section 28, the appropriation
14 made in this section is reduced in an amount equal to the net
15 increase in federal reimbursement received for the services.

16 DIVISION II

17 LEGISLATIVE BRANCH

18 Sec. 14. GENERAL ASSEMBLY. The appropriations made from
19 the general fund of the state in section 2.12, for the fiscal
20 year beginning July 1, 2001, and ending June 30, 2002, for the
21 expenses of the general assembly and for legislative agencies,
22 are reduced by the following amount:

23 \$ 1,079,992

24 Sec. 15. LEGISLATIVE PER DIEM PAYMENT. Notwithstanding
25 section 2.10, subsection 6, for the special session that
26 convenes November 8, 2001, the members of the general assembly
27 are not entitled to and shall not receive the sum of eighty-
28 six dollars per day for each day the general assembly is
29 actually in special session, but shall receive the same travel
30 allowances and expenses as authorized by section 2.10.

31 DIVISION III

32 JUDICIAL BRANCH

33 Sec. 16. 2001 Iowa Acts, chapter 179, section 1,
34 unnumbered paragraph 2, is amended to read as follows:

35 For salaries of supreme court justices, appellate court

1 judges, district court judges, district associate judges,
2 judicial magistrates and staff, state court administrator,
3 clerk of the supreme court, district court administrators,
4 clerks of the district court, juvenile court officers, board
5 of law examiners and board of examiners of shorthand reporters
6 and judicial qualifications commission, receipt and
7 disbursement of child support payments, reimbursement of the
8 auditor of state for expenses incurred in completing audits of
9 the offices of the clerks of the district court during the
10 fiscal year beginning July 1, 2001, and maintenance,
11 equipment, and miscellaneous purposes:

12 \$~~113,792,166~~
13 \$108,688,725

14 Sec. 17. 2001 Iowa Acts, chapter 179, section 2, is
15 amended to read as follows:

16 SEC. 2. JUDICIAL RETIREMENT FUND. There is appropriated
17 from the general fund of the state to the judicial retirement
18 fund for the fiscal year beginning July 1, 2001, and ending
19 June 30, 2002, the following amount, or so much thereof as is
20 necessary, to be used for the purpose designated:

21 Notwithstanding section 602.9104, subsection 4, paragraph
22 "b", for the state's contribution to the judicial retirement
23 fund in the amount of ~~16.6~~ 15.9 percent of the basic salaries
24 of the judges covered under chapter 602, article 9:

25 \$ ~~37,207,834~~
26 3,069,897

27 DIVISION IV
28 EDUCATION-RELATED PROVISIONS

29 Sec. 18. AREA EDUCATION AGENCY SERVICES.

30 1. For the budget year beginning July 1, 2001,
31 notwithstanding the requirements of section 257.37 for
32 determining the budgets and funding of media services and
33 educational services, an area education agency may, within the
34 limits of the total of the funds provided to an area education
35 agency pursuant to section 257.35, expend for special

1 education support services an amount that exceeds the payment
2 for special education support services pursuant to section
3 257.35 in order to maintain the level of required special
4 education support services in the area education agency.

5 2. For the school budget year beginning July 1, 2001, and
6 ending June 30, 2002, there is appropriated from the general
7 fund of the state to the department of education the sum of
8 one hundred eighteen thousand dollars to be distributed to
9 area education agency XVI to supplement other moneys available
10 to the agency. The appropriation in this subsection is not
11 subject to executive order number 24.

12 Sec. 19. CATEGORICAL FUNDING TO SCHOOLS -- FY 2001-2002.
13 For the school budget year beginning July 1, 2001, and ending
14 June 30, 2002, notwithstanding section 256.33 for educational
15 technology assistance, chapter 256D for the Iowa early
16 intervention and school improvement technology block grants,
17 or section 294A.25 for educational excellence phase III, the
18 board of directors of a school district may use the
19 categorical state funding identified in this section and
20 received by the district, for any school general fund purpose.

21 Sec. 20. Section 261.17, subsection 7, paragraph e, Code
22 2001, is amended by striking the paragraph.

23 DIVISION V

24 INTERSTATE COMPACT FOR ADULT

25 OFFENDERS -- CORRECTIVE AMENDMENTS

26 Sec. 21. Section 422.7, subsection 12, paragraph c, Code
27 2001, as amended by 2001 Iowa Acts, chapter 15, section 1, is
28 amended to read as follows:

29 c. An individual, whether or not domiciled in this state
30 at the time of the hiring, who is on parole or probation and
31 to whom the interstate probation and parole compact under
32 section 907A.1, Code 2001, applies, or to whom the compact for
33 adult offenders under chapter 907B applies.

34 Sec. 22. Section 422.7, subsection 12A, paragraph b, Code
35 2001, as amended by 2001 Iowa Acts, chapter 15, section 2, is

1 amended to read as follows:

2 b. An individual, whether or not domiciled in this state
3 at the time of the hiring, who is on parole or probation and
4 to whom the interstate probation and parole compact under
5 section 907A.1, Code 2001, applies, or to whom the compact for
6 adult offenders under chapter 907B applies.

7 Sec. 23. Section 422.35, subsection 6, paragraph c, Code
8 2001, as amended by 2001 Iowa Acts, chapter 15, section 3, is
9 amended to read as follows:

10 c. An individual, whether or not domiciled in this state
11 at the time of the hiring, who is on parole or probation and
12 to whom the interstate probation and parole compact under
13 section 907A.1, Code 2001, applies, or to whom the compact for
14 adult offenders under chapter 907B applies.

15 Sec. 24. Section 422.35, subsection 6A, paragraph b, Code
16 2001, as amended by 2001 Iowa Acts, chapter 15, section 4, is
17 amended to read as follows:

18 b. An individual, whether or not domiciled in this state
19 at the time of the hiring, who is on parole or probation and
20 to whom the interstate probation and parole compact under
21 section 907A.1, Code 2001, applies, or to whom the compact for
22 adult offenders under chapter 907B applies.

23 Sec. 25. 2001 Iowa Acts, chapter 15, is amended by adding
24 the following new section:

25 NEW SECTION. SEC. 9. EFFECTIVE DATE. The effective date
26 of this Act shall be the later of July 1, 2002, or upon the
27 legislative enactment of the interstate compact for adult
28 offender supervision by the thirty-fifth jurisdiction. The
29 director of the department of corrections shall notify the
30 Code editor upon the enactment of the compact by the thirty-
31 fifth jurisdiction. The date upon which this Act takes effect
32 constitutes the date of renunciation of the interstate
33 probation and parole compact under section 907A.1, Code 2001,
34 by the state of Iowa, and this Act in itself shall constitute
35 and satisfy the six months' notice of renunciation required by

1 section 907A.1, Code 2001. The duties of the state of Iowa as
2 a renouncing state under section 907A.1, subsection 7, Code
3 2001, shall continue as to parolees and probationers residing
4 within the state of Iowa on the effective date of renunciation
5 until the parolees and probationers are retaken or finally
6 discharged by the sending state.

7 Sec. 26. RETROACTIVE APPLICABILITY. This division of this
8 Act is retroactively applicable to July 1, 2001, and is
9 applicable on and after that date.

10 DIVISION VI

11 BUDGETING REFORMS

12 Sec. 27. Section 8.55, subsection 1, Code 2001, is amended
13 to read as follows:

14 1. The Iowa economic emergency fund is created. The fund
15 shall be separate from the general fund of the state and the
16 balance in the fund shall not be considered part of the
17 balance of the general fund of the state. ~~The moneys in the~~
18 ~~fund shall not revert to the general fund, notwithstanding~~
19 ~~section 8.33, unless and to the extent the fund exceeds the~~
20 ~~maximum balance. However, the fund shall be considered a~~
21 ~~special account for the purposes of section 8.53~~ The moneys
22 credited to the fund are not subject to section 8.33 and shall
23 not be transferred, used, obligated, appropriated, or
24 otherwise encumbered except as provided in this section.

25 Sec. 28. Section 8.55, subsection 3, Code 2001, is amended
26 to read as follows:

27 3. a. The Except as provided in paragraphs "b" and "c",
28 the moneys in the Iowa economic emergency fund may be
29 appropriated shall only be used pursuant to an appropriation
30 made by the general assembly. An appropriation shall only in
31 be made for the fiscal year for in which the appropriation is
32 made. The moneys shall only be appropriated by the general
33 assembly for emergency expenditures. However, except

34 b. Moneys in the fund may be used for cash flow purposes
35 during a fiscal year provided that any moneys so allocated are

1 returned to the fund by the end of that fiscal year.

2 c. There is appropriated from the Iowa economic emergency
3 fund to the general fund of the state for the fiscal year in
4 which moneys in the fund were used for cash flow purposes, for
5 the purposes of reducing or preventing any overdraft on or
6 deficit in the general fund of the state, the amount from the
7 Iowa economic emergency fund that was used for cash flow
8 purposes pursuant to paragraph "b" and that was not returned
9 to the Iowa economic emergency fund by June 30 of the fiscal
10 year. The appropriation in this paragraph shall not exceed
11 fifty million dollars and is contingent upon all of the
12 following having occurred:

13 (1) The revenue estimating conference estimate of general
14 fund receipts made during the last quarter of the fiscal year
15 was or the actual fiscal year receipts and accruals were at
16 least one-half of one percent less than the comparable
17 estimate made during the third quarter of the fiscal year.

18 (2) The governor has implemented the uniform reductions in
19 appropriations required in section 8.31 as a result of
20 subparagraph (1) and such reduction was insufficient to
21 prevent an overdraft on or deficit in the general fund of the
22 state or the governor did not implement uniform reductions in
23 appropriations because of the lateness of the estimated or
24 actual receipts and accruals under subparagraph (1).

25 (3) The balance of the general fund of the state at the
26 end of the fiscal year prior to the appropriation made in this
27 paragraph was negative.

28 (4) The governor has issued an official proclamation and
29 has notified the cochairpersons of the fiscal committee of the
30 legislative council and the legislative fiscal bureau that the
31 contingencies in subparagraphs (1) through (3) have occurred
32 and the reasons why the uniform reductions specified in
33 subparagraph (2) were insufficient or were not implemented to
34 prevent an overdraft on or deficit in the general fund of the
35 state.

1 d. If an appropriation is made pursuant to paragraph "c"
2 for a fiscal year, there is appropriated from the general fund
3 of the state to the Iowa economic emergency fund for the
4 following fiscal year, the amount of the appropriation made
5 pursuant to paragraph "c".

6 e. Except as provided in section 8.58, the balance-in-the
7 Iowa economic emergency fund may-be-used shall be considered a
8 special account for the purposes of section 8.53 in
9 determining the cash position of the general fund of the state
10 for the payment of state obligations.

11 Sec. 29. Section 8.56, subsection 1, Code 2001, is amended
12 to read as follows:

13 1. A cash reserve fund is created in the state treasury.
14 The cash reserve fund shall be separate from the general fund
15 of the state and shall not be considered part of the general
16 fund of the state except in determining the cash position of
17 the state as provided in subsection 3. The moneys in the cash
18 reserve fund are not subject to section 8.33 and shall not be
19 transferred, used, obligated, appropriated, or otherwise
20 encumbered except as provided in this section.

21 Notwithstanding section 12C.7, subsection 2, interest or
22 earnings on moneys deposited in the cash reserve fund shall be
23 credited to the rebuild Iowa infrastructure fund created in
24 section 8.57. Moneys in the cash reserve fund may be used for
25 cash flow purposes during a fiscal year provided that any
26 moneys so allocated are returned to the cash reserve fund by
27 the end of each that fiscal year. ~~However, the fund shall be~~
28 ~~considered a special account for the purposes of section 8.53.~~

29 Sec. 30. Section 8.56, subsection 3, Code 2001, is amended
30 to read as follows:

31 3. The moneys in the cash reserve fund ~~may~~ shall only be
32 appropriated used pursuant to an appropriation made by the
33 general assembly. An appropriation shall be made in
34 accordance with subsection 4 only in for the fiscal year for
35 in which the appropriation is made. The moneys shall only be

1 appropriated by the general assembly for nonrecurring
2 emergency expenditures and shall not be appropriated for
3 payment of any collective bargaining agreement or arbitrator's
4 decision negotiated or awarded under chapter 20. However,
5 ~~except~~ Except as provided in section 8.58, ~~the balance in the~~
6 ~~cash reserve fund may be used~~ shall be considered a special
7 account for the purposes of section 8.53 in determining the
8 cash position of the general fund of the state for the payment
9 of state obligations.

10 Sec. 31. EFFECTIVE DATE. The provisions of this division
11 of this Act amending section 8.56 take effect July 1, 2002.

12 DIVISION VII

13 Sec. 32. SALES TAX EXEMPTION PER FEDERAL SALES TAX HOLIDAY
14 ACT.

15 1. a. There is hereby exempted from imposition of sales
16 and use tax under division IV of chapter 422 or chapter 422B,
17 422E, or 423, the gross receipts from the sale of tangible
18 personal property which receipts are otherwise taxable under
19 division IV of chapter 422 or chapter 422B, 422E, or 423,
20 contingent upon enactment of the federal Sales Tax Holiday Act
21 of 2001 providing one hundred percent reimbursement from the
22 federal government to the states for the loss of revenue from
23 a tax exemption for sales that take place during a period of
24 time specified in the federal Sales Tax Holiday Act of 2001
25 and providing reimbursement from the federal government for
26 administrative costs incurred by the department of revenue and
27 finance separate from the amount reimbursed for sales tax not
28 collected. The exemption shall be applied in the manner
29 prescribed by the federal Act.

30 b. Retailers shall be required to accurately report actual
31 sales made during the period of time this exemption applies
32 pursuant to rules adopted by the department.

33 c. The governor shall, not later than the date specified
34 in the federal Sales Tax Holiday Act of 2001, notify the
35 United States secretary of the treasury in writing of Iowa's

1 intention to qualify for reimbursement under the federal Sales
2 Tax Holiday Act of 2001 by not collecting applicable sales tax
3 during the sales tax holiday period specified in the federal
4 Act.

5 d. Notwithstanding paragraph "a", the motor vehicle lease
6 tax imposed under section 423.7A is not considered an exempt
7 sale for purposes of this section and the federal Sales Tax
8 Holiday Act of 2001.

9 e. Notwithstanding paragraph "c", if the director of
10 revenue and finance determines that it is not feasible to
11 administer a sales tax holiday in the time provided by the
12 federal Sales Tax Holiday Act of 2001, the director of revenue
13 and finance shall immediately inform the governor and the
14 governor may decline to send notification to the United States
15 secretary of the treasury.

16 2. The department of revenue and finance may adopt
17 emergency rules under section 17A.4, subsection 2, and section
18 17A.5, subsection 2, paragraph "b", to implement the
19 provisions of this section and the rules shall be effective
20 immediately upon filing unless a later date is specified in
21 the rules. Any rules adopted in accordance with this section
22 shall also be published as a notice of intended action as
23 provided in section 17A.4.

24 3. If any provision of this section is held invalid, the
25 invalidity does not affect other provisions or applications of
26 the section which can be given effect without the invalid
27 provision or application, and to this end the provisions of
28 this section are severable.

29 4. This section is repealed effective January 31, 2002.

30 DIVISION VIII

31 GENERAL PROVISIONS

32 Sec. 33. Section 226.1, subsection 2, Code 2001, is
33 amended by adding the following new paragraph after paragraph
34 b:

35 NEW PARAGRAPH. c. A unit for the civil commitment of

1 sexually violent predators committed to the custody of the
2 director of human services pursuant to chapter 229A.

3 Sec. 34. SEXUALLY VIOLENT PREDATORS UNIT. Of the funds
4 appropriated to the department of general services for the
5 fiscal year beginning July 1, 2001, and ending June 30, 2002,
6 up to \$600,000 may be used for costs associated with
7 renovation and furnishing of space necessary to meet the
8 capacity needs of the department of human services unit for
9 the civil commitment of sexually violent predators.

10 Sec. 35. CIVIL COMMITMENT OF SEXUALLY VIOLENT PREDATORS.
11 The department of human services may collocate the unit for
12 civil commitment of sexually violent predators at the mental
13 health institute at Mount Pleasant.

14 Sec. 36. EFFECT OF APPROPRIATION REDUCTIONS. The moneys
15 appropriated in this Act to supplement the appropriations for
16 the fiscal year beginning July 1, 2001, and ending June 30,
17 2002, are not subject to executive order number 24.

18 Sec. 37. EFFECTIVE DATE. Unless otherwise provided by
19 this Act, this Act, being deemed of immediate importance,
20 takes effect upon enactment.

21 EXPLANATION

22 Division I of this bill makes supplemental appropriations
23 from the general fund of the state to executive branch
24 appropriations made for the fiscal year beginning July 1,
25 2001, which were reduced by executive order number 24.

26 Divisions II and III reduce appropriations made to the
27 legislative and judicial branches. The bill provides that
28 members of the general assembly are not entitled to and shall
29 not receive a per diem payment for the special session that
30 convenes November 8, 2001. The judicial branch reduction
31 includes a reduction to the percentage amount of the state's
32 contribution to the judicial retirement fund.

33 In division IV Code section 261.17, relating to vocational-
34 technical tuition grants, is amended to eliminate a
35 requirement for the college student aid commission to

1 establish a late application deadline for new applicants and
2 reserving up to \$63,000 of the grant appropriation for making
3 grants to those applicants.

4 Division V provides corrective amendments to the interstate
5 compact for adult offenders. This division is retroactively
6 applicable to July 1, 2001.

7 Division VI provides state budgeting reforms.

8 Code section 8.55, relating to the Iowa economic emergency
9 fund, is amended to conform with requirements for the cash
10 reserve fund. Existing language prohibiting reversions of
11 moneys in the fund to the general fund except as authorized in
12 current law when the fund has reached the maximum balance is
13 expanded to also prohibit transfer, use, obligation,
14 appropriation, or other encumbrance. Language specifying that
15 the fund is a special account for purposes of the law
16 pertaining to any generally accepted accounting principles
17 (GAAP) deficit is stricken and moved into other new language
18 later in the bill.

19 Code section 8.55 is also amended to explicitly state that
20 appropriations from the fund can only be made by the general
21 assembly. However, moneys in the fund may be used for cash
22 flow purposes if the money is returned by the end of the
23 fiscal year. In addition, there is an appropriation from the
24 fund to the state general fund if the cash flow moneys are not
25 returned and the following conditions are met: the state
26 general fund fourth quarter estimated or actual receipts and
27 accruals are .5 percent less than the third quarter estimates;
28 the governor has made across-the-board cuts which are
29 insufficient to prevent a shortfall or was unable to make such
30 cuts because of the lateness of the reporting of the estimated
31 or actual receipts; the balance of the general fund is
32 negative; and notification is given to the fiscal committee
33 and legislative fiscal bureau. The amount that may be
34 appropriated is limited to \$50,000,000. The appropriated
35 amount is returned to the Iowa economic emergency fund by

1 appropriation from the state general fund the following fiscal
2 year. The bill incorporates the language providing that the
3 fund can be considered to be money set aside in a special fund
4 for purposes of any GAAP deficit into existing language
5 providing that the balance of the fund may be used for
6 determining the cash position of the general fund for the
7 payment of state obligations.

8 Code section 8.56, relating to the cash reserve fund, is
9 amended to conform with the Iowa economic emergency fund
10 changes involving the explicit requirement for legislative
11 appropriation of moneys from the fund and rewriting the
12 language pertaining to a special account for purposes of any
13 GAAP deficit and cash position. The changes to Code section
14 8.56 take effect July 1, 2002.

15 Division VII would require the governor to notify the U.S.
16 secretary of the treasury of Iowa's intention to claim
17 reimbursement under the federal Sales Tax Holiday Act of 2001
18 by not collecting sales tax for a time period to be specified
19 in the federal Act. If it is determined that it is not
20 feasible to participate in the sales tax holiday in the time
21 provided by the federal Act, the governor may decline to send
22 notification. The division is contingent upon enactment of
23 the federal Sales Tax Holiday Act of 2001 by Congress and the
24 federal Act's provision of 100 percent reimbursement to the
25 state for sales tax not collected and reimbursement to the
26 state for administrative costs incurred in implementing the
27 sales tax holiday. The exemption applies to sales and use
28 taxes, local option sales taxes, and school infrastructure
29 taxes. The exemption would not apply to tax imposed for the
30 leasing of automobiles. The department of revenue and finance
31 may adopt emergency rules to implement the division. The
32 division takes effect upon enactment and is repealed effective
33 January 31, 2002.

34 Except as otherwise provided, the bill takes effect upon
35 enactment.