

FILED FEB 14 2002

SENATE FILE
BY FIEGEN

2188

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

A BILL FOR

1 An Act relating to Iowa economic emergency fund restrictions.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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OF 2100

1 Section 1. Section 8.55, subsection 2, Code Supplement
2 2001, is amended to read as follows:

3 2. The maximum balance of the fund is ~~the amount equal to~~
4 ~~five percent of the adjusted revenue estimate for the fiscal~~
5 year one billion five hundred million dollars. If the amount
6 of moneys in the Iowa economic emergency fund is equal to the
7 maximum balance, moneys in excess of this amount shall be
8 transferred to the general fund.

9 Sec. 2. Section 8.55, subsection 3, paragraph a, Code
10 Supplement 2001, is amended to read as follows:

11 a. Except as provided in paragraphs "b" and "c", the
12 moneys in the Iowa economic emergency fund shall only be used
13 pursuant to an appropriation made by the general assembly. An
14 Other than an appropriation made in accordance with subsection
15 3A, an appropriation shall only be made for the fiscal year in
16 which the appropriation is made. The moneys shall only be
17 appropriated by the general assembly for emergency
18 expenditures or during a period of economic recession.

19 Sec. 3. Section 8.55, Code Supplement 2001, is amended by
20 adding the following new subsection:

21 NEW SUBSECTION. 3A. If the state is in a period of
22 economic recession indicated by reduced economic activity for
23 at least two consecutive quarters, not more than twenty-five
24 percent of the balance of the Iowa economic emergency fund
25 determined to be available for appropriation for a fiscal year
26 may be appropriated for any fiscal year for proper purposes
27 necessitated by the period of economic recession.

28 EXPLANATION

29 This bill relates to Iowa economic emergency fund
30 restrictions.

31 Under current law in Code section 8.55, the maximum balance
32 of the fund is 5 percent of the adjusted revenue estimate for
33 the fiscal year. The bill revises the maximum balance to be
34 \$1.5 billion.

35 Current law provides that, aside from certain exceptions,

1 an appropriation from the fund can only be made for the fiscal
2 year in which the appropriation is made. The bill provides
3 that if the state is in a period of economic recession, not
4 more than 25 percent of the fund's balance determined to be
5 available for a fiscal year may be appropriated for any fiscal
6 year purposes necessitated by the period of recession.

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