

the real estate improvement district program from six counties to the entire state, provides additional flexibility in Iowa's Tax Increment Financing (TIF) law for residential development and gives local governments a variety of tools to expedite the process of dealing with vacant or dilapidated housing stock. In addition, a \$1 million appropriation is provided to assist cities and counties in organizing housing councils to conduct housing needs assessments and develop pro-active housing strategies and actions tailored to the needs of the community. Together, this set of tools will enable local communities to eliminate what has been one of the state's most significant barriers to economic development.

Senate File 2464 is, therefore, approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the items designated as Sections 33 and 34, in their entirety. Beginning in fiscal year 1998, Section 34 would divert \$5.1 million from the general fund into the housing improvement fund, and Section 33 specifies how a portion of these new funds are to be spent. If the General Assembly wishes to enhance spending for housing, it should do so in a straightforward manner through a general fund appropriation rather than through an earmarking of receipts. Because these sections would not take effect until fiscal year 1998, this item veto will have no impact on our ability to address housing needs this year.

For the above reasons, I respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2464 are hereby approved as of this date.

Sincerely,  
TERRY E. BRANSTAD, *Governor*

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## CHAPTER 1205

### MENTAL HEALTH AND DEVELOPMENTAL DISABILITY FUNDING AND RELATED PROVISIONS

S.F. 2030

**AN ACT** relating to state and county mental health and developmental disability funding and related provisions and including an appropriation, an effective date, and an applicability provision.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 331.424A, subsection 4, Code Supplement 1995, is amended to read as follows:

4. For the fiscal year beginning July 1, 1996, and for each subsequent fiscal year, the county shall certify a levy for payment of services. Unless otherwise provided by state law, for each fiscal year, county revenues from taxes imposed by the county credited to the services fund shall not exceed an amount equal to the amount of base year expenditures for services ~~in the fiscal year beginning July 1, 1993, and ending June 30, 1994,~~ as defined in section 331.438, less the amount of property tax relief to be received pursuant to section 426B.2, subsections 1 and 3, in the fiscal year for which the budget is certified. The county auditor and the board of supervisors shall reduce the amount of the levy certified for the services fund by the amount of property tax relief to be received.

Sec. 2. Section 331.438, subsection 1, Code Supplement 1995, is amended to read as follows:

1. For the purposes of section 331.424A, this section, and section 331.439, and chapter 426B, unless the context otherwise requires:

a. "Base year expenditures" means ~~the actual~~ the amount selected by a county and reported to the county finance committee pursuant to this paragraph. The amount selected shall be equal to the amount of net expenditures made by a the county for qualified mental health, mental retardation, and developmental disabilities services provided in either of the following fiscal year beginning July 1, 1993, and ending June 30, 1994. years:

(1) The actual amount reported to the state on October 15, 1994, for the fiscal year beginning July 1, 1993.

(2) The net expenditure amount contained in the county's final budget certified in accordance with chapter 24 for the fiscal year beginning July 1, 1995, and reported to the county finance committee.

b. "Qualified mental health, mental retardation, and developmental disabilities services" means the services specified on forms issued by the county finance committee following consultation with the state-county management committee.

b. c. "State payment" means the payment made by the state to a county determined to be eligible for the payment in accordance with section 331.439.

Sec. 3. Section 331.439, subsection 3, Code Supplement 1995, is amended to read as follows:

3. a. For the fiscal year beginning July 1, 1996, and succeeding fiscal years, the county's mental health, mental retardation, and developmental disabilities service expenditures for a fiscal year are limited to a fixed budget amount. The fixed budget amount shall be the amount identified in the county's management plan and budget for the fiscal year. The county shall be authorized an allowed growth factor adjustment as established by the general assembly for services paid from the county's services fund under section 331.424A which is in accordance with the county's management plan and budget, implemented pursuant to this section.

b. Based upon information contained in county management plans and budgets, the state-county management committee shall recommend an allowed growth factor adjustment to the governor by November 15 for the succeeding fiscal year. The allowed growth factor adjustment shall address costs associated with new consumers of service, service cost inflation, and investments for economy and efficiency. The governor shall consider the committee's recommendation in developing the governor's recommendation for an allowed growth factor adjustment for inclusion in the governor's proposed budget for the succeeding fiscal year submitted in accordance with chapter 8.

Sec. 4. Section 426B.2, subsection 1, paragraph c, Code Supplement 1995, is amended to read as follows:

c. One-third based upon the county's proportion of all counties' base year expenditures, as defined in section 331.438, Code 1995, and reported to the state on October 15, 1994.

Sec. 5. Section 426B.2, subsection 1, Code Supplement 1995, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Moneys provided to a county for property tax relief in a fiscal year in accordance with this subsection shall not be less than the amount provided for property tax relief in the previous fiscal year.

Sec. 6. **BASE YEAR DEFINITION ESTABLISHED.** For purposes of establishing the amount of a county's base year expenditures under section 331.438, subsection 1, as enacted by this Act, unless a county submits a revision request in accordance with the provisions of this section, the amount the county shall be deemed to have selected for the county's base year expenditures is the amount of mental health, mental retardation, and developmental disabilities expenditures in the county's certified budget for fiscal year 1995-1996

the county reported to the county finance committee by December 1, 1995. A revision request must be submitted in writing to the county finance committee which may accept or reject the revision in whole or in part. The revised amount shall be either the amount specified in section 331.438, subsection 1, paragraph "a", subparagraph (1), or correction of the amount reported by December 1, 1995, to the county finance committee. The request for revision must be submitted within fourteen days of the effective date of this section, and a decision by the county finance committee to accept or reject the revised amount must be issued within twenty-eight days of the effective date of this section. The decision of the county finance committee is final.

Sec. 7. APPEAL FOR PROPERTY TAXES IN EXCESS OF LIMITATION. Notwithstanding section 444.25A, subsection 3, the requirement for a county to submit budget forms by March 1, 1996, to be considered for appeal, is changed to March 15, 1996, for budgets submitted for the fiscal year beginning July 1, 1996, and ending June 30, 1997.

Sec. 8. COUNTY MANAGEMENT PLAN SUBMISSION DATE. Notwithstanding section 331.439, subsection 1, paragraph "c", subparagraph (1), a county may apply to the director of human services for an extension of not more than thirty days beyond the April 1, 1996, deadline for submission of the county's plan for mental health service management for the fiscal year beginning July 1, 1996. The director may grant the extension if the director determines there are exceptional circumstances which warrant the extension.

Sec. 9. MEDICAL ASSISTANCE COSTS FOR SERVICES TO MINORS WITH MENTAL RETARDATION. There is appropriated from the property tax relief fund created in section 426B.1 to the department of human services to supplement the medical assistance appropriation for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the nonfederal share of the costs of services provided to minors with mental retardation under the medical assistance program to meet the requirements of section 249A.12, subsection 4:

..... \$ 6,600,000

Notwithstanding section 426B.2, subsection 1, the amount of moneys distributed under that subsection shall be \$71.4 million.

Sec. 10. EFFECTIVE DATE. Sections 1, 2, 4, 6, 7, 8, and this section of this Act, being deemed of immediate importance, take effect upon enactment. If this Act is enacted on or after March 15, 1996, notwithstanding section 24.17, a county may recertify the county's budget as necessary to incorporate the change in the maximum amount for the county's mental health, mental retardation, and developmental disabilities services fund as authorized in section 6 of this Act. A budget recertified pursuant to this section must be recertified in duplicate to the county auditor not later than twenty days following the date of enactment of this Act and protests to the recertified budget must be filed not later than thirty days following the date of enactment of this Act.

Sec. 11. APPLICABILITY. The amendment in this Act to section 331.439, subsection 3, relating to an allowed growth factor adjustment, first applies to the budget process for the fiscal year beginning July 1, 1997.

Approved February 8, 1996