

Ways and Means
Nolting, Chairperson
Redmond
Kelly

FILED MAR 16 1978

BY COMMITTEE ON COUNTY
GOVERNMENT

Approved 2/16 (p. 599)

Passed Senate, Date _____ Passed House, Date _____

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

Approved _____

A BILL FOR

1 An Act to create a substance abuse rehabilitation and pre-
2 vention fund, to provide for the use of the fund for the
3 prevention and rehabilitation of substance abusers, to
4 levy a tax on beer and alcoholic beverages, and to make
5 an appropriation.

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

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1 Section 1. NEW SECTION. SUBSTANCE ABUSE REHABILITATION
2 AND PREVENTION FUND CREATED. There is established in the
3 office of the treasurer of state a fund to be known as the
4 substance abuse rehabilitation and prevention fund. The
5 substance abuse rehabilitation and prevention fund shall
6 consist of revenues derived from substance abuse rehabilitation
7 and prevention taxes imposed by sections two (2) and three
8 (3) of this Act and any other moneys appropriated to the fund.

9 Sec. 2. NEW SECTION. BARREL TAX ON BEER. There shall
10 be levied and collected from class "A" beer permittees a
11 substance abuse rehabilitation and prevention tax on all beer
12 manufactured for sale and sold in the state at wholesale and
13 on all imported beer sold at wholesale in this state at the
14 rate of one dollar for every barrel containing thirty-one
15 gallons, and at the same rate for any other quantity or for
16 the fractional part of a barrel. A tax shall not be levied
17 or collected on beer shipped outside this state by a class
18 "A" permittee or sold by one class "A" permittee to another
19 class "A" permittee. All of the provisions of chapter one
20 hundred twenty-three (123) of the Code relating to the
21 administration of the barrel tax on beer shall apply to the
22 tax imposed by this section, except that the taxes collected
23 pursuant to this section shall be remitted to the treasurer
24 of state and shall be deposited in the substance abuse
25 rehabilitation and prevention fund, and except that the barrel
26 tax rebate shall not apply to the substance abuse
27 rehabilitation and prevention tax. The tax imposed by this
28 section shall be in addition to any other taxes imposed by
29 law.

30 Sec. 3. NEW SECTION. LIQUOR TAX.

31 1. There is imposed upon the purchase of alcoholic
32 beverages in this state a tax at the rate of two percent of
33 the purchase price of such alcoholic beverages. The tax shall
34 be collected from persons purchasing alcoholic beverages at
35 the time of purchase of alcoholic beverages from the state.

1 The tax imposed by this section shall be in addition to any
2 other taxes imposed by law.

3 2. Notwithstanding any provision of chapter one hundred
4 twenty-three (123) of the Code, all revenues derived from
5 the tax imposed by this section shall be remitted monthly
6 by the Iowa beer and liquor control department to the treasurer
7 of state and shall be deposited in the substance abuse
8 rehabilitation and prevention fund.

9 Sec. 4. NEW SECTION. ALLOCATION OF REVENUE.

10 1. The treasurer of state shall distribute quarterly one-
11 half of the revenues derived pursuant to sections two (2)
12 and three (3) of this Act to the Iowa department of substance
13 abuse.

14 2. a. The treasurer of state shall allocate one-half
15 of the revenues derived pursuant to sections two (2) and three
16 (3) of this Act to each county treasurer in an amount
17 determined by dividing the total population of each county
18 by the total population of the state according to the latest
19 certified census.

20 b. The board of supervisors of each county shall certify
21 to the treasurer of state a claim for that county's allocated
22 funds. The claim shall be based upon actual payments for
23 substance abuse care, maintenance, and treatment made by the
24 county to any facility as defined in section one hundred
25 twenty-five point two (125.2) of the Code.

26 c. If at the end of the third quarter of each fiscal year
27 a county does not spend all of its allocation, the balance
28 of that allocation shall be reallocated by the treasurer of
29 state in accordance with paragraph a of this subsection.

30 d. At the end of the fourth quarter of each fiscal year
31 all moneys remaining in the substance abuse rehabilitation
32 and prevention fund shall be reverted to the general fund
33 of the state.

34 3. Any other moneys deposited in the substance abuse
35 rehabilitation and prevention fund shall be allocated equally

1 as provided in subsections one (1) and two (2) of this section.
2 4. Warrants for the payment of funds pursuant to this
3 section shall be issued by the state comptroller upon
4 certification of the treasurer of state.

5 Sec. 5. NEW SECTION. USE OF REVENUE.

6 1. Revenues distributed pursuant to the provisions of
7 section four (4) of this Act shall be used, subject to the
8 limitation contained in subsection two (2) of this section,
9 for the following purposes:

10 a. The administrative expenses, excluding salaries, of
11 the Iowa department of substance abuse.

12 b. Any program or service authorized under chapter one
13 hundred twenty-five (125) of the Code.

14 c. The implementation of new substance abuser treatment
15 procedures and services.

16 d. The matching of any other county expenses for the care,
17 maintenance and rehabilitation of substance abusers by the
18 Iowa department of substance abuse.

19 2. Moneys contained in the fund created by section one
20 (1) of this Act except those moneys specified in section four
21 (4), subsection two (2), of this Act, shall not be distributed
22 or allocated for rehabilitative and preventive services or
23 treatment, care and maintenance for substance abuse rendered
24 by the mental health institutes under the control of the
25 department of social services. All billings to counties from
26 mental health institutes for such treatment, care, and
27 maintenance shall specify the exact amount billed for substance
28 abuse treatment, prevention, and detoxification.

29 Sec. 6. Chapter one hundred twenty-five (125), Code 1977,
30 as amended by Acts of the Sixty-seventh General Assembly,
31 1977 Session, chapter seventy-four (74), is amended by adding
32 the following new section:

33 NEW SECTION. APPROVAL OF FACILITY BUDGET. The commission
34 shall adopt rules governing the approval of line item budgets
35 for the operation of facilities by January 1, 1979. The rules

1 shall include provisions for the approval of a facility's
2 budget by the counties funding the facility and by the
3 department. The rules shall also include provisions for
4 appeal to the commission by any county which disagrees with
5 the amount of a facility's budget approved by the department.

6 Sec. 7. NEW SECTION. FUTURE STATUS OF PROGRAM. This
7 Act is repealed effective July 1, 1982. The first session
8 of the Sixty-ninth General Assembly meeting in the year 1981
9 shall review the activities and programs funded under this
10 Act and shall make a determination not later than July 1,
11 1981 concerning the status and continuation of the funding
12 program.

13 Sec. 8. APPROPRIATION. There is appropriated from the
14 general fund of the state to the Iowa department of substance
15 abuse the sum of seven hundred fifty thousand (750,000)
16 dollars, or so much thereof as may be necessary, for the
17 fiscal period beginning July 1, 1978 and ending December 31,
18 1978, for the purpose of funding programs and services
19 authorized under section five (5), subsection one (1) of this
20 Act. Any unobligated or unencumbered balance of the
21 appropriation remaining on December 31, 1978 shall revert
22 to the general fund of the state on March 31, 1979.

23 Sec. 9. EFFECTIVE DATES.

24 1. The provisions of sections one (1), two (2), three
25 (3), five (5), six (6), seven (7) and eight (8) of this Act
26 shall be effective July 1, 1978.

27 2. The provisions of section four (4) of this Act shall
28 be effective January 1, 1979, and on that date the treasurer
29 of state shall allocate the moneys credited to the substance
30 abuse rehabilitation and prevention fund during the fiscal
31 period beginning July 1, 1978 and ending December 31, 1978
32 to the Iowa department of substance abuse and the counties
33 of the state as provided in section four (4) of this Act.

34 EXPLANATION

35 This bill creates a substance abuse rehabilitation and

1 prevention fund to be financed by a one dollar per barrel
2 tax on beer and a special two percent sales tax on alcoholic
3 beverages. The proceeds of the fund are to be distributed
4 to the Iowa department of substance abuse and to the respective
5 counties to support substance abuse rehabilitation and
6 prevention programs and services. The taxes are to be
7 collected effective July 1, 1978, but the proceeds collected
8 during the first six months are not distributed until January
9 1, 1979. The bill also provides for the approval of the
10 licensed facility budget by the counties funding the programs
11 and services and by the department.

12 The bill provides for the review and evaluation of the
13 funding program at the same time that the department, itself,
14 is subject to review by the general assembly. The Act is
15 repealed effective July 1, 1982 unless legislation is enacted
16 to retain it.

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SENATE FILE 2191

FISCAL NOTE

Date: March 20, 1978

Requested by: Senator James Redmond

In compliance with a written request received March 9, 19 78, there is hereby submitted a Fiscal Note for Senate File 2191 pursuant to Joint Rule 16. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

Senate File 2191, An Act to create a substance abuse rehabilitation and prevention fund, to provide for the use of the fund for the prevention and rehabilitation of substance abusers, to levy a tax on beer and alcoholic beverages, and to make an appropriation.

This bill creates a substance abuse rehabilitation and prevention fund to be financed by a one dollar per barrel tax on beer and a special two percent sales tax on alcoholic beverages. The proceeds of the fund are to be distributed to the Iowa department of substance abuse and to the respective counties to support substance abuse rehabilitation and prevention programs and services. The taxes are to be collected effective July 1, 1978, but the proceeds collected during the first six months are not distributed until January 1, 1979. The Act is repealed effective July 1, 1982 unless legislation is enacted to retain it.

	# of Barrels	Proposed Tax @ \$1.00	Alcoh. Bev. Retail Sales	Proposed Tax @ 2%	Total Revenue Receipts
1977 (Actual)	2,157,000	\$2,157,000	105,000,000	\$2,100,000	\$4,257,000
1978 (Est.)	2,250,000	2,250,000	112,000,000	2,240,000	4,490,000
1979 (Est.)	2,300,000	2,300,000	117,600,000	2,350,000	4,650,000
1980 (Est.)	2,350,000	2,350,000	123,500,000	2,477,000	4,827,000

SOURCE: IOWA BEER-LIQUOR CONTROL DEPARTMENT

FILED
MARCH 20, 1978DENNIS C. PROUTY
LEGISLATIVE FISCAL BUREAU