

CHAPTER 426B

PROPERTY TAX RELIEF — MENTAL HEALTH AND DISABILITIES SERVICES

Referred to in §331.438, 331.439

[P]

For specific exceptions to payments and expenditures provided under this chapter, see appropriations and other noncodified enactments in the annual Acts of the general assembly

426B.1	Appropriations — property tax relief fund.	426B.4	Rules.
426B.2	Property tax relief fund distributions.	426B.5	Funding pools.
426B.3	Notification of relief fund payment.	426B.6	Future repeal. Repealed by 2012 Acts, ch 1120, §138.

426B.1 Appropriations — property tax relief fund.

1. A property tax relief fund is created in the state treasury under the authority of the department of human services. The fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state except in determining the cash position of the state for payment of state obligations. The moneys in the fund are not subject to the provisions of section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this chapter. Moneys in the fund may be used for cash flow purposes, provided that any moneys so allocated are returned to the fund by the end of each fiscal year. However, the fund shall be considered a special account for the purposes of section 8.53, relating to elimination of any GAAP deficit. For the purposes of this chapter, unless the context otherwise requires, “*property tax relief fund*” means the property tax relief fund created in this section.

2. There is appropriated on July 1 of each fiscal year to the property tax relief fund from the general fund of the state, eighty-eight million four hundred thousand dollars.

95 Acts, ch 206, §17; 96 Acts, ch 1034, §38; 96 Acts, ch 1219, §104; 97 Acts, ch 158, §28; 2002 Acts, ch 1119, §167; 2003 Acts, ch 108, §72; 2010 Acts, ch 1193, §14

Referred to in §331.424A, 437A.8, 437A.15

[SP] For future amendment to subsection 2, effective July 1, 2013, see 2012 Acts, ch 1120, §134, 139, 140

426B.2 Property tax relief fund distributions.

1. a. The moneys in the property tax relief fund available to counties for a fiscal year shall be distributed as provided in this section. A county’s proportion of the moneys shall be equivalent to the sum of the following three factors:

- (1) One-third based upon the county’s proportion of the state’s general population.
- (2) One-third based upon the county’s proportion of the state’s total taxable property valuation assessed for taxes payable in the previous fiscal year.
- (3) One-third based upon the county’s proportion of all counties’ base year expenditures, as defined in section 331.438.

b. Moneys provided to a county for property tax relief in a fiscal year, excluding replacement taxes in the property tax relief fund, in accordance with this subsection shall not be less than the amount provided for property tax relief in the previous fiscal year.

2. The distributions under subsection 1 shall continue to be made until the combined amount of the distributions made under subsection 1 are equal to fifty percent of the total of all counties’ base year expenditures as defined in section 331.438.

3. a. The director of human services shall draw warrants on the property tax relief fund, payable to the county treasurer in the amount due to a county in accordance with subsection 1 and mail the warrants to the county auditors in July and January of each year.

b. Any replacement generation tax in the property tax relief fund as of May 1 shall be paid to the county treasurers in July and January of the fiscal year beginning the following July 1. The department of management shall determine the amount each county will be paid pursuant to this lettered paragraph for the following fiscal year. The department shall reduce by the determined amount the amount of each county’s certified budget to be raised

by property tax for that fiscal year which is to be expended for mental health, intellectual disability, and developmental disabilities services and shall revise the rate of taxation as necessary to raise the reduced amount. The department of management shall report the reduction in the certified budget and the revised rate of taxation to the county auditors by June 15.

4. As used in this chapter, and in sections 331.438 and 331.439, “population” means the latest applicable population estimate issued by the federal government.

95 Acts, ch 206, §18; 96 Acts, ch 1205, §4, 5; 97 Acts, ch 198, §5; 98 Acts, ch 1100, §59; 98 Acts, ch 1213, §7, 9; 2001 Acts, ch 191, §44; 2003 Acts, ch 106, §1, 15; 2008 Acts, ch 1187, §49; 2012 Acts, ch 1019, §132

Referred to in §331.424A, 331.438, 331.439, 426B.3, 437A.8, 437A.15, 445.5

[SP] For future amendments to subsections 1 – 3 effective July 1, 2013, see 2012 Acts, ch 1120, §135, 136, 139, 140

[T] Subsection 3, paragraph b amended

426B.3 Notification of relief fund payment.

1. The county auditor shall reduce the certified budget amount received from the board of supervisors for the succeeding fiscal year for the county mental health, intellectual disability, and developmental disabilities services fund created in section 331.424A by an amount equal to the amount the county will receive from the property tax relief fund pursuant to section 426B.2, for the succeeding fiscal year and the auditor shall determine the rate of taxation necessary to raise the reduced amount. On the tax list, the county auditor shall compute the amount of taxes due and payable on each parcel before and after the amount received from the property tax relief fund is used to reduce the county budget. The director of human services shall notify the county auditor of each county of the amount of moneys the county will receive from the property tax relief fund pursuant to section 426B.2, for the succeeding fiscal year.

2. The amount of property tax dollars reduced on each parcel as a result of the moneys received from the property tax relief fund pursuant to section 426B.2, shall be noted on each tax statement prepared by the county treasurer pursuant to section 445.23.

95 Acts, ch 206, §19; 97 Acts, ch 198, §6; 98 Acts, ch 1100, §60; 2012 Acts, ch 1019, §133

[SP] For future amendment to this section effective July 1, 2013, see 2012 Acts, ch 1120, §137, 139, 140

[T] Subsection 1 amended

426B.4 Rules.

The mental health and disability services commission shall consult with county representatives and the director of human services in prescribing forms and adopting rules pursuant to chapter 17A to administer this chapter.

95 Acts, ch 206, §20; 97 Acts, ch 158, §29; 2002 Acts, ch 1146, §19; 2004 Acts, ch 1090, §31; 2010 Acts, ch 1031, §389

426B.5 Funding pools.

1. *Allowed growth funding pool.*

a. An allowed growth funding pool is created in the property tax relief fund. The pool shall consist of the moneys credited to the pool by law.

b. Moneys available in the allowed growth funding pool for a fiscal year are appropriated to the department of human services for distribution as provided in this subsection.

c. The first twelve million dollars credited to the funding pool shall be allocated to counties based upon the county’s relative proportion of the state’s general population.

d. (1) The amount in the funding pool remaining after the allocation made in paragraph “c” shall be allocated to those counties that meet all of the following eligibility requirements:

(a) The county is levying the maximum amount allowed for the county’s mental health, intellectual disability, and developmental disabilities services fund under section 331.424A for the fiscal year in which the funding is distributed.

(b) In the latest fiscal year reported in accordance with section 331.403, the county’s mental health, intellectual disability, and developmental disabilities services fund ending balance under generally accepted accounting principles was equal to or less than twenty-five percent of the county’s actual gross expenditures for that fiscal year.

(2) The amount allocated to a county from the moneys available in the pool under

this paragraph “d” shall be determined based upon the county’s proportion of the general population of the counties eligible to receive moneys from the pool for that fiscal year.

e. In order to receive an allocation under this section, a county must comply with the filing date requirements under section 331.403. Moneys credited to the allowed growth funding pool which remain unobligated or unexpended at the close of a fiscal year shall remain in the pool for distribution in the succeeding fiscal year.

f. The most recent population estimates issued by the United States bureau of the census shall be applied in determining population for the purposes of this subsection.

g. The department of human services shall annually calculate the amount of moneys due to eligible counties in accordance with this subsection. The department shall authorize the issuance of warrants payable to the county treasurer for the amounts due and the warrants shall be issued in January.

2. Risk pool.

a. For the purposes of this subsection, unless the context otherwise requires, “*services fund*” means a county’s mental health, intellectual disability, and developmental disabilities services fund created in section 331.424A.

b. A risk pool is created in the property tax relief fund. The pool shall consist of the moneys credited to the pool by law.

c. A risk pool board is created. The board shall consist of two county supervisors, two county auditors, a member of the mental health and disability services commission who is not a member of a county board of supervisors, a member of the county finance committee created in chapter 333A who is not an elected official, a representative of a provider of mental health or developmental disabilities services selected from nominees submitted by the Iowa association of community providers, and two central point of coordination process administrators, all appointed by the governor, and one member appointed by the director of human services. All members appointed by the governor shall be subject to confirmation by the senate. Members shall serve for three-year terms. A vacancy shall be filled in the same manner as the original appointment. Expenses and other costs of the risk pool board members representing counties shall be paid by the county of origin. Expenses and other costs of risk pool board members who do not represent counties shall be paid from a source determined by the governor. Staff assistance to the board shall be provided by the department of human services and counties. Actuarial expenses and other direct administrative costs shall be charged to the pool.

d. A county must apply to the risk pool board for assistance from the risk pool on or before October 31. The risk pool board shall make its final decisions on or before December 15 regarding acceptance or rejection of the applications for assistance and the total amount accepted shall be considered obligated.

e. Basic eligibility for risk pool assistance requires that a county meet all of the following conditions:

(1) The county is in compliance with the requirements of section 331.439.

(2) The county levied the maximum amount allowed for the county’s services fund under section 331.424A for the fiscal year of application for risk pool assistance.

(3) In the fiscal year that commenced two years prior to the fiscal year of application, the county’s services fund ending balance under generally accepted accounting principles was equal to or less than twenty percent of the county’s actual gross expenditures for that fiscal year.

f. The board shall review the fiscal year-end financial records for all counties that are granted risk pool assistance. If the board determines a county’s actual need for risk pool assistance was less than the amount of risk pool assistance granted to the county, the county shall refund the difference between the amount of assistance granted and the actual need. The county shall submit the refund within thirty days of receiving notice from the board. Refunds shall be credited to the risk pool. The mental health and disability services commission shall adopt rules pursuant to chapter 17A providing criteria for the purposes of this lettered paragraph and as necessary to implement the other provisions of this subsection.

g. The board shall determine application requirements to ensure prudent use of risk pool

assistance. The board may accept or reject an application for assistance in whole or in part. The decision of the board is final.

h. The total amount of risk pool assistance shall be limited to the amount available in the risk pool for a fiscal year. Any unobligated balance in the risk pool at the close of a fiscal year shall remain in the risk pool for distribution in the succeeding fiscal year.

i. Risk pool assistance shall only be made available to address one or more of the following circumstances:

(1) Continuing support for mandated services.

(2) Avoiding the need for reduction or elimination of critical services when the reduction or elimination places consumers' health or safety at risk.

(3) Avoiding the need for reduction or elimination of a mobile crisis team or other critical emergency services when the reduction or elimination places the public's health or safety at risk.

(4) Avoiding the need for reduction or elimination of the services or other support provided to entire disability populations.

(5) Avoiding the need for reduction or elimination of services or other support that maintain consumers in a community setting, creating a risk that the consumers would be placed in more restrictive, higher cost settings.

j. Subject to the amount available and obligated from the risk pool for a fiscal year, the department of human services shall annually calculate the amount of moneys due to eligible counties in accordance with the board's decisions and that amount is appropriated from the risk pool to the department for payment of the moneys due. The department shall authorize the issuance of warrants payable to the county treasurer for the amounts due and the warrants shall be issued on or before January 1.

k. On or before March 1 and September 1 of each fiscal year, the department of human services shall provide the risk pool board with a report of the financial condition of each funding source administered by the board. The report shall include but is not limited to an itemization of the funding source's balances, types and amount of revenues credited, and payees and payment amounts for the expenditures made from the funding source during the reporting period.

l. If the board has made its decisions but has determined that there are otherwise qualifying requests for risk pool assistance that are beyond the amount available in the risk pool fund for a fiscal year, the board shall compile a list of such requests and the supporting information for the requests. The list and information shall be submitted to the mental health and disability services commission, the department of human services, and the general assembly.

3. *Incentive pool.*

a. An incentive pool is created in the property tax relief fund. The incentive pool shall consist of the moneys credited to the incentive pool by law.

b. Moneys available in the incentive pool for a fiscal year shall be distributed to those counties that either meet or show progress toward meeting the purposes described in section 331.439, subsection 1, paragraph "c". The moneys received by a county from the incentive pool shall be used to build community capacity to support individuals covered by the county's management plan approved under section 331.439, in meeting such purposes.

98 Acts, ch 1213, §8, 9; 2000 Acts, ch 1090, §4, 6; 2000 Acts, ch 1232, §2, 3, 9, 10; 2001 Acts, ch 155, §4 - 8, 11; 2002 Acts, ch 1050, §36; 2002 Acts, ch 1146, §20; 2003 Acts, ch 179, §1; 2004 Acts, ch 1090, §32; 2006 Acts, ch 1115, §11, 12; 2007 Acts, ch 218, §82, 89, 92; 2008 Acts, ch 1043, §1 - 4; 2009 Acts, ch 182, §53; 2010 Acts, ch 1031, §389; 2012 Acts, ch 1019, §134, 135

Referred to in §331.438

[P] Confirmation, see §2.32

[T] Subsection 1, paragraph d, subparagraph (1), subparagraph divisions (a) and (b) amended

[T] Subsection 2, paragraph a amended

426B.6 Future repeal. Repealed by 2012 Acts, ch 1120, § 138.