

CHAPTER 426B

PROPERTY TAX RELIEF — MENTAL HEALTH AND DISABILITIES SERVICES

Referred to in [§331.424A](#)

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 payments.	426B.5	Funding pools.
426B.3	Per capita funding — repayment of Medicaid offset amount.	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 Repealed by 2012 Acts, ch 1120, §138.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. Moneys shall be distributed from the property tax relief fund to counties for the mental health and disability regional service system for providing county base property tax equivalent equalization payments and the per capita growth amount established pursuant to [section 426B.3](#), in accordance with the appropriations made to the fund and other statutory requirements.

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; 2012 Acts, ch 1120, §134, 139, 140

Referred to in [§437A.8](#), [§437A.15](#)

Replacement generation tax revenues required to be credited for FY 2011-2012 and FY 2012-2013 to mental health and disability services redesign fund created in [2012 Acts, ch 1133, §56](#); [2012 Acts, ch 1133, §55, 71](#); [2013 Acts, ch 138, §44, 46](#)

Replacement generation tax revenues appropriated for FY 2013-2014 and FY 2014-2015 to department of human services to supplement medical assistance appropriation and allocated for various mental health and disability service-related activities; [2013 Acts, ch 138, §12, 142](#)

426B.2 Property tax relief fund payments.

1. 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 [section 426B.3](#), and mail the warrants to the county auditors in July and January of each year.

2. As used in [this chapter](#) and in [section 331.424A](#), for purposes of population-based funding calculations, “*population*” means the population shown by the latest preceding certified federal census or the latest applicable population estimate issued by the federal government, whichever is most recent and available as of July 1 of the fiscal year preceding the fiscal year to which the funding calculations apply.

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; 2012 Acts, ch 1120, §135, 136, 139, 140; 2015 Acts, ch 69, §76

Referred to in [§437A.8](#), [§437A.15](#)

426B.3 Per capita funding — repayment of Medicaid offset amount.

1. For the fiscal years beginning July 1, 2013, July 1, 2014, July 1, 2015, July 1, 2016, and July 1, 2017, the state and county funding for the mental health and disability services

administered or paid for by counties shall be provided based on a statewide per capita expenditure target amount computed in accordance with [this section](#) and [section 331.424A](#).

2. The statewide per capita expenditure target amount shall consist of the sum of the following:

a. A county base property tax equivalent to forty-seven dollars and twenty-eight cents per capita. Each per capita growth amount established by statute as provided in paragraph “b”, shall be added to this amount.

b. A per capita growth amount, which may be stated as a percentage of the prior fiscal year’s county base property tax per capita amount, as established by statute.

3. The per capita growth amount established by statute shall provide funding for increases in non-Medicaid expenditures from county services funds due to service costs, additional service populations, additional core service domains, and numbers of persons receiving services.

4. a. For the fiscal years beginning July 1, 2013, July 1, 2014, July 1, 2015, and July 1, 2016, a county with a county population expenditure target amount that exceeds the amount of the county’s base year expenditures for mental health and disabilities services shall receive an equalization payment for the difference.

b. The equalization payments determined in accordance with [this subsection](#) shall be made by the department of human services for each fiscal year as provided in appropriations made from the property tax relief fund for this purpose. If the county is part of a region that has been approved by the department in accordance with [section 331.389](#), to commence partial or full operations, the county’s equalization payment shall be remitted to the region or the county, as appropriate, for expenditure as approved by the region’s governing board or in accordance with the county’s service management plan, as appropriate. The payment for a county that has been approved by the department to operate as an individual county region shall be remitted to the county for expenditure as approved by the county board of supervisors. For the fiscal year beginning July 1, 2013, and succeeding fiscal years, the payment shall be remitted only for those counties approved to operate as an individual county region or to be part of a region. Remittance of the payment for a county without such approval shall be deferred until such approval is granted.

95 Acts, ch 206, §19; 97 Acts, ch 198, §6; 98 Acts, ch 1100, §60; 2012 Acts, ch 1019, §133; 2012 Acts, ch 1120, §137, 139, 140; 2013 Acts, ch 138, §180, 187; 2013 Acts, ch 140, §177, 186; 2014 Acts, ch 1140, §80 – 82, 85; 2015 Acts, ch 137, §95 – 98, 162, 163; 2016 Acts, ch 1073, §115; 2016 Acts, ch 1127, §2

Referred to in [§230.20](#), [§426B.1](#), [§426B.2](#)

Subsection 1 amended

Subsection 5 stricken

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. Risk pool.

a. For the purposes of [this section](#), unless the context otherwise requires:

(1) “Mental health and disability services region” means a mental health and disability services region formed in accordance with [section 331.389](#).

(2) “Regional administrator” means the regional administrator of a mental health and disability services region, as defined in [section 331.388](#).

(3) “Services fund” means a county’s mental health and 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 staff members of regional administrators of county mental health and disability services regions, 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 regional administrator must apply to the risk pool board for assistance from the risk pool on or before October 31. The purpose of the assistance shall be to provide financial support for services provided by one or more of the counties comprising the regional administrator's mental health and disability services region. 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 mental health and disability services region meet all of the following conditions:

(1) The mental health and disability services region is in compliance with the regional service system management plan requirements of section [331.393](#).

(2) The counties comprising the mental health and disability services region each 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 ending balance, under generally accepted accounting principles, of the mental health and disability services region's combined services funds was equal to or less than twenty percent of the actual gross expenditures of the counties comprising the mental health and disability services region for that fiscal year.

f. The board shall review the fiscal year-end financial records for all mental health and disability services regions that are granted risk pool assistance. If the board determines a mental health and disability services region's actual need for risk pool assistance was less than the amount of risk pool assistance granted to the mental health and disability services region, the mental health and disability services region shall refund the difference between the amount of assistance granted and the actual need. The mental health and disability services region 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 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 mental health and disability services regions 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 mental health and disability services regions 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.

2. *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 mental health and disability services regions that either meet or show progress toward meeting the purposes and intent described in section 225C.1. The moneys received by a region from the incentive pool shall be used to build community capacity to support individuals covered by the region's regional service system management plan approved under section 331.393 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; 2014 Acts, ch 1026, §92, 93; 2015 Acts, ch 69, §77, 78; 2015 Acts, ch 138, §41, 161, 162

Confirmation, see §2.32

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