

# House Amendment 3030

## Amendment Text

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1 1 Amend [Senate File 69](#), as passed by the Senate, as  
1 2 follows:  
1 3 #1. By striking everything after the enacting  
1 4 clause and inserting the following:  
1 5 "DIVISION I  
1 6 INCOME TAX REDUCTION AND SPECIAL FUNDS  
1 7 Section 1. Section [422.4](#), subsection 1, paragraphs  
1 8 b and c, Code 1995, are amended to read as follows:  
1 9 b. "Cumulative inflation factor" means the product  
1 10 of the annual inflation factor for the

~~1988~~

~~- 1995~~

1 11 calendar year and all annual inflation factors for  
1 12 subsequent calendar years as determined pursuant to  
1 13 this subsection. The cumulative inflation factor  
1 14 applies to all tax years beginning on or after January  
1 15 1 of the calendar year for which the latest annual  
1 16 inflation factor has been determined.  
1 17 c. The annual inflation factor for each of the  
1 18

~~1988~~

~~- 1995, 1996, 1997, 1998, and 1999 calendar~~

~~year~~

~~-~~

1 19 years is one hundred percent.  
1 20 Sec. 2. Section 422.5, subsection 1, unnumbered  
1 21 paragraph 1, and paragraphs a through i, Code 1995,  
1 22 are amended by striking the unnumbered paragraph and  
1 23 lettered paragraphs and inserting in lieu thereof the  
1 24 following:  
1 25 A tax is imposed upon every resident and  
1 26 nonresident of the state which tax shall be levied,  
1 27 collected, and paid annually upon and with respect to  
1 28 the entire taxable income as defined in this division  
1 29 at rates and for tax years beginning in the following  
1 30 calendar years as follows:

	CALENDAR YEARS					1999 and subsequent years
	1995	1996	1997	1998		
1 31 On all taxable						
1 32 income exceeding						
1 33 the beginning						
1 34 amount through						
1 35 the ending						
1 36 amount:						
1 37 a. \$ 0- 1,060	.4 %	.4 %	.35%	.35%	.35%	
1 38 b. 1,060- 2,120	.8	.75	.75	.7	.7	
1 39 c. 2,120- 4,240	2.65	2.55	2.45	2.35	2.3	
1 40 d. 4,240- 9,540	4.9	4.75	4.55	4.35	4.25	
1 41 e. 9,540-15,900	6.65	6.45	6.2	5.95	5.8	
1 42 f. 15,900-21,200	7.05	6.8	6.6	6.3	6.1	
1 43 g. 21,200-31,800	7.35	7.15	6.9	6.6	6.4	
1 44 h. 31,800-47,700	8.6	8.3	8.05	7.65	7.5	
1 45 i. 47,700+	9.75	9.45	9.15	8.7	8.5	

1 46 Sec. 3. Section [8.56](#), subsection 1, Code 1995, is  
1 47 amended to read as follows:

1 48 1. A cash reserve fund is created in the state

1 49 treasury. The cash reserve fund shall be separate  
1 50 from the general fund of the state and shall not be  
2 1 considered part of the general fund of the state  
2 2 except in determining the cash position of the state  
2 3 as provided in subsection 3. The moneys in the cash  
2 4 reserve fund are not subject to section 8.33 and shall  
2 5 not be transferred, used, obligated, appropriated, or  
2 6 otherwise encumbered except as provided in this  
2 7 section. Notwithstanding section 12C.7, subsection 2,  
2 8 interest or earnings on moneys deposited in the cash  
2 9 reserve fund shall be credited to the rebuild Iowa  
2 10

~~economic emergency fund~~

~~infrastructure account created~~

2 11 in section 8.57. Moneys in the cash reserve fund may  
2 12 be used for cash flow purposes provided that any  
2 13 moneys so allocated are returned to the cash reserve  
2 14 fund by the end of each fiscal year. However, the  
2 15 fund shall be considered a special account for the  
2 16 purposes of section 8.53.

2 17 Sec. 4. Section 8.56, subsection 4, paragraph b,  
2 18 Code 1995, is amended to read as follows:

2 19 b. In addition to the requirements of paragraph  
2 20 "a", an appropriation shall not be made from the cash  
2 21 reserve fund

~~which would cause the fund's balance to~~

2 22

~~be less than three percent of the adjusted revenue~~

2 23

~~estimate for the year for which the appropriation is~~

2 24

~~made~~

~~unless the bill or joint resolution making the~~  
2 25 appropriation is approved by vote of at least three-  
2 26 fifths of the members of both chambers of the general  
2 27 assembly and is signed by the governor.

2 28 Sec. 5. Section 8.57, subsection 1, paragraph a,  
2 29 Code 1995, is amended by striking the paragraph and  
2 30 inserting in lieu thereof the following:

2 31 a. The cash reserve goal percentage for fiscal  
2 32 years beginning on or after July 1, 1995, is five  
2 33 percent of the adjusted revenue estimate. For each  
2 34 fiscal year beginning on or after July 1, 1995, in  
2 35 which the appropriation of the surplus existing in the  
2 36 general fund of the state at the conclusion of the  
2 37 prior fiscal year pursuant to paragraph "b" was not  
2 38 sufficient for the cash reserve fund to reach the cash  
2 39 reserve goal percentage for the current fiscal year,  
2 40 there is appropriated from the general fund of the  
2 41 state an amount to be determined as follows:

2 42 (1) If the balance of the cash reserve fund in the  
2 43 current fiscal year is not more than four percent of  
2 44 the adjusted revenue estimate for the current fiscal  
2 45 year, the amount of the appropriation under this  
2 46 lettered paragraph is one percent of the adjusted  
2 47 revenue estimate for the current fiscal year.

2 48 (2) If the balance of the cash reserve fund in the  
2 49 current fiscal year is more than four percent but less  
2 50 than five percent of the adjusted revenue estimate for

3 1 that fiscal year, the amount of the appropriation  
3 2 under this lettered paragraph is the amount necessary  
3 3 for the cash reserve fund to reach five percent of the  
3 4 adjusted revenue estimate for the current fiscal year.  
3 5 (3) The moneys appropriated under this lettered  
3 6 paragraph shall be credited in equal and proportionate  
3 7 amounts in each quarter of the current fiscal year.  
3 8 Sec. 6. Section 8.57, subsection 1, paragraph b,  
3 9 Code 1995, is amended to read as follows:  
3 10 b.

~~Commencing June 30, 1993, the~~

~~The surplus~~

3 11 existing in the general fund of the state at the  
3 12 conclusion of the fiscal year is appropriated for  
3 13 distribution in the succeeding fiscal year as provided  
3 14 in

~~this section~~

~~subsections 2 and 3. Moneys credited~~

3 15 to the cash reserve fund from the appropriation made  
3 16 in this paragraph shall not exceed the amount  
3 17 necessary for the cash reserve fund to reach the cash  
3 18 reserve goal percentage for the succeeding fiscal  
3 19 year. As used in this paragraph, "surplus" means the  
3 20 excess of revenues and other financing sources over  
3 21 expenditures and other financing uses for the general  
3 22 fund of the state in a fiscal year.

3 23 Sec. 7. NEW SECTION. 8.57A PERSONAL INCOME TAX  
3 24 RATE REDUCTION REPLACEMENT FUND.

3 25 1. The personal income tax rate reduction  
3 26 replacement fund is created in the state treasury  
3 27 under the authority of the department of management.  
3 28 The fund shall be separate from the general fund of  
3 29 the state and shall not be considered part of the  
3 30 general fund of the state except in determining the  
3 31 cash position of the state for payment of state  
3 32 obligations. The moneys in the fund are not subject  
3 33 to the provisions of section 8.33 and shall not be  
3 34 transferred, used, obligated, appropriated, or  
3 35 otherwise encumbered except as provided in this  
3 36 section. Moneys in the fund may be used for cash flow  
3 37 purposes provided that any moneys so allocated are  
3 38 returned to the fund by the end of each fiscal year.  
3 39 However, the fund shall be considered a special  
3 40 account for the purposes of section 8.53, relating to  
3 41 elimination of any GAAP deficit. The fund is created  
3 42 upon the effective date of this section, and shall  
3 43 remain in existence until the close of the fiscal year  
3 44 beginning July 1, 1999.

3 45 2. The provisions of this subsection apply for the  
3 46 fiscal years beginning July 1 of 1994, 1995, 1996,  
3 47 1997, and 1998. Notwithstanding the provisions of  
3 48 section 8.57, subsection 3, for each of the designated  
3 49 fiscal years, moneys remaining following the  
3 50 appropriations made pursuant to section 8.57,  
4 1 subsection 1, shall not be appropriated to the Iowa  
4 2 economic emergency fund but are instead appropriated  
4 3 to the personal income tax rate reduction replacement  
4 4 fund.

4 5 3. Effective for the fiscal year beginning July 1,  
4 6 1995, and the subsequent three fiscal years, on or  
4 7 before December 31 of each of the fiscal years, the  
4 8 state revenue estimating conference created in section  
4 9 8.22A shall certify an estimate of the net change in  
4 10 revenues deposited into the general fund of the state  
4 11 for that fiscal year due to the personal income tax

4 12 rate reduction implemented pursuant to section 422.5.  
4 13 The director of the department of management shall  
4 14 transfer not more than the certified amount from the  
4 15 personal income tax rate reduction replacement fund to  
4 16 the general fund of the state. Prior to the transfer,  
4 17 the director shall determine whether the balance of  
4 18 the general fund of the state is sufficient to absorb  
4 19 the revenue change, and if the certified balance is  
4 20 sufficient the director may defer the transfer to a  
4 21 succeeding fiscal year. Moneys transferred to the  
4 22 general fund of the state pursuant to this section  
4 23 shall be added to the general fund expenditure  
4 24 limitation, to the extent not already included, for  
4 25 the fiscal year in which the transfer takes place and  
4 26 ninety-nine percent of the transferred amount is  
4 27 available for expenditure as directed by the general  
4 28 assembly.

4 29 4. Notwithstanding section 12C.7, subsection 2,  
4 30 interest or earnings on moneys deposited in the  
4 31 personal income tax rate reduction replacement fund  
4 32 shall be credited to the rebuild Iowa infrastructure  
4 33 account created in section 8.57.

4 34 5. This section is repealed September 1, 2000.

4 35 Sec. 8. TRANSFER TO INFRASTRUCTURE ACCOUNT.

4 36 Moneys in the Iowa economic emergency fund, created in  
4 37 section 8.55, at the conclusion of the fiscal year  
4 38 beginning July 1, 1994, shall be transferred to the  
4 39 rebuild Iowa infrastructure account.

4 40 Sec. 9. EFFECTIVE DATES.

4 41 1. Sections 1 and 2 of this Act, being deemed of  
4 42 immediate importance, take effect upon enactment and  
4 43 apply retroactively to January 1, 1995, for tax years  
4 44 beginning on or after that date.

4 45 2. Sections 3 through 9 of this Act, being deemed  
4 46 of immediate importance, take effect upon enactment.

4 47 DIVISION II

4 48 SUBCHAPTER S CORPORATIONS

4 49 Sec. 10. Section 422.5, subsection 1, paragraph j,  
4 50 Code 1995, is amended by adding the following new  
5 1 unnumbered paragraph:

5 2 NEW UNNUMBERED PARAGRAPH. The tax imposed upon the  
5 3 taxable income of a resident shareholder in a  
5 4 corporation which has in effect for the tax year an  
5 5 election under subchapter S of the Internal Revenue  
5 6 Code and carries on business within and without the  
5 7 state shall be computed by reducing the amount  
5 8 determined pursuant to paragraphs "a" through "i" by  
5 9 the amounts of nonrefundable credits under this  
5 10 division and by multiplying this resulting amount by a  
5 11 fraction of which the resident's net income allocated  
5 12 to Iowa, as determined in section 422.8, subsection 2,  
5 13 paragraph "b", is the numerator and the resident's  
5 14 total net income computed under section 422.7 is the  
5 15 denominator. This paragraph also applies to  
5 16 individuals who are residents of Iowa for less than  
5 17 the entire tax year.

5 18 Sec. 11. Section 422.5, subsection 1, paragraph k,  
5 19 unnumbered paragraph 4, Code 1995, is amended to read  
5 20 as follows:

5 21 In the case of a resident, including a resident  
5 22 estate or trust, the state's apportioned share of the  
5 23 state alternative minimum tax is one hundred percent  
5 24 of the state alternative minimum tax computed in this  
5 25 subsection. In the case of a resident or part year  
5 26 resident shareholder in a corporation which has in  
5 27 effect for the tax year an election under subchapter S  
5 28 of the Internal Revenue Code and carries on business

5 29 within and without the state, a nonresident, including  
5 30 a nonresident estate or trust, or an individual,  
5 31 estate, or trust that is domiciled in the state for  
5 32 less than the entire tax year, the state's apportioned  
5 33 share of the state alternative minimum tax is the  
5 34 amount of tax computed under this subsection, reduced  
5 35 by the applicable credits in sections 422.10 through  
5 36 422.12 and this result multiplied by a fraction with a  
5 37 numerator of the sum of state net income allocated to  
5 38 Iowa as determined in section 422.8, subsection 2,  
5 39 paragraph "a" or "b" as applicable, plus tax  
5 40 preference items, adjustments, and losses under  
5 41 subparagraph (1) attributable to Iowa and with a  
5 42 denominator of the sum of total net income computed  
5 43 under section 422.7 plus all tax preference items,  
5 44 adjustments, and losses under subparagraph (1). In  
5 45 computing this fraction, those items excludable under  
5 46 subparagraph (1) shall not be used in computing the  
5 47 tax preference items. Married taxpayers electing to  
5 48 file separate returns or separately on a combined  
5 49 return must allocate the minimum tax computed in this  
5 50 subsection in the proportion that each spouse's  
6 1 respective preference items, adjustments, and losses  
6 2 under subparagraph (1) bear to the combined preference  
6 3 items, adjustments, and losses under subparagraph (1)  
6 4 of both spouses.

6 5 Sec. 12. Section [422.7](#), Code 1995, is amended by  
6 6 adding the following new subsection:

6 7 NEW SUBSECTION. 32. Resident shareholders of a  
6 8 corporation which has in effect an election under  
6 9 subchapter S of the Internal Revenue Code shall add  
6 10 their proportionate share of a deemed distribution of  
6 11 current year income, upon which Iowa income tax has  
6 12 not been paid as determined under rules of the  
6 13 director, to the extent that the salaries, wages, or  
6 14 other compensation for services performed by all  
6 15 shareholders does not equal ten percent of net income  
6 16 of the corporation computed in accordance with section  
6 17 422.35 and considering items of income and expense  
6 18 which pass directly to the shareholders under  
6 19 provisions of the Internal Revenue Code before  
6 20 deduction of shareholders' salaries, wages, or other  
6 21 compensation for services performed. In addition  
6 22 there shall be added any cash or the value of any  
6 23 property distributions made to the extent they are  
6 24 made from income upon which Iowa income tax has not  
6 25 been paid as determined under rules of the director.

6 26 Sec. 13. Section [422.8](#), subsection 2, Code 1995,  
6 27 is amended to read as follows:

6 28 2. a. Nonresident's net income allocated to Iowa  
6 29 is the net income, or portion thereof, which is  
6 30 derived from a business, trade, profession, or  
6 31 occupation carried on within this state or income from  
6 32 any property, trust, estate, or other source within  
6 33 Iowa. However, income derived from a business, trade,  
6 34 profession, or occupation carried on within this state  
6 35 and income from any property, trust, estate, or other  
6 36 source within Iowa shall not include distributions  
6 37 from pensions, including defined benefit or defined  
6 38 contribution plans, annuities, individual retirement  
6 39 accounts, and deferred compensation plans or any  
6 40 earnings attributable thereto so long as the  
6 41 distribution is directly related to an individual's  
6 42 documented retirement and received while the  
6 43 individual is a nonresident of this state. If a  
6 44 business, trade, profession, or occupation is carried  
6 45 on partly within and partly without the state, only

6 46 the portion of the net income which is fairly and  
6 47 equitably attributable to that part of the business,  
6 48 trade, profession, or occupation carried on within the  
6 49 state is allocated to Iowa for purposes of section  
6 50 422.5, subsection 1, paragraph "j", and section 422.13  
7 1 and income from any property, trust, estate, or other  
7 2 source partly within and partly without the state is  
7 3 allocated to Iowa in the same manner, except that  
7 4 annuities, interest on bank deposits and interest-  
7 5 bearing obligations, and dividends are allocated to  
7 6 Iowa only to the extent to which they are derived from  
7 7 a business, trade, profession, or occupation carried  
7 8 on within the state.

7 9 b. A resident's income allocable to Iowa is the  
7 10 income determined under section 422.7 reduced by the  
7 11 net income or loss of a corporation which is fairly  
7 12 and equitably attributable without the state under  
7 13 section 422.33, subsections 2 and 3. For the purposes  
7 14 of this paragraph, "corporation" means a corporation  
7 15 which has in effect for the tax year an election under  
7 16 subchapter S of the Internal Revenue Code and carries  
7 17 on business partly within and partly without the  
7 18 state. This paragraph also applies to individuals who  
7 19 are residents of Iowa for less than the entire tax  
7 20 year.

7 21 Sec. 14. Section [422.8](#), Code 1995, is amended by  
7 22 adding the following new subsection:

7 23 NEW SUBSECTION. 6. If the resident or part year  
7 24 resident is a shareholder of a corporation which has  
7 25 in effect an election under subchapter S of the  
7 26 Internal Revenue Code, subsections 1 and 3 do not  
7 27 apply to any income taxes paid to another state or  
7 28 foreign country on the income from the corporation  
7 29 which has in effect an election under subchapter S of  
7 30 the Internal Revenue Code.

7 31 Sec. 15. This division of this Act, being deemed  
7 32 of immediate importance, takes effect upon enactment  
7 33 and applies retroactively to January 1, 1995, for tax  
7 34 years beginning on or after that date.

#### 7 35 DIVISION III

#### 7 36 MACHINERY AND EQUIPMENT

#### 7 37 EXEMPTION AND REPLACEMENT FUNDS

7 38 Sec. 16. Section [427B.17](#), Code 1995, is amended by  
7 39 striking the section and inserting in lieu thereof the  
7 40 following:

7 41 427B.17 PROPERTY SUBJECT TO SPECIAL VALUATION.

7 42 1. Property defined in section 427A.1, subsection  
7 43 1, paragraphs "e" and "j", shall be valued by the  
7 44 local assessor as follows:

7 45 a. For the assessment year beginning January 1,  
7 46 1995, at twenty-six percent of the net acquisition  
7 47 cost.

7 48 b. For the assessment year beginning January 1,  
7 49 1996, at twenty-two percent of the net acquisition  
7 50 cost.

8 1 c. For the assessment year beginning January 1,  
8 2 1997, at eighteen percent of the net acquisition cost.

8 3 d. For the assessment year beginning January 1,  
8 4 1998, at fourteen percent of the net acquisition cost.

8 5 e. For the assessment year beginning January 1,  
8 6 1999, at ten percent of the net acquisition cost.

8 7 f. For the assessment year beginning January 1,  
8 8 2000, at six percent of the net acquisition cost.

8 9 g. For the assessment year beginning January 1,  
8 10 2001, and all subsequent assessment years, at zero  
8 11 percent of the net acquisition cost.

8 12 2. For purposes of this section:

8 13 a. Property assessed by the department of revenue  
8 14 and finance pursuant to sections 428.24 to 428.29, or  
8 15 chapters 433, 434, and 436 to 438 shall not receive  
8 16 the benefits of this section.

8 17 b. The net acquisition cost of property acquired  
8 18 before January 1, 1995, which was owned or used by a  
8 19 related person shall be the net acquisition cost of  
8 20 the transferor of the property.

8 21 c. "Related person" means a person who owns or  
8 22 controls the taxpayer's business and another business  
8 23 entity from which property is acquired or leased or to  
8 24 which property is sold or leased. Business entities  
8 25 are owned or controlled by the same person if the same  
8 26 person directly or indirectly owns or controls fifty  
8 27 percent or more of the assets or any class of stock or  
8 28 who directly or indirectly has an interest of fifty  
8 29 percent or more in the ownership or profits.

8 30 d. "Net acquisition cost" means the acquired cost  
8 31 of the property, including all foundations and  
8 32 installation cost less any excess cost adjustment.

8 33 3. Property assessed pursuant to this section  
8 34 shall not be eligible to receive a partial exemption  
8 35 under sections 427B.1 to 427B.6.

8 36 4. The taxpayer's valuation of property defined in  
8 37 section 427A.1, subsection 1, paragraphs "e" and "j",  
8 38 and located in an urban renewal area for which an  
8 39 urban renewal plan provides for the division of taxes  
8 40 as provided in section 403.19 to pay the principal and  
8 41 interest on loans, advances, bonds issued under the  
8 42 authority of section 403.9, subsection 1, or  
8 43 indebtedness incurred by a city or county to finance  
8 44 an urban renewal project within the urban renewal  
8 45 area, if such loans, advances, or bonds were issued or  
8 46 indebtedness incurred, on or after January 1, 1982,  
8 47 and on or before June 30, 1995, shall be limited to  
8 48 thirty percent of the net acquisition cost of the  
8 49 property. Such property located in an urban renewal  
8 50 area shall not be valued pursuant to subsection 1  
9 1 until the assessment year following the calendar year  
9 2 in which the obligations created by any loans,  
9 3 advances, bonds, or indebtedness payable from the  
9 4 division of taxes as provided in section 403.19 have  
9 5 been retired. The taxpayer's valuation for such  
9 6 property shall then be the valuation specified in  
9 7 subsection 1 for the applicable assessment year. If  
9 8 the loans, advances, or bonds issued, or indebtedness  
9 9 incurred between January 1, 1982, and June 30, 1995,  
9 10 are refinanced or refunded after June 30, 1995, the  
9 11 valuation of such property shall then be the valuation  
9 12 specified in subsection 1 for the applicable  
9 13 assessment year beginning with the assessment year  
9 14 after the calendar year in which any of those loans,  
9 15 advances, bonds, or other indebtedness are refinanced  
9 16 or refunded after June 30, 1995.

9 17 5. For the purpose of dividing taxes under section  
9 18 260E.4 or 260F.4, the employer's or business's  
9 19 valuation of property defined in section 427A.1,  
9 20 subsection 1, paragraphs "e" and "j", and used to fund  
9 21 a new jobs training project which project's first  
9 22 written agreement providing for a division of taxes as  
9 23 provided in section 403.19, is approved on or before  
9 24 June 30, 1995, shall be limited to thirty percent of  
9 25 the net acquisition cost of the property. An  
9 26 employer's or business's taxable property used to fund  
9 27 a new jobs training project shall not be valued  
9 28 pursuant to subsection 1 until the assessment year  
9 29 following the calendar year in which the certificates

9 30 or other funding obligations have been retired or  
9 31 escrowed. The taxpayer's valuation for such property  
9 32 shall then be the valuation specified in subsection 1  
9 33 for the applicable assessment year. This subsection  
9 34 shall not apply to the refunding of certificates or  
9 35 refinancing of other obligations issued between  
9 36 January 1, 1982, and June 30, 1995.

9 37 Sec. 17. NEW SECTION. 427B.18 ASSESSOR AND  
9 38 COUNTY AUDITOR DUTIES.

9 39 1. On or before July 1 of each year, the assessor  
9 40 shall determine the taxpayer's valuation of the  
9 41 property specified in section 427B.17 for that year  
9 42 and the valuation of the property if the property were  
9 43 valued, for assessment purposes, at thirty percent of  
9 44 net acquisition cost and shall report the valuations  
9 45 to the county auditor.

9 46 2. On or before July 1, 1996, and on or before  
9 47 July 1 of each subsequent year, the county auditor  
9 48 shall prepare a statement listing for each taxing  
9 49 district in the county:

9 50 a. Beginning with the assessment year beginning  
10 1 January 1, 1995, the difference between the assessed  
10 2 valuation of property defined in section 427A.1,  
10 3 subsection 1, paragraphs "e" and "j", and assessed  
10 4 pursuant to section 427B.17 and the valuation of the  
10 5 property if the property were valued, for assessment  
10 6 purposes, at thirty percent of net acquisition cost.

10 7 b. The tax levy rate for each taxing district  
10 8 levied against assessments made as of January 1 of the  
10 9 previous year.

10 10 c. The industrial machinery, equipment and  
10 11 computers tax replacement claim for each taxing  
10 12 district, which is equal to the amount determined  
10 13 pursuant to paragraph "a", multiplied by the tax rate  
10 14 specified in paragraph "b".

10 15 3. The county auditor shall certify and forward  
10 16 one copy of the statement to the department of revenue  
10 17 and finance not later than July 1 of each year.

10 18 Sec. 18. NEW SECTION. 427B.19 REPLACEMENT.

10 19 Each county treasurer shall be paid an amount equal  
10 20 to the following percentages of the industrial  
10 21 machinery, equipment and computers tax replacement  
10 22 claim for that county determined pursuant to section  
10 23 427B.18, subsection 2:

10 24 1. For the fiscal year beginning July 1, 1996,  
10 25 ninety percent.

10 26 2. For the fiscal year beginning July 1, 1997,  
10 27 seventy-five percent.

10 28 3. For the fiscal year beginning July 1, 1998,  
10 29 sixty percent.

10 30 4. For the fiscal year beginning July 1, 1999,  
10 31 forty-five percent.

10 32 5. For the fiscal year beginning July 1, 2000,  
10 33 thirty percent.

10 34 6. For the fiscal year beginning July 1, 2001,  
10 35 twenty percent.

10 36 7. For the fiscal year beginning July 1, 2002,  
10 37 twenty percent.

10 38 8. For the fiscal year beginning July 1, 2003,  
10 39 twenty percent.

10 40 9. For the fiscal year beginning July 1, 2004,  
10 41 fifteen percent.

10 42 10. For the fiscal year beginning July 1, 2005,  
10 43 ten percent.

10 44 Sec. 19. NEW SECTION. 427B.19A FUND CREATED.

10 45 1. The industrial machinery, equipment and  
10 46 computers property tax replacement fund is created.

10 47 There is appropriated annually from the general fund  
10 48 of the state to the department of revenue and finance  
10 49 to be credited to the industrial machinery, equipment  
10 50 and computers property tax replacement fund, the  
11 1 amounts specified in section 427B.19B.

11 2 2. Each county treasurer shall be paid from the  
11 3 fund created in this section the amount calculated  
11 4 pursuant to section 427B.19. The payment shall be  
11 5 made in two equal installments on or before September  
11 6 30 and March 30 of each year. The county treasurer  
11 7 shall apportion the payment in the manner provided in  
11 8 section 445.57.

11 9 3. If an amount appropriated in section 427B.19B  
11 10 for a fiscal year is insufficient to pay all claims  
11 11 according to the replacement schedule in section  
11 12 427B.19, the director shall prorate the disbursements  
11 13 from the fund to the county treasurers and shall  
11 14 notify the county auditors of the pro rata percentage  
11 15 on or before August 1. If an amount appropriated in  
11 16 section 427B.19B for a fiscal year is in excess of the  
11 17 amount necessary to pay all claims according to the  
11 18 replacement schedule in section 427B.19, the director  
11 19 shall prorate the disbursements from the fund to the  
11 20 county treasurers, notwithstanding the amount  
11 21 calculated pursuant to section 427B.19, and shall  
11 22 notify the county auditors of the pro rata percentage  
11 23 on or before August 1.

11 24 4. The replacement amount paid to each school  
11 25 district shall be regarded as property tax for the  
11 26 purposes of the school foundation property tax levy in  
11 27 section 257.3 and the additional property tax levy in  
11 28 section 257.4. The department of management shall  
11 29 annually make the adjustments necessary to implement  
11 30 this subsection.

11 31 Sec. 20. NEW SECTION. 427B.19B APPROPRIATION.

11 32 There is appropriated in each of the following  
11 33 fiscal years from the general fund of the state to the  
11 34 industrial machinery, equipment and computers property  
11 35 tax replacement fund the following amounts:

11 36 1. For the fiscal year beginning July 1, 1996, ten  
11 37 million dollars.

11 38 2. For the fiscal year beginning July 1, 1997,  
11 39 seventeen million dollars.

11 40 3. For the fiscal year beginning July 1, 1998,  
11 41 twenty-three million dollars.

11 42 4. For the fiscal year beginning July 1, 1999,  
11 43 twenty-three million, four hundred thousand dollars.

11 44 5. For the fiscal year beginning July 1, 2000,  
11 45 twenty-one million, one hundred thousand dollars.

11 46 6. For the fiscal year beginning July 1, 2001,  
11 47 eighteen million, one hundred thousand dollars.

11 48 7. For the fiscal year beginning July 1, 2002,  
11 49 twenty-four million dollars.

11 50 8. For the fiscal year beginning July 1, 2003,  
12 1 twenty-five million, six hundred thousand dollars.

12 2 9. For the fiscal year beginning July 1, 2004,  
12 3 twenty million, four hundred thousand dollars.

12 4 10. For the fiscal year beginning July 1, 2005,  
12 5 fourteen million, five hundred thousand dollars.

12 6 Sec. 21. NEW SECTION. 427B.19C PHASEOUT OF TAX.

12 7 Effective on July 1, 2002, all property taxes on  
12 8 property defined in section 427A.1, subsection 1,  
12 9 paragraphs "e" and "j", are repealed. For assessment  
12 10 years beginning on or after January 1, 2005, such  
12 11 property shall not be listed or assessed. This  
12 12 section shall prevail over all inconsistent statutes.

12 13 Sec. 22. NEW SECTION. 427B.19D GUARANTEE OF

12 14 STATE REPLACEMENT FUNDS.

12 15 If for any reason an appropriation specified in  
12 16 section 427B.19 is not made or the appropriation made  
12 17 is less than that specified in section 427B.19 for the  
12 18 applicable fiscal year, the director of the department  
12 19 of management shall compute the difference between the  
12 20 amount specified in section 427B.19B and the amount  
12 21 actually appropriated or zero if no appropriation is  
12 22 made. The department shall divide that difference by  
12 23 the consolidated tax levy rate to determine the amount  
12 24 of taxable value necessary to raise the difference at  
12 25 that tax rate. The department shall compute an  
12 26 adjustment factor as a percentage of net acquisition  
12 27 cost which will yield such taxable value. The  
12 28 director of revenue and finance shall review and  
12 29 certify such adjustment factor to the county auditor.  
12 30 The auditor shall apply such adjustment factor to all  
12 31 taxable property described in section 427B.17 for the  
12 32 assessment year beginning January 1 preceding the  
12 33 fiscal year for which the specified appropriation was  
12 34 not made. Property taxes generated by the adjustment  
12 35 factor in this section shall not be considered  
12 36 property tax dollars certified for purposes of the  
12 37 property tax limitation in chapter 444.

12 38 DIVISION IV

12 39 PROPERTY TAX CREDITS

12 40 Sec. 23. Section [8.59](#), Code 1995, is amended to  
12 41 read as follows:

12 42 8.59 APPROPRIATIONS FREEZE.

12 43 Notwithstanding contrary provisions of the Code,  
12 44 the amounts appropriated under the applicable sections  
12 45 of the Code for fiscal years commencing on or after  
12 46 July 1, 1993, are limited to those amounts expended  
12 47 under those sections for the fiscal year commencing  
12 48 July 1, 1992. If an applicable section appropriates  
12 49 moneys to be distributed to different recipients and  
12 50 the operation of this section reduces the total amount  
13 1 to be distributed under the applicable section, the  
13 2 moneys shall be prorated among the recipients. As  
13 3 used in this section, "applicable sections" means the  
13 4 following sections: 53.50, 229.35, 230.8, 230.11,  
13 5

~~405A.8,~~

~~- 411.20,~~

~~425.1, 425.39, 426A.1,~~

~~- 663.44, and~~

13 6 822.5.

13 7 Sec. 24. Section [405A.8](#), subsection 1, Code 1995,  
13 8 is amended to read as follows:

13 9 1. There are appropriated from the general fund of  
13 10 the state to the department of revenue and finance the  
13 11 following sums to carry out the provisions of this  
13 12 chapter: For the fiscal year beginning July 1, 1988,  
13 13 and each subsequent fiscal year ending before July 1,  
13 14 1995, sixty-seven million seven hundred thirty-seven  
13 15 thousand dollars. For the fiscal year beginning July  
13 16 1, 1995, and each subsequent fiscal year, sixty-five  
13 17 million one hundred thousand dollars.

13 18 Sec. 25. Section [422.65](#), Code 1995, is amended by  
13 19 striking the section and inserting in lieu thereof the  
13 20 following:

13 21 422.65 DEPOSIT OF REVENUE.

13 22 All moneys received from the franchise tax on or  
13 23 after July 1, 1995, shall be deposited into the  
13 24 general fund of the state.

13 25 Sec. 26. Section 425.1, subsection 1, Code 1995,  
13 26 is amended to read as follows:  
13 27 1. A homestead credit fund is created. There is  
13 28 appropriated annually from the general fund of the  
13 29 state to the department of revenue and finance to be  
13 30 credited to the homestead credit fund,

~~an amount~~

13 31

~~sufficient to implement this chapter~~  
~~the sum of~~

13 32 ninety-three million eight hundred thousand dollars.  
13 33 The director of revenue and finance shall issue  
13 34 warrants on the homestead credit fund payable to the  
13 35 county treasurers of the several counties of the state  
13 36 under this chapter.  
13 37 If the amount in the fund is insufficient to pay  
13 38 all claims in full, the director shall prorate the  
13 39 amounts paid to the county treasurers based upon the  
13 40 amount of certified claims submitted by each.

13 41 Sec. 27. Section 425.17, subsections 2 and 8, Code  
13 42 1995, are amended to read as follows:  
13 43 2. "Claimant" means

~~either of the following:~~

13 44

~~a. A~~

~~a person filing a claim for credit or~~  
13 45 reimbursement under this division who has attained the  
13 46 age of sixty-five years on or before December 31 of  
13 47 the base year, who is a surviving spouse having  
13 48 attained the age of fifty-five years on or before  
13 49 December 31, 1988, or who is totally disabled and was  
13 50 totally disabled on or before December 31 of the base  
14 1 year, and was domiciled in this state during the  
14 2 entire base year, and is domiciled in this state at  
14 3 the time the claim is filed or at the time of the  
14 4 person's death in the case of a claim filed by the  
14 5 executor or administrator of the claimant's estate.  
14 6

~~b. A person filing a claim for credit or~~

14 7

~~reimbursement under this division who has attained the~~

14 8

~~age of twenty three years on or before December 31 of~~

14 9

~~the base year or was a head of household on December~~

14 10

~~31 of the base year, as defined in the Internal~~

14 11

~~Revenue Code, but has not attained the age or~~

14 12

~~disability status described in paragraph "a", and was~~

14 13

~~domiciled in this state during the entire base year,~~

14 14

~~and is domiciled in this state at the time the claim~~

14 15

~~is filed or at the time of the person's death in the~~

14 16

~~case of a claim filed by the executor or administrator~~

14 17

~~of the claimant's estate, and was not claimed as a~~

14 18

~~dependent on any other person's tax return for the~~

14 19

~~base year.~~

14 20 "Claimant"

~~under paragraph "a" or "b"~~

~~includes a~~

14 21 vendee in possession under a contract for deed and may  
14 22 include one or more joint tenants or tenants in  
14 23 common. In the case of a claim for rent constituting  
14 24 property taxes paid, the claimant shall have rented  
14 25 the property during any part of the base year. If a  
14 26 homestead is occupied by two or more persons, and more  
14 27 than one person is able to qualify as a claimant, the  
14 28 persons may determine among them who will be the  
14 29 claimant. If they are unable to agree, the matter  
14 30 shall be referred to the director of revenue and  
14 31 finance not later than June 1 of each year and the  
14 32 director's decision is final.

14 33 8. "Property taxes due" means property taxes  
14 34 including any special assessments, but exclusive of  
14 35 delinquent interest and charges for services, due on a  
14 36 claimant's homestead in this state, but includes only  
14 37 property taxes for which the claimant is liable and  
14 38 which will actually be paid by the claimant. However,  
14 39 if the claimant is a person whose property taxes have  
14 40 been suspended under sections 427.8 and 427.9,  
14 41 "property taxes due" means property taxes including  
14 42 any special assessments, but exclusive of delinquent  
14 43 interest and charges for services, due on a claimant's  
14 44 homestead in this state, but includes only property  
14 45 taxes for which the claimant is liable and which would  
14 46 have to be paid by the claimant if the payment of the  
14 47 taxes has not been suspended pursuant to sections  
14 48 427.8 and 427.9. "Property taxes due" shall be  
14 49 computed with no deduction for any credit under this  
14 50 division or for any homestead credit allowed under  
15 1 section 425.1. Each claim shall be based upon the



15 39 7,000 &endash; 7,999.99..... 70  
15 40 8,000 &endash; 9,999.99..... 50  
15 41 10,000 &endash; 11,999.99..... 35  
15 42 12,000 &endash; 13,999.99..... 25  
15 43 Sec. 29. Section [425.23](#), subsection 1, paragraph  
15 44 b, Code 1995, is amended by striking the paragraph.  
15 45 Sec. 30. Section [425.23](#), subsection 3, paragraph  
15 46 a, Code 1995, is amended to read as follows:  
15 47 a. A person who is eligible to file a claim for  
15 48 credit for property taxes due and who has a household  
15 49 income of six thousand dollars or less and who has an  
15 50 unpaid special assessment levied against the homestead  
16 1 may file a claim with the county treasurer that the  
16 2 claimant had a household income of six thousand  
16 3 dollars or less and that an unpaid special assessment  
16 4 is presently levied against the homestead. The  
16 5 department shall provide to the respective treasurers  
16 6 the forms necessary for the administration of this  
16 7 subsection. The claim shall be filed not later than  
16 8 September 30 of each year. Upon the filing of the  
16 9 claim, interest for late payment shall not accrue  
16 10 against the amount of the unpaid special assessment  
16 11 due and payable. The claim filed by the claimant  
16 12 constitutes a claim for credit of an amount equal to  
16 13 the actual amount due upon the unpaid special  
16 14 assessment, plus interest, payable during the fiscal  
16 15 year for which the claim is filed against the  
16 16 homestead of the claimant.

~~However, where the~~

16 17

~~claimant is an individual described in section 425.17,~~

16 18

~~subsection 2, paragraph "b", and the tentative credit~~

16 19

~~is determined according to the schedule in section~~

16 20

~~425.23, subsection 1, paragraph "b", subparagraph (2),~~

16 21

~~the claim filed constitutes a claim for credit of an~~

16 22

~~amount equal to one half of the actual amount due and~~

16 23

~~payable during the fiscal year.~~

~~The department of~~

16 24 revenue and finance shall, upon the filing of the  
16 25 claim with the department by the treasurer, pay that  
16 26 amount of the unpaid special assessment during the  
16 27 current fiscal year to the treasurer. The treasurer  
16 28 shall submit the claims to the director of revenue and  
16 29 finance not later than October 15 of each year. The  
16 30 director of revenue and finance shall certify the  
16 31 amount of reimbursement due each county for unpaid

16 32 special assessment credits allowed under this  
16 33 subsection. The amount of reimbursement due each  
16 34 county shall be paid by the director of revenue and  
16 35 finance on October 20 of each year, drawn upon  
16 36 warrants payable to the respective treasurer. There  
16 37 is appropriated annually from the general fund of the  
16 38 state to the department of revenue and finance an  
16 39 amount sufficient to carry out the provisions of this  
16 40 subsection. The treasurer shall credit any moneys  
16 41 received from the department against the amount of the  
16 42 unpaid special assessment due and payable on the  
16 43 homestead of the claimant.  
16 44 Sec. 31. Section [425.39](#), subsection 2, Code 1995,  
16 45 is amended by striking the subsection.  
16 46 Sec. 32. Section [426.1](#), Code 1995, is amended to  
16 47 read as follows:  
16 48 426.1

~~AGRICULTURAL LAND~~

~~FARM TAX CREDIT FUND.~~

16 49 There is created as a permanent fund in the office  
16 50 of the treasurer of state a fund to be known as the  
17 1

~~agricultural land~~

~~farm tax credit fund, and for the~~  
17 2 purpose of establishing and maintaining this fund for  
17 3 each fiscal year there is appropriated

~~thereto~~

~~from~~  
17 4 funds in the general fund of the state not otherwise  
17 5 appropriated the sum of

~~thirty nine~~

~~forty-nine million~~

17 6

~~one~~

~~three hundred thousand dollars~~

~~of which the first~~

17 7

~~ten million dollars shall be transferred to and~~

17 8

~~deposited into the family farm tax credit fund created~~

17 9

~~in section 425A.1~~

~~Any balance in~~

~~said~~

~~the fund on~~  
17 10 June 30 shall revert to the general fund of the state.

17 11 Sec. 33. Section [426.3](#), Code 1995, is amended to

17 12 read as follows:

17 13 426.3

~~WHERE~~

~~AMOUNT OF CREDIT GIVEN.~~

17 14 The

~~agricultural land~~  
- farm tax credit fund shall be  
17 15 apportioned each year in the manner  
. .  
~~hereinafter~~  
-  
17 16 provided so as to give a credit against the tax on  
17 17 each tract of agricultural lands within  
. .  
~~the several~~  
-  
17 18  
. .  
~~school districts of the state in which the levy for~~  
-  
17 19  
. .  
~~the general school fund exceeds five dollars and forty~~  
-  
17 20  
. .  
~~cents per thousand dollars of assessed value; the~~  
-  
17 21  
. .  
~~amount of such credit on each tract of such lands~~  
-  
17 22  
. .  
~~shall be the amount the tax levied for the general~~  
-  
17 23  
. .  
~~school fund exceeds the amount of tax which would be~~  
-  
17 24  
. .  
~~levied on said tract of such lands were the levy for~~  
-  
17 25  
. .  
~~the general school fund five dollars and forty cents~~  
-  
17 26  
. .  
~~per thousand dollars of assessed value for the~~  
-  
17 27  
. .  
~~previous year,~~  
- each county equal to one dollar and  
17 28 fifty cents per acre of agricultural land, except in  
17 29 the case of a deficiency in the  
. .  
~~agricultural land~~  
-  
17 30  
. .  
~~credits~~  
- farm tax credit fund to pay  
. .  
~~said~~  
- the credits  
17 31 in full, in which case the credit on each eligible  
17 32 tract of such lands in the state shall be  
17 33 proportionate and shall be applied as  
. .

~~hereinafter~~

17 34 provided.

17 35 Sec. 34. Section [426.6](#), Code 1995, is amended to

17 36 read as follows:

17 37 426.6 COMPUTATION BY AUDITOR &ndash; APPEAL.

17 38 The

~~agricultural land~~

~~farm~~ tax credit allowed each

17 39 year shall be computed as follows: On or before

~~the~~

17 40

~~first of June~~

~~March 15~~ the county auditor shall list

17 41

~~by school districts~~

~~all~~ tracts of agricultural lands

17 42 which they are entitled to credit,

~~together with the~~

17 43

~~taxable value for the previous year, together with the~~

17 44

~~budget from each school district for the previous~~

17 45

~~year, and the tax rate determined for the general fund~~

17 46

~~of the district in the manner prescribed in section~~

17 47

~~444.3 for the previous year, and if such tax rate is~~

17 48

~~in excess of five dollars and forty cents per thousand~~

17 49

~~dollars of assessed value, the auditor shall multiply~~

17 50

~~the tax levy which is in excess of five dollars and~~

18 1

~~forty cents per thousand dollars of assessed value by~~

18 2

~~the total taxable value of the agricultural lands~~

18 3

~~entitled to credit in the district, and on or before~~

18 4

~~the first of June~~

- ~~and shall~~ certify the amount of

18 5 credit to the department of revenue and finance.

18 6 In the event the county auditor denies a credit

18 7 upon any

~~such~~

- lands, the auditor shall immediately

18 8 mail to the owner at the owner's last known address

18 9 notice of the decision

~~thereon~~

- The owner may, within

18 10 thirty days

~~thereafter~~

-, appeal to the board of

18 11 supervisors of the county wherein the land involved is

18 12 situated by serving notice of

~~said~~

- appeal upon the

18 13 chairperson of

~~said~~

- the board. The board shall hear

18 14

~~such~~

- the appeal promptly and shall determine anew all

18 15 questions involved in

~~said~~

- the appeal and shall within

18 16 ten days after

~~such~~

- the hearing, mail to the owner at

18 17 the owner's last known address, notice of its

18 18 decision. In the event of disallowance the owner may,

18 19 within ten days from the date

~~such~~

- the notice is

18 20 mailed, appeal

~~such~~

- the disallowance by the board of

18 21 supervisors to the district court of that county by

18 22 serving written notice of appeal on the county

18 23 auditor. The appeal shall be tried de novo and may be

18 24 heard in term time or vacation. The decision of the

18 25 district court

~~thereon~~

- shall be final.

18 26 Sec. 35. Section [426.7](#), Code 1995, is amended to

18 27 read as follows:

18 28 426.7 WARRANTS DRAWN BY DIRECTOR.

18 29 After receiving from the county auditors the

18 30 certifications provided for in section 426.6, and

18 31 during the following fiscal year, the director of

18 32 revenue and finance shall draw warrants on the  
18 33 agricultural land

~~credits~~

- credit fund created in  
18 34 section 426.1, payable to the county treasurers in the  
18 35 amount certified by the county auditors of the  
18 36 respective counties and mail the warrants to the  
18 37 county auditors on August 15 of each year taking into  
18 38 consideration the relative budget and cash position of  
18 39 the state resources. However, if the agricultural  
18 40 land

~~credits~~

- credit fund is insufficient to pay in  
18 41 full the total of the amounts certified to the  
18 42 director of revenue and finance, the director shall  
18 43 prorate the fund to the county treasurers and notify  
18 44 the county auditors of the pro rata percentage on or  
18 45 before

~~August~~

- June 1.  
18 46 Sec. 36. Section [441.21](#), subsection 1, Code 1995,  
18 47 is amended by adding the following new paragraph:  
18 48 NEW PARAGRAPH. h. Notwithstanding any other  
18 49 provision of this section, beginning with valuations  
18 50 established as of January 1, 1996, in computing actual  
19 1 value of agricultural structures, other than  
19 2 agricultural dwellings, the assessor shall exclude the  
19 3 first two hundred thousand dollars in total actual  
19 4 value of all such structures on each parcel of land.  
19 5 The excluded valuation of such structures shall not be  
19 6 removed from the productivity formula in establishing  
19 7 agricultural values.  
19 8 Sec. 37. Section [425.40](#), Code 1995, is repealed.  
19 9 Sec. 38. Chapter 425A, Code 1995, is repealed.  
19 10 Sec. 39. EFFECTIVE DATES.  
19 11 1. Sections 23, 24, 25, 26, 27, 28, 29, 30, 31,  
19 12 and 37 of this Act, being deemed of immediate  
19 13 importance, take effect upon enactment for purposes of  
19 14 property tax credits payable on or after July 1, 1995.  
19 15 2. Sections 32, 33, 34, 35, and 38 of this Act  
19 16 take effect January 1, 1996, for property taxes  
19 17 payable on or after July 1, 1996.  
19 18 3. Section 36 of this Act takes effect January 1,  
19 19 1996, for computing valuations for taxes payable on or  
19 20 after July 1, 1997.

DIVISION V

MENTAL HEALTH PROPERTY TAX RELIEF & LIMITATION

19 23 Sec. 40. Section [123.38](#), unnumbered paragraph 2,  
19 24 Code 1995, is amended to read as follows:  
19 25 Any licensee or permittee, or the licensee's or  
19 26 permittee's executor or administrator, or any person  
19 27 duly appointed by the court to take charge of and  
19 28 administer the property or assets of the licensee or  
19 29 permittee for the benefit of the licensee's or  
19 30 permittee's creditors, may voluntarily surrender a  
19 31 license or permit to the division. When a license or  
19 32 permit is surrendered the division shall notify the  
19 33 local authority, and the division or the local  
19 34 authority shall refund to the person surrendering the  
19 35 license or permit, a proportionate amount of the fee  
19 36 received by the division or the local authority for  
19 37 the license or permit as follows: If a license or  
19 38 permit is surrendered during the first three months of  
19 39 the period for which it was issued, the refund shall

19 40 be three-fourths of the amount of the fee; if  
19 41 surrendered more than three months but not more than  
19 42 six months after issuance, the refund shall be one-  
19 43 half of the amount of the fee; if surrendered more  
19 44 than six months but not more than nine months after  
19 45 issuance, the refund shall be one-fourth of the amount  
19 46 of the fee. No refund shall be made, however, for any  
19 47 special liquor permit, nor for a liquor control  
19 48 license, wine permit, or beer permit surrendered more  
19 49 than nine months after issuance. For purposes of this  
19 50 paragraph, any portion of license or permit fees used  
20 1 for the purposes authorized in section 331.424,  
20 2 subsection 1, paragraphs "a"

~~—~~  
— and "b"

~~—, "e", "d", "e",~~

20 3

~~— "f", "g", and "h"~~

~~—, and in section 331.438A,~~ shall not

20 4 be deemed received either by the division or by a  
20 5 local authority. No refund shall be made to any  
20 6 licensee or permittee, upon the surrender of the  
20 7 license or permit, if there is at the time of  
20 8 surrender, a complaint filed with the division or  
20 9 local authority, charging the licensee or permittee  
20 10 with a violation of this chapter. If upon a hearing  
20 11 on a complaint the license or permit is not revoked or  
20 12 suspended, then the licensee or permittee is eligible,  
20 13 upon surrender of the license or permit, to receive a  
20 14 refund as provided in this section; but if the license  
20 15 or permit is revoked or suspended upon hearing the  
20 16 licensee or permittee is not eligible for the refund  
20 17 of any portion of the license or permit fee.

20 18 Sec. 41. Section [218.99](#), Code 1995, is amended to  
20 19 read as follows:

20 20 218.99 COUNTY AUDITORS TO BE NOTIFIED OF PATIENTS'  
20 21 PERSONAL ACCOUNTS.

20 22 The administrator of a division of the department  
20 23 of human services in control of a state institution  
20 24 shall direct the business manager of each institution  
20 25 under the administrator's jurisdiction which is  
20 26 mentioned in section 331.424, subsection 1, paragraphs  
20 27 "a"

~~— through "g"~~

~~— and "b" and for which services are~~

20 28 ~~paid under section 331.438A~~ to quarterly inform the  
20 29 auditor of the county of legal settlement of any  
20 30 patient or resident who has an amount in excess of two  
20 31 hundred dollars on account in the patients' personal  
20 32 deposit fund and the amount on deposit. The  
20 33 administrators shall direct the business manager to  
20 34 further notify the auditor of the county at least  
20 35 fifteen days before the release of funds in excess of  
20 36 two hundred dollars or upon the death of the patient  
20 37 or resident. If the patient or resident has no county  
20 38 of legal settlement, notice shall be made to the  
20 39 director of the department of human services and the  
20 40 administrator of the division of the department in  
20 41 control of the institution involved.

20 42 Sec. 42. Section [225C.4](#), subsection 2, paragraph  
20 43 b, Code 1995, is amended to read as follows:

20 44 b. Establish mental health and mental retardation

20 45 services for all institutions under the control of the  
20 46 director of human services and establish an autism  
20 47 unit, following mutual planning with and consultation  
20 48 from the medical director of the state psychiatric  
20 49 hospital, at an institution or a facility administered  
20 50 by the administrator to provide psychiatric and  
21 1 related services and other specific programs to meet  
21 2 the needs of autistic persons

~~as defined in section~~

21 3

~~331.424, subsection 1~~

~~, and to furnish appropriate~~

21 4 diagnostic evaluation services.

21 5 Sec. 43. Section 331.301, subsection 12, Code

21 6 1995, is amended to read as follows:

21 7 12. The board of supervisors may credit funds to a

21 8 reserve for the purposes authorized by subsection 11

21 9 of this section; section 331.424, subsection 1,

21 10 paragraph

~~"l"~~

~~"f"; and section 331.441, subsection 2,~~

21 11 paragraph "b". Moneys credited to the reserve, and

21 12 interest earned on such moneys, shall remain in the

21 13 reserve until expended for purposes authorized by

21 14 subsection 11 of this section; section 331.424,

21 15 subsection 1, paragraph

~~"l"~~

~~"f"; or section 331.441,~~

21 16 subsection 2, paragraph "b".

21 17 Sec. 44. Section [331.424](#), subsection 1, Code 1995,

21 18 is amended to read as follows:

21 19 1. For general county services, an amount

21 20 sufficient to pay the charges for the following:

21 21 a. To the extent that the county is obligated by

21 22 statute to pay the charges for:

21 23

~~(1) Care and treatment of patients by a state~~

21 24

~~mental health institute.~~

21 25

~~(2) Care and treatment of patients by either of~~

21 26

~~the state hospital schools or by any other facility~~

21 27

~~established under chapter 222 and diagnostic~~

21 28

~~evaluation under section 222.31.~~

21 29

~~(3) Care and treatment of patients under chapter~~

21 30

~~225.~~

21 31

~~(4)~~

~~(1)~~ Care and treatment of persons at the  
21 32 alcoholic treatment center at Oakdale. However, the  
21 33 county may require that an admission to the center  
21 34 shall be reported to the board by the center within  
21 35 five days as a condition of the payment of county  
21 36 funds for that admission.  
21 37

~~(5)~~

~~(2)~~ Care of children admitted or committed to  
21 38 the Iowa juvenile home at Toledo.  
21 39

~~(6)~~

~~(3)~~ Clothing, transportation, medical, or  
21 40 other services provided persons attending the Iowa  
21 41 braille and sight saving school, the Iowa school for  
21 42 the deaf, or the state hospital-school for severely  
21 43 handicapped children at Iowa City, for which the  
21 44 county becomes obligated to pay pursuant to sections  
21 45 263.12, 269.2, and 270.4 through 270.7.  
21 46

~~b. To the extent that the board deems it advisable~~

21 47

~~to pay, the charges for professional evaluation,~~

21 48

~~treatment, training, habilitation, and care of persons~~

21 49

~~who are mentally retarded, autistic persons, or~~

21 50

~~persons who are afflicted by any other developmental~~

22 1

~~disability, at a suitable public or private facility~~

22 2

~~providing inpatient or outpatient care in the county.~~

22 3

~~As used in this paragraph:~~

22 4

~~(1) "Developmental disability" has the meaning~~

22 5

~~assigned that term by 42 U.S.C. sec. 6001(7) (1976),~~

22 6

~~Supp. II, 1978, and Supp. III, 1979.~~

22 7

~~(2) "Autistic persons" means persons, regardless~~

22 8

~~of age, with severe communication and behavior~~

22 9

~~disorders that became manifest during the early stages~~

22 10

~~of childhood development and that are characterized by~~

22 11

~~a severely disabling inability to understand,~~

22 12

~~communicate, learn, and participate in social~~

22 13

~~relationships. "Autistic persons" includes but is not~~

22 14

~~limited to those persons afflicted by infantile~~

22 15

~~autism, profound aphasia, and childhood psychosis.~~

22 16

~~c. Care and treatment of persons placed in the~~

22 17

~~county hospital, county care facility, a health care~~

22 18

~~facility as defined in section 135C.1, subsection 6,~~

22 19

~~or any other public or private facility, which~~

22 20

~~placement is in lieu of admission or commitment to or~~

22 21

~~is upon discharge, removal, or transfer from a state~~

22 22

~~mental health institute, hospital school, or other~~

22 23

~~facility established pursuant to chapter 222.~~

22 24

~~d. Amounts budgeted by the board for the cost of~~

22 25

~~establishment and initial operation of a community~~

22 26

~~mental health center in the manner and subject to the~~

22 27

~~limitations provided by state law.~~

22 28

~~e.~~

~~b.~~ Foster care and related services provided  
22 29 under court order to a child who is under the  
22 30 jurisdiction of the juvenile court, including court-  
22 31 ordered costs for a guardian ad litem under section  
22 32 232.71.

22 33

~~f. The care, admission, commitment, and~~

22 34

~~transportation of mentally ill patients in state~~

22 35

~~hospitals, to the extent that expenses for these~~

22 36

~~services are required to be paid by the county,~~

22 37

~~including compensation for the advocate appointed~~

22 38

~~under section 229.19.~~

22 39

~~g. Amounts budgeted by the board for mental health~~

22 40

~~services or mental retardation services furnished to~~

22 41

~~persons on either an outpatient or inpatient basis, to~~

22 42

~~a school or other public agency, or to the community~~

22 43

~~at large, by a community mental health center or other~~

22 44

~~suitable facility located in or reasonably near the~~

22 45

~~county, provided that services meet the standards of~~

22 46

~~the mental health and developmental disabilities~~

22 47

~~commission created in section 225C.5 and are~~

22 48

~~consistent with the annual plan for services approved~~

22 49

~~by the board.~~

22 50

~~h. Reimbursement on behalf of mentally retarded~~

23 1

~~persons under section 249A.12.~~

23 2

~~i.~~

~~c. Elections, and voter registration pursuant  
23 3 to chapter 48A.~~

23 4

~~j.~~

~~d. Employee benefits under chapters 96, 97B,  
23 5 and 97C, which are associated with salaries for  
23 6 general county services.~~

23 7

~~k.~~

~~e. Joint county and city building authorities  
23 8 established under section 346.27, as provided in  
23 9 subsection 22 of that section.~~

23 10

~~l.~~

~~f. Tort liability insurance, property  
23 11 insurance, and any other insurance that may be  
23 12 necessary in the operation of the county, costs of a  
23 13 self-insurance program, costs of a local government  
23 14 risk pool, and amounts payable under any insurance  
23 15 agreements to provide or procure such insurance, self-  
23 16 insurance program, or local government risk pool.~~

~~m.~~

- g. The maintenance and operation of the courts,  
 23 18 including but not limited to the salary and expenses  
 23 19 of the clerk of the district court and other employees  
 23 20 of the clerk's office, and bailiffs, court costs if  
 23 21 the prosecution fails or if the costs cannot be  
 23 22 collected from the person liable, costs and expenses  
 23 23 of prosecution under section 189A.17, salaries and  
 23 24 expenses of juvenile court officers under chapter 602,  
 23 25 court-ordered costs in domestic abuse cases under  
 23 26 section 236.5, the county's expense for confinement of  
 23 27 prisoners under chapter 356A, temporary assistance to  
 23 28 the county attorney, county contributions to a  
 23 29 retirement system for bailiffs, reimbursement for  
 23 30 judicial magistrates under section 602.6501, claims  
 23 31 filed under section 622.93, interpreters' fees under  
 23 32 section 622B.7, uniform citation and complaint  
 23 33 supplies under section 805.6, and costs of prosecution  
 23 34 under section 815.13.  
 23 35

~~n.~~

- h. Court-ordered costs of conciliation  
 23 36 procedures under section 598.16.  
 23 37

~~o.~~

- i. Establishment and maintenance of a joint  
 23 38 county indigent defense fund pursuant to an agreement  
 23 39 under section 28E.19.  
 23 40

~~p.~~

- j. The maintenance and operation of a local  
 23 41 emergency management agency established pursuant to  
 23 42 chapter 29C.  
 23 43 The board may require a public or private facility,  
 23 44 as a condition of receiving payment from county funds  
 23 45 for services it has provided, to furnish the board  
 23 46 with a statement of the income, assets, and legal  
 23 47 residence including township and county of each person  
 23 48 who has received services from that facility for which  
 23 49 payment has been made from county funds under  
 23 50 paragraphs "a"

~~through "h"~~

- and "b". However, the  
 24 1 facility shall not disclose to anyone the name or  
 24 2 street or route address of a person receiving services  
 24 3 for which commitment is not required, without first  
 24 4 obtaining that person's written permission.  
 24 5 Parents or other persons may voluntarily reimburse  
 24 6 the county or state for the reasonable cost of caring  
 24 7 for a patient or an inmate in a county or state  
 24 8 facility.  
 24 9 Sec. 45. Section [331.424](#), Code 1995, is amended by  
 24 10 adding the following new subsection:  
 24 11 NEW SUBSECTION. 1A. The maximum amount of  
 24 12 property tax dollars which may be certified by a  
 24 13 county for taxes levied under subsection 1 and payable  
 24 14 in the fiscal year beginning July 1, 1995, and  
 24 15 succeeding fiscal years shall not exceed the amount of  
 24 16 property tax dollars certified by the county for taxes  
 24 17 payable in the fiscal year beginning July 1, 1994,  
 24 18 minus an adjustment for the amounts levied by the

24 19 county under subsection 1 for mental health, mental  
24 20 retardation, and developmental disabilities in the  
24 21 fiscal year beginning July 1, 1995. The adjustment  
24 22 and maximum amount which may be levied by the county  
24 23 shall be determined for the county by the department  
24 24 of management.

24 25 Sec. 46. Section [331.426](#), subsection 1, Code 1995,  
24 26 is amended by adding the following new paragraph:

24 27 NEW PARAGRAPH. h. An unusual need for a service  
24 28 or cost paid from levies under section 331.424,  
24 29 subsection 1, which would cause the total expenditures  
24 30 of services and costs paid from those levies to exceed  
24 31 the maximum levies authorized under section 331.424,  
24 32 subsection 1A.

24 33 Sec. 47. Section [331.438](#), subsection 1, paragraph  
24 34 b, Code 1995, is amended to read as follows:

24 35 b. "State payment" means the payment made by the  
24 36 state under section 331.438A to a county determined to  
24 37 be eligible for the payment in accordance with section  
24 38 331.439.

~~Except as modified based upon the actual~~

~~24 39~~

~~amount of the appropriation for purposes of state~~

~~24 40~~

~~payment under section 331.439, the amount of the state~~

~~24 41~~

~~payment for a fiscal year shall be calculated as fifty~~

~~24 42~~

~~percent of the amount by which the county's qualified~~

~~24 43~~

~~expenditures during the immediately preceding fiscal~~

~~24 44~~

~~year were in excess of the amount of the county's base~~

~~24 45~~

~~year expenditures.~~

24 46 Sec. 48. Section [331.438](#), Code 1995, is amended by  
24 47 adding the following new subsection:

24 48 NEW SUBSECTION. 1A. The state of Iowa shall  
24 49 provide funding for the county expenditures for mental  
24 50 health and mental retardation assistance so that over  
25 1 the five-year period beginning July 1, 1995, and  
25 2 ending June 30, 2000, the relative shares of the state  
25 3 and counties for these expenditures shall become  
25 4 either equal or greater for the state.

25 5 Sec. 49. NEW SECTION. 331.438A STATE AND COUNTY  
25 6 EXPENDITURES FOR MENTAL HEALTH, MENTAL RETARDATION,  
25 7 AND DEVELOPMENTAL DISABILITIES ASSISTANCE &dash; FUND  
25 8 CREATED.

25 9 1. The mental health, mental retardation, and  
25 10 developmental disabilities property tax relief fund is  
25 11 created in the office of the treasurer of state under

25 12 the authority of the department of revenue and  
25 13 finance. The relief fund shall consist of moneys  
25 14 appropriated to the fund.

25 15 2. The department of management shall determine  
25 16 each county's proportion of all counties' base year  
25 17 expenditures, as defined in section 331.438. In each  
25 18 fiscal year, a county shall receive for property tax  
25 19 relief the proportion of the moneys appropriated to  
25 20 the relief fund for that fiscal year equivalent to the  
25 21 county's proportion of all counties' base year  
25 22 expenditures. However, moneys provided to a county  
25 23 for property tax relief in a fiscal year in accordance  
25 24 with this section shall not be less than the amount  
25 25 provided to the county for property tax relief in the  
25 26 previous fiscal year.

25 27 3. The department of management shall notify the  
25 28 department of revenue and finance of the amount due  
25 29 each county and the director of revenue and finance  
25 30 shall draw warrants on the relief fund, payable to the  
25 31 county treasurer in the amount due a county in  
25 32 accordance with subsection 2, and mail the warrants to  
25 33 county auditors by September 1 and March 1.

25 34 4. Before June 1, 1995, the director of human  
25 35 services shall notify the county auditor of each  
25 36 county of the amount of moneys the county will receive  
25 37 from the relief fund pursuant to subsection 2 in the  
25 38 succeeding fiscal year. For the fiscal year beginning  
25 39 July 1, 1995, the department of management shall  
25 40 reduce the certified budget amount received from the  
25 41 board of supervisors for that fiscal year by an amount  
25 42 equal to the amount the county will receive and the  
25 43 department of management shall determine the rate of  
25 44 taxation necessary to raise the reduced amount. For  
25 45 subsequent fiscal years, the county auditor shall  
25 46 reduce the county's property tax requests in the  
25 47 manner specified in section 444.25A.

25 48 5. In addition to moneys received by a county  
25 49 pursuant to subsection 2, the county shall be allowed  
25 50 an inflation factor adjustment for assistance paid  
26 1 from the county's services fund under section 331.424A  
26 2 which is in accordance with the county's management  
26 3 plan implemented pursuant to section 331.439. The  
26 4 inflation factor adjustment shall address costs  
26 5 associated with new consumers of assistance, service  
26 6 cost inflation, and investments for economy and  
26 7 efficiency. The amount of the inflation factor  
26 8 adjustment shall not exceed the inflation factor  
26 9 amount specified in the appropriation for the  
26 10 adjustment. Payment of the inflation factor  
26 11 adjustment shall be made as provided in the  
26 12 appropriation.

26 13 6. The director of revenue and finance shall  
26 14 prescribe forms and adopt rules pursuant to chapter  
26 15 17A to administer this section.

26 16 Sec. 50. Section [331.439](#), Code 1995, is amended by  
26 17 striking the section and inserting in lieu thereof the  
26 18 following:

26 19 331.439 ELIGIBILITY FOR STATE PAYMENT.

26 20 1. The state payment to eligible counties under  
26 21 this section shall be made as provided in section  
26 22 331.438A. A county is eligible for the state payment,  
26 23 as defined in section 331.438, for the fiscal year  
26 24 beginning July 1, 1995, and for subsequent fiscal  
26 25 years if the director of human services determines for  
26 26 a specific fiscal year that all of the following  
26 27 conditions are met:

26 28 a. The county accurately reported by October 15

26 29 the county's expenditures for mental health, mental  
26 30 retardation, and developmental disabilities services  
26 31 for the previous fiscal year on forms prescribed by  
26 32 the department of human services.

26 33 b. The county developed and implemented a county  
26 34 management plan for the county's mental health and  
26 35 mental retardation services in accordance with the  
26 36 provisions of this paragraph. The plan shall comply  
26 37 with the administrative rules adopted for this purpose  
26 38 by the council on human services and is subject to the  
26 39 approval of the director of human services in  
26 40 consultation with the state-county management  
26 41 committee created in section 331.438. The plan shall  
26 42 include a description of the county's service  
26 43 management provision for mental health, mental  
26 44 retardation, and developmental disabilities services.  
26 45 The plan shall have the following two parts:

26 46 (1) For mental health service management, the  
26 47 county must contract with a state-approved managed  
26 48 mental health care contractor or provide a comparable  
26 49 system of managed care. For the fiscal year beginning  
26 50 July 1, 1995, this part of the plan shall be  
27 1 implemented on or before October 15, 1995, after  
27 2 approval by the department of human services. For  
27 3 subsequent fiscal years, this part of the plan shall  
27 4 be submitted to the department by April 1 for the  
27 5 succeeding fiscal year.

27 6 (2) For mental retardation service management, the  
27 7 county shall implement a system of managed care within  
27 8 six months of the date by which the department of  
27 9 human services approves a managed care contractor.  
27 10 The county must either contract with a state-approved  
27 11 mental retardation managed contractor or provide a  
27 12 comparable system of managed care. In fiscal years  
27 13 succeeding the fiscal year of initial implementation,  
27 14 this part of the plan shall be submitted to the  
27 15 department of human services by April 1 for the  
27 16 succeeding fiscal year.

27 17 c. Changes to the approved plan are submitted  
27 18 sixty days prior to the proposed change and are not to  
27 19 be implemented prior to the director of human  
27 20 services' approval.

27 21 2. A county may provide assistance to service  
27 22 populations with disabilities to which the county has  
27 23 historically provided assistance but who are not  
27 24 included in the service management provisions required  
27 25 under subsection 1, subject to the availability of  
27 26 funding.

27 27 3. For the fiscal year beginning July 1, 1995, and  
27 28 succeeding fiscal years, implementation of the county  
27 29 management plan is subject to a fixed budget  
27 30 consisting of the moneys deposited by the state and  
27 31 county in the county mental health, mental  
27 32 retardation, and developmental disabilities services  
27 33 fund created in section 331.424A.

27 34 4. A county's implementation of the service  
27 35 management provisions required under subsection 1 for  
27 36 mental health and mental retardation shall incorporate  
27 37 the single entry point process described in section  
27 38 331.440.

27 39 5. The basis for determining whether a managed  
27 40 care system proposed by a county is comparable to a  
27 41 managed care contractor approved by the department of  
27 42 human services shall include but is not limited to all  
27 43 of the following elements:

- 27 44 a. The enrollment and eligibility process.
- 27 45 b. The scope of services included.

27 46 c. The method of plan administration.  
27 47 d. The process for managing utilization and access  
27 48 to services and other assistance.  
27 49 e. The quality assurance process.  
27 50 f. The risk management provisions and fiscal  
28 1 viability of the provisions.

28 2 6. The director's approval of a county's mental  
28 3 health, mental retardation, and developmental  
28 4 disabilities services management plan shall not be  
28 5 construed to constitute certification of the county's  
28 6 budget.

28 7 Sec. 51. NEW SECTION. 331.424A MENTAL HEALTH,  
28 8 MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES  
28 9 SERVICES FUND.

28 10 1. For the purposes of this chapter, unless the  
28 11 context otherwise requires, "services fund" means the  
28 12 county mental health, mental retardation, and  
28 13 developmental disabilities services fund created in  
28 14 subsection 2.

28 15 2. For the fiscal year beginning July 1, 1995, and  
28 16 succeeding fiscal years, county revenues from taxes  
28 17 and other sources designated for mental health, mental  
28 18 retardation, and developmental disabilities services  
28 19 shall be credited to the mental health, mental  
28 20 retardation, and developmental disabilities services  
28 21 fund of the county. The board shall make  
28 22 appropriations from the fund for payment of services  
28 23 provided under the county management plan approved  
28 24 pursuant to section 331.439.

28 25 3. For the fiscal year beginning July 1, 1995, and  
28 26 succeeding fiscal years, receipts from the state or  
28 27 federal government for such services shall be credited  
28 28 to the services fund, including moneys allotted to the  
28 29 county from the state payment made pursuant to section  
28 30 331.439 and moneys allotted to the county for property  
28 31 tax relief pursuant to section 331.438A.

28 32 4. For the fiscal year beginning July 1, 1995, and  
28 33 for each subsequent fiscal year, the county may  
28 34 certify a levy for payment of services. Unless  
28 35 otherwise provided by state law, for each fiscal year,  
28 36 county revenues from taxes imposed by the county  
28 37 credited to the services fund shall not exceed an  
28 38 amount equal to the amount of base year expenditures  
28 39 from property taxes imposed by the county and paid for  
28 40 services in the fiscal year beginning July 1, 1993,  
28 41 and ending June 30, 1994, as defined in section  
28 42 331.438, less the amount of property tax relief to be  
28 43 received pursuant to section 331.438A in the fiscal  
28 44 year for which the budget is certified.

28 45 5. Appropriations specifically authorized to be  
28 46 made from the mental health, mental retardation, and  
28 47 disabilities services fund shall not be made from the  
28 48 general fund of the county.

28 49 Sec. 52. Section [444.25A](#), subsection 1, Code 1995,  
28 50 is amended to read as follows:

29 1 1. COUNTY LIMITATION. The maximum amount of  
29 2 property tax dollars which may be certified by a  
29 3 county for taxes payable in the fiscal year beginning  
29 4 July 1, 1995, shall not exceed the amount of property  
29 5 tax dollars certified by the county for taxes payable  
29 6 in the fiscal year beginning July 1, 1994, minus the  
29 7 amount of the property tax relief payment to be  
29 8 received by the county for the fiscal year beginning  
29 9 July 1, 1995, pursuant to section 331.438A, subsection  
29 10 2, and the maximum amount of property tax dollars  
29 11 which may be certified by a county for taxes payable  
29 12 in the fiscal year beginning July 1, 1996, shall not

29 13 exceed the amount of property tax dollars certified by  
29 14 the county for taxes payable in the fiscal year  
29 15 beginning July 1, 1995, minus the difference between  
29 16 the amount of the property tax relief payment received  
29 17 by the county in the fiscal year beginning July 1,  
29 18 1995, and the amount of the property tax relief  
29 19 payment to be received by the county in the fiscal  
29 20 year beginning July 1, 1996, pursuant to section  
29 21 331.438A, subsection 2, for each of the levies for the  
29 22 following, except for the levies on the increase in  
29 23 taxable valuation due to new construction, additions  
29 24 or improvements to existing structures, remodeling of  
29 25 existing structures for which a building permit is  
29 26 required, annexation, and phasing out of tax  
29 27 exemptions, and on the increase in valuation of  
29 28 taxable property as a result of a comprehensive  
29 29 revaluation by a private appraiser under a contract  
29 30 entered into prior to January 1, 1992, or as a result  
29 31 of a comprehensive revaluation directed or authorized  
29 32 by the conference board prior to January 1, 1992, with  
29 33 documentation of the contract, authorization, or  
29 34 directive on the revaluation provided to the director  
29 35 of revenue and finance, if the levies are equal to or  
29 36 less than the levies for the previous year, levies on  
29 37 that portion of the taxable property located in an  
29 38 urban renewal project the tax revenues from which are  
29 39 no longer divided as provided in section 403.19,  
29 40 subsection 2, or as otherwise provided in this  
29 41 section:

29 42 a. General county services under section 331.422,  
29 43 subsection 1.

29 44 b. Rural county services under section 331.422,  
29 45 subsection 2.

29 46 c. Other taxes under section 331.422, subsection  
29 47 4.

29 48 Sec. 53. Section 444.25A, subsection 3, paragraph  
29 49 b, subparagraph (3), Code 1995, is amended to read as  
29 50 follows:

30 1 (3) Need for additional moneys for health care,  
30 2 treatment, and facilities, including

~~mental health and~~

30 3

~~mental retardation care and~~

~~treatment pursuant to~~

30 4 section 331.424, subsection 1, paragraphs "a"

~~through~~

30 5

~~"h"~~

~~and "b".~~

30 6 Sec. 54. NEW SECTION. 444.25B PROPERTY TAX  
30 7 LIMITATIONS FOR 1998 AND 1999 FISCAL YEARS.

30 8 1. COUNTY LIMITATION. The maximum amount of  
30 9 property tax dollars which may be certified by a  
30 10 county for taxes payable in the fiscal year beginning  
30 11 July 1, 1996, shall not exceed the amount of property  
30 12 tax dollars certified by the county for taxes payable  
30 13 in the fiscal year beginning July 1, 1996, minus the  
30 14 difference between the amount of the property tax  
30 15 relief payment received by the county in the fiscal  
30 16 year beginning July 1, 1996, and the amount of the  
30 17 property tax relief payment to be received by the

30 18 county in the fiscal year beginning July 1, 1997,  
30 19 pursuant to section 331.438A, subsection 2, and the  
30 20 maximum amount of property tax dollars which may be  
30 21 certified by a county for taxes payable in the fiscal  
30 22 year beginning July 1, 1998, shall not exceed the  
30 23 amount of property tax dollars certified by the county  
30 24 for taxes payable in the fiscal year beginning July 1,  
30 25 1997, minus the difference between the amount of the  
30 26 property tax relief payment received by the county in  
30 27 the fiscal year beginning July 1, 1997, and the amount  
30 28 of the property tax relief payment to be received by  
30 29 the county in the fiscal year beginning July 1, 1998,  
30 30 pursuant to section 331.438A, subsection 2, for each  
30 31 of the levies for the following, except for the levies  
30 32 on the increase in taxable valuation due to new  
30 33 construction, additions or improvements to existing  
30 34 structures, remodeling of existing structures for  
30 35 which a building permit is required, annexation, and  
30 36 phasing out of tax exemptions, and on the increase in  
30 37 valuation of taxable property as a result of a  
30 38 comprehensive revaluation by a private appraiser under  
30 39 a contract entered into prior to January 1, 1992, or  
30 40 as a result of a comprehensive revaluation directed or  
30 41 authorized by the conference board prior to January 1,  
30 42 1992, with documentation of the contract,  
30 43 authorization, or directive on the revaluation  
30 44 provided to the director of revenue and finance, if  
30 45 the levies are equal to or less than the levies for  
30 46 the previous year, levies on that portion of the  
30 47 taxable property located in an urban renewal project  
30 48 the tax revenues from which are no longer divided as  
30 49 provided in section 403.19, subsection 2, or as  
30 50 otherwise provided in this section:

31 1 a. General county services under section 331.422,  
31 2 subsection 1.

31 3 b. Rural county services under section 331.422,  
31 4 subsection 2.

31 5 c. Other taxes under section 331.422, subsection  
31 6 4.

31 7 2. EXCEPTIONS. The limitations provided in  
31 8 subsection 1 do not apply to the levies made for the  
31 9 following:

31 10 a. Debt service to be deposited into the debt  
31 11 service fund pursuant to section 331.430.

31 12 b. Taxes approved by a vote of the people which  
31 13 are payable during the fiscal year beginning July 1,  
31 14 1997, or July 1, 1998.

31 15 c. Hospitals pursuant to chapters 37, 347, and  
31 16 347A.

31 17 d. Emergency management to be deposited into the  
31 18 local emergency management fund and expended for  
31 19 development of hazardous substance teams pursuant to  
31 20 chapter 29C.

31 21 e. Unusual need for additional moneys to finance  
31 22 existing programs which would provide substantial  
31 23 benefit to county residents or compelling need to  
31 24 finance new programs which would provide substantial  
31 25 benefit to county residents. The increase in taxes  
31 26 levied under this exception for the fiscal year  
31 27 beginning July 1, 1997, is limited to no more than the  
31 28 product of the total tax dollars levied in the fiscal  
31 29 year beginning July 1, 1996, and the percent change,  
31 30 computed to two decimal places, in the price index for  
31 31 government purchases by type for state and local  
31 32 governments computed for the third quarter of calendar  
31 33 year 1996 from that computed for the third quarter of  
31 34 calendar year 1995. The increase in taxes levied

31 35 under this exception for the fiscal year beginning  
31 36 July 1, 1998, is limited to no more than the product  
31 37 of the total tax dollars levied in the fiscal year  
31 38 beginning July 1, 1997, and the percent change,  
31 39 computed to two decimal places, in the price index for  
31 40 government purchases by type for state and local  
31 41 governments computed for the third quarter of calendar  
31 42 year 1997 from that computed for the third quarter of  
31 43 calendar year 1996.

31 44 For purposes of this paragraph, the price index for  
31 45 government purchases by type for state and local  
31 46 governments is defined by the bureau of economic  
31 47 analysis of the United States department of commerce  
31 48 and published in table 7.11 of the national income and  
31 49 products accounts. For the fiscal years beginning  
31 50 July 1, 1997, and July 1, 1998, the price index used  
32 1 shall be the revision published in the November 1996  
32 2 and November 1997 issues, respectively, of the United  
32 3 States department of commerce publication, "survey of  
32 4 current business". For purposes of this paragraph,  
32 5 tax dollars levied in the fiscal years beginning July  
32 6 1, 1996, and July 1, 1997, shall not include funds  
32 7 levied for paragraphs "a", "b", and "c" of this  
32 8 subsection.

32 9 Application of this exception shall require an  
32 10 original publication of the budget and a public  
32 11 hearing and a second publication and a second hearing  
32 12 both in the manner and form prescribed by the director  
32 13 of the department of management, notwithstanding the  
32 14 provisions of section 331.434. The publications and  
32 15 hearings prescribed in this paragraph shall be held  
32 16 and the budget certified no later than March 15. The  
32 17 taxes levied for counties whose budgets are certified  
32 18 after March 15, 1997, shall be frozen at the fiscal  
32 19 year beginning July 1, 1996, level, and the taxes  
32 20 levied for counties whose budgets are certified after  
32 21 March 15, 1998, shall be frozen at the fiscal year  
32 22 beginning July 1, 1997, level.

32 23 3. APPEAL PROCEDURES. In lieu of the procedures  
32 24 in sections 24.48 and 331.426, which procedures do not  
32 25 apply for taxes payable in the fiscal years beginning  
32 26 July 1, 1997, and July 1, 1998, if a county needs to  
32 27 raise property tax dollars from a tax levy in excess  
32 28 of the limitations imposed by subsection 1, the  
32 29 following procedures apply:

32 30 a. Not later than March 1, and after the  
32 31 publication and public hearing on the budget in the  
32 32 manner and form prescribed by the director of the  
32 33 department of management, notwithstanding section  
32 34 331.434, the county shall petition the state appeal  
32 35 board for approval of a property tax increase in  
32 36 excess of the increase provided for in subsection 2,  
32 37 paragraph "e", on forms furnished by the director of  
32 38 the department of management. Applications received  
32 39 after March 1 shall be automatically ineligible for  
32 40 consideration by the board.

32 41 b. Additional costs incurred by the county due to  
32 42 any of the following circumstances shall be the basis  
32 43 for justifying the excess in property tax dollars:

32 44 (1) Natural disaster or other life-threatening  
32 45 emergencies.

32 46 (2) Unusual need for additional moneys to finance  
32 47 existing programs which would provide substantial  
32 48 benefit to county residents or compelling need to  
32 49 finance new programs which would provide substantial  
32 50 benefit to county residents.

33 1 (3) Need for additional moneys for health care,

33 2 treatment, and facilities, including mental health and  
33 3 mental retardation care and treatment pursuant to  
33 4 section 331.424, subsection 1, paragraphs "a" and "b".  
33 5 (4) Judgments, settlements, and related costs  
33 6 arising out of civil claims against the county and its  
33 7 officers, employees, and agents, as defined in chapter  
33 8 670.

33 9 c. The state appeal board shall approve,  
33 10 disapprove, or reduce the amount of excess property  
33 11 tax dollars requested. The board shall take into  
33 12 account the intent of this section to provide property  
33 13 tax relief. The decision of the board shall be  
33 14 rendered at a regular or special meeting of the board  
33 15 within twenty days of the board's receipt of an  
33 16 appeal.

33 17 d. Within seven days of receipt of the decision of  
33 18 the state appeal board, the county shall adopt and  
33 19 certify its budget under section 331.434, which budget  
33 20 may be protested as provided in section 331.436. The  
33 21 budget shall not contain an amount of property tax  
33 22 dollars in excess of the amount approved by the state  
33 23 appeal board.

33 24 4. Rate adjustment by county auditor. In addition  
33 25 to the requirement of the county auditor in section  
33 26 444.3 to establish a rate of tax which does not exceed  
33 27 the rate authorized by law, the county auditor shall  
33 28 also adjust the rate if the amount of property tax  
33 29 dollars to be raised is in excess of the amount  
33 30 specified in subsection 1, as may be adjusted pursuant  
33 31 to subsection 3.

33 32 Sec. 55. NEW SECTION. 444.25C PROPERTY TAX  
33 33 LIMITATIONS FOR 2000 AND 2001 FISCAL YEARS.

33 34 1. COUNTY LIMITATION. The maximum amount of  
33 35 property tax dollars which may be certified by a  
33 36 county for taxes payable in the fiscal year beginning  
33 37 July 1, 1999, shall not exceed the amount of property  
33 38 tax dollars certified by the county for taxes payable  
33 39 in the fiscal year beginning July 1, 1998, minus the  
33 40 difference between the amount of the property tax  
33 41 relief payment received by the county in the fiscal  
33 42 year beginning July 1, 1998, and the amount of the  
33 43 property tax relief payment to be received by the  
33 44 county in the fiscal year beginning July 1, 1999,  
33 45 pursuant to section 331.438A, subsection 2, and the  
33 46 maximum amount of property tax dollars which may be  
33 47 certified by a county for taxes payable in the fiscal  
33 48 year beginning July 1, 2000, shall not exceed the  
33 49 amount of property tax dollars certified by the county  
33 50 for taxes payable in the fiscal year beginning July 1,  
34 1 1999, minus the difference between the amount of the  
34 2 property tax relief payment received by the county in  
34 3 the fiscal year beginning July 1, 1999, and the amount  
34 4 of the property tax relief payment to be received by  
34 5 the county in the fiscal year beginning July 1, 2000,  
34 6 pursuant to section 331.438A, subsection 2, for each  
34 7 of the levies for the following, except for the levies  
34 8 on the increase in taxable valuation due to new  
34 9 construction, additions or improvements to existing  
34 10 structures, remodeling of existing structures for  
34 11 which a building permit is required, annexation, and  
34 12 phasing out of tax exemptions, and on the increase in  
34 13 valuation of taxable property as a result of a  
34 14 comprehensive revaluation by a private appraiser under  
34 15 a contract entered into prior to January 1, 1992, or  
34 16 as a result of a comprehensive revaluation directed or  
34 17 authorized by the conference board prior to January 1,  
34 18 1992, with documentation of the contract,

34 19 authorization, or directive on the revaluation  
34 20 provided to the director of revenue and finance, if  
34 21 the levies are equal to or less than the levies for  
34 22 the previous year, levies on that portion of the  
34 23 taxable property located in an urban renewal project  
34 24 the tax revenues from which are no longer divided as  
34 25 provided in section 403.19, subsection 2, or as  
34 26 otherwise provided in this section:

34 27 a. General county services under section 331.422,  
34 28 subsection 1.  
34 29 b. Rural county services under section 331.422,  
34 30 subsection 2.  
34 31 c. Other taxes under section 331.422, subsection  
34 32 4.

34 33 2. EXCEPTIONS. The limitations provided in  
34 34 subsection 1 do not apply to the levies made for the  
34 35 following:

34 36 a. Debt service to be deposited into the debt  
34 37 service fund pursuant to section 331.430.  
34 38 b. Taxes approved by a vote of the people which  
34 39 are payable during the fiscal year beginning July 1,  
34 40 1999, or July 1, 2000.  
34 41 c. Hospitals pursuant to chapters 37, 347, and  
34 42 347A.  
34 43 d. Emergency management to be deposited into the  
34 44 local emergency management fund and expended for  
34 45 development of hazardous substance teams pursuant to  
34 46 chapter 29C.  
34 47 e. Unusual need for additional moneys to finance  
34 48 existing programs which would provide substantial  
34 49 benefit to county residents or compelling need to  
34 50 finance new programs which would provide substantial  
35 1 benefit to county residents. The increase in taxes  
35 2 levied under this exception for the fiscal year  
35 3 beginning July 1, 1999, is limited to no more than the  
35 4 product of the total tax dollars levied in the fiscal  
35 5 year beginning July 1, 1998, and the percent change,  
35 6 computed to two decimal places, in the price index for  
35 7 government purchases by type for state and local  
35 8 governments computed for the third quarter of calendar  
35 9 year 1998 from that computed for the third quarter of  
35 10 calendar year 1997. The increase in taxes levied  
35 11 under this exception for the fiscal year beginning  
35 12 July 1, 2000, is limited to no more than the product  
35 13 of the total tax dollars levied in the fiscal year  
35 14 beginning July 1, 1999, and the percent change,  
35 15 computed to two decimal places, in the price index for  
35 16 government purchases by type for state and local  
35 17 governments computed for the third quarter of calendar  
35 18 year 1999 from that computed for the third quarter of  
35 19 calendar year 1998.

35 20 For purposes of this paragraph, the price index for  
35 21 government purchases by type for state and local  
35 22 governments is defined by the bureau of economic  
35 23 analysis of the United States department of commerce  
35 24 and published in table 7.11 of the national income and  
35 25 products accounts. For the fiscal years beginning  
35 26 July 1, 1999, and July 1, 2000, the price index used  
35 27 shall be the revision published in the November 1998  
35 28 and November 1999 issues, respectively, of the United  
35 29 States department of commerce publication, "survey of  
35 30 current business". For purposes of this paragraph,  
35 31 tax dollars levied in the fiscal years beginning July  
35 32 1, 1998, and July 1, 1999, shall not include funds  
35 33 levied for paragraphs "a", "b", and "c" of this  
35 34 subsection.

35 35 Application of this exception shall require an

35 36 original publication of the budget and a public  
35 37 hearing and a second publication and a second hearing  
35 38 both in the manner and form prescribed by the director  
35 39 of the department of management, notwithstanding the  
35 40 provisions of section 331.434. The publications and  
35 41 hearings prescribed in this paragraph shall be held  
35 42 and the budget certified no later than March 15. The  
35 43 taxes levied for counties whose budgets are certified  
35 44 after March 15, 1999, shall be frozen at the fiscal  
35 45 year beginning July 1, 1998, level, and the taxes  
35 46 levied for counties whose budgets are certified after  
35 47 March 15, 2000, shall be frozen at the fiscal year  
35 48 beginning July 1, 1999, level.

35 49 3. APPEAL PROCEDURES. In lieu of the procedures  
35 50 in sections 24.48 and 331.426, which procedures do not  
36 1 apply for taxes payable in the fiscal years beginning  
36 2 July 1, 1999, and July 1, 2000, if a county needs to  
36 3 raise property tax dollars from a tax levy in excess  
36 4 of the limitations imposed by subsection 1, the  
36 5 following procedures apply:

36 6 a. Not later than March 1, and after the  
36 7 publication and public hearing on the budget in the  
36 8 manner and form prescribed by the director of the  
36 9 department of management, notwithstanding section  
36 10 331.434, the county shall petition the state appeal  
36 11 board for approval of a property tax increase in  
36 12 excess of the increase provided for in subsection 2,  
36 13 paragraph "e", on forms furnished by the director of  
36 14 the department of management. Applications received  
36 15 after March 1 shall be automatically ineligible for  
36 16 consideration by the board.

36 17 b. Additional costs incurred by the county due to  
36 18 any of the following circumstances shall be the basis  
36 19 for justifying the excess in property tax dollars:

36 20 (1) Natural disaster or other life-threatening  
36 21 emergencies.

36 22 (2) Unusual need for additional moneys to finance  
36 23 existing programs which would provide substantial  
36 24 benefit to county residents or compelling need to  
36 25 finance new programs which would provide substantial  
36 26 benefit to county residents.

36 27 (3) Need for additional moneys for health care,  
36 28 treatment, and facilities, including mental health and  
36 29 mental retardation care and treatment pursuant to  
36 30 section 331.424, subsection 1, paragraphs "a" and "b".

36 31 (4) Judgments, settlements, and related costs  
36 32 arising out of civil claims against the county and its  
36 33 officers, employees, and agents, as defined in chapter  
36 34 670.

36 35 c. The state appeal board shall approve,  
36 36 disapprove, or reduce the amount of excess property  
36 37 tax dollars requested. The board shall take into  
36 38 account the intent of this section to provide property  
36 39 tax relief. The decision of the board shall be  
36 40 rendered at a regular or special meeting of the board  
36 41 within twenty days of the board's receipt of an  
36 42 appeal.

36 43 d. Within seven days of receipt of the decision of  
36 44 the state appeal board, the county shall adopt and  
36 45 certify its budget under section 331.434, which budget  
36 46 may be protested as provided in section 331.436. The  
36 47 budget shall not contain an amount of property tax  
36 48 dollars in excess of the amount approved by the state  
36 49 appeal board.

36 50 4. Rate adjustment by county auditor. In addition  
37 1 to the requirement of the county auditor in section  
37 2 444.3 to establish a rate of tax which does not exceed

37 3 the rate authorized by law, the county auditor shall  
37 4 also adjust the rate if the amount of property tax  
37 5 dollars to be raised is in excess of the amount  
37 6 specified in subsection 1, as may be adjusted pursuant  
37 7 to subsection 3.

37 8 Sec. 56. Section [445.23](#), Code 1995, is amended to  
37 9 read as follows:

37 10 445.23 STATEMENT OF TAXES DUE.

37 11 1.

~~Upon request, the~~

- The county treasurer shall

37 12 state in writing the full amount of taxes against a  
37 13 parcel, all sales for unpaid taxes, and the amount  
37 14 needed to redeem the parcel, if redeemable. If the  
37 15 person requesting the statement is not the titleholder  
37 16 of record or contract holder of record of the parcel,  
37 17 that person shall pay a fee at the rate of two dollars  
37 18 per parcel for each year for which information is  
37 19 requested, and the money shall be deposited in the  
37 20 county general fund.

37 21 2. The county treasurer shall include in a  
37 22 prominent place on the tax statement the amount of  
37 23 each of the following state tax credits that apply to  
37 24 the parcel and amount by which each credit reduced the  
37 25 taxes due on the parcel:

37 26 a. Homestead credit under chapter 425.

37 27 b. Military service credit under chapter 426A.

37 28 c. Extraordinary credit under chapter 425.

37 29 d. Mental health, mental retardation, and de-  
37 30 velopmental disabilities property tax relief under  
37 31 section 331.438A.

37 32 e. Farm tax credit under chapter 426.

37 33 Sec. 57. REPEAL. 1994 Iowa Acts, chapter 1163,  
37 34 section 8, is repealed.

37 35 Sec. 58. INTERIM COMMITTEE CREATED. The  
37 36 legislative council is requested to establish an  
37 37 interim committee comprised of members of the general  
37 38 assembly with the charge of developing a system to  
37 39 regulate and contain county expenditures for mental  
37 40 health, mental retardation, and developmental  
37 41 disabilities and to develop a formula for distribution  
37 42 of property tax relief moneys to counties under  
37 43 section 331.438A, subsection 2. The committee should  
37 44 be directed to report to the governor and the general  
37 45 assembly prior to the 1996 legislative session.

37 46 Sec. 59. EFFECTIVE DATE. This division of this  
37 47 Act, being deemed of immediate importance, takes  
37 48 effect upon enactment."

37 49 #2. Title page, by striking lines 1 through 4 and  
37 50 inserting the following: "An Act relating to income  
38 1 tax relief, property tax relief, machinery and  
38 2 equipment phase-in exemption, reimbursement, mental  
38 3 health, and providing effective dates."

38 4

38 5

38 6

38 7 COMMITTEE ON [WAYS AND MEANS](#)

38 8 HALVORSON of Clayton, Chairperson

38 9 [SF 69](#).308 76

38 10 mg/cf