

Senate Amendment 3082

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					
		1995	1996	1997	1998	1999 and subsequent years
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 422.8, subsection 2, Code 1995,
6 6 is amended to read as follows:

6 7 2. a. Nonresident's net income allocated to Iowa
6 8 is the net income, or portion thereof, which is
6 9 derived from a business, trade, profession, or
6 10 occupation carried on within this state or income from
6 11 any property, trust, estate, or other source within
6 12 Iowa. However, income derived from a business, trade,
6 13 profession, or occupation carried on within this state
6 14 and income from any property, trust, estate, or other
6 15 source within Iowa shall not include distributions
6 16 from pensions, including defined benefit or defined
6 17 contribution plans, annuities, individual retirement
6 18 accounts, and deferred compensation plans or any
6 19 earnings attributable thereto so long as the
6 20 distribution is directly related to an individual's
6 21 documented retirement and received while the
6 22 individual is a nonresident of this state. If a
6 23 business, trade, profession, or occupation is carried
6 24 on partly within and partly without the state, only
6 25 the portion of the net income which is fairly and
6 26 equitably attributable to that part of the business,
6 27 trade, profession, or occupation carried on within the
6 28 state is allocated to Iowa for purposes of section
6 29 422.5, subsection 1, paragraph "j", and section 422.13
6 30 and income from any property, trust, estate, or other
6 31 source partly within and partly without the state is
6 32 allocated to Iowa in the same manner, except that
6 33 annuities, interest on bank deposits and interest-
6 34 bearing obligations, and dividends are allocated to
6 35 Iowa only to the extent to which they are derived from
6 36 a business, trade, profession, or occupation carried
6 37 on within the state.

6 38 b. A resident's income allocable to Iowa is the
6 39 income determined under section 422.7 reduced by items
6 40 of income and expenses from a subchapter S corporation
6 41 which pass directly to the shareholders under
6 42 provisions of the Internal Revenue Code and increased
6 43 by the greater of the following:

6 44 (1) The net income or loss of the corporation
6 45 which is fairly and equitably attributable to this

6 46 state under section 422.33, subsections 2 and 3.
6 47 (2) The taxpayer's pro rata share of an amount
6 48 deemed distributed to shareholders which when added to
6 49 the salaries, wages, or other compensation for
6 50 services performed by all shareholders will equal ten
7 1 percent of the net income of the corporation computed
7 2 in accordance with section 422.35 and considering
7 3 items of income and expense which pass directly to the
7 4 shareholders under provisions of the Internal Revenue
7 5 Code before deduction of shareholder's salaries,
7 6 wages, or other compensation for services performed.

7 7 (3) Any cash or the value of any property
7 8 distributions made to the extent they are paid from
7 9 income upon which Iowa income tax has not been paid as
7 10 determined under rules of the director.

7 11 Sec. 13. Section [422.8](#), Code 1995, is amended by
7 12 adding the following new subsection:

7 13 **NEW SUBSECTION.** 6. If the resident or part year
7 14 resident is a shareholder of a corporation which has
7 15 in effect an election under subchapter S of the
7 16 Internal Revenue Code, subsections 1 and 3 do not
7 17 apply to any income taxes paid to another state or
7 18 foreign country on the income from the corporation
7 19 which has in effect an election under subchapter S of
7 20 the Internal Revenue Code.

7 21 Sec. 14. This division of this Act, being deemed
7 22 of immediate importance, takes effect upon enactment
7 23 and applies retroactively to January 1, 1995, for tax
7 24 years beginning on or after that date.

7 25 DIVISION III

7 26 MACHINERY AND EQUIPMENT

7 27 EXEMPTION AND REPLACEMENT FUNDS

7 28 Sec. 15. Section [427B.17](#), Code 1995, is amended by
7 29 striking the section and inserting in lieu thereof the
7 30 following:

7 31 **427B.17 PROPERTY SUBJECT TO SPECIAL VALUATION.**

7 32 1. Property defined in section 427A.1, subsection
7 33 1, paragraphs "e" and "j", shall be valued by the
7 34 local assessor as follows:

7 35 a. For the assessment year beginning January 1,
7 36 1995, at twenty-six percent of the net acquisition
7 37 cost.

7 38 b. For the assessment year beginning January 1,
7 39 1996, at twenty-two percent of the net acquisition
7 40 cost.

7 41 c. For the assessment year beginning January 1,
7 42 1997, at eighteen percent of the net acquisition cost.

7 43 d. For the assessment year beginning January 1,
7 44 1998, at fourteen percent of the net acquisition cost.

7 45 e. For the assessment year beginning January 1,
7 46 1999, at ten percent of the net acquisition cost.

7 47 f. For the assessment year beginning January 1,
7 48 2000, at six percent of the net acquisition cost.

7 49 g. For the assessment year beginning January 1,
7 50 2001, and all subsequent assessment years, at zero
8 1 percent of the net acquisition cost.

8 2 2. For purposes of this section:

8 3 a. Property assessed by the department of revenue
8 4 and finance pursuant to sections 428.24 to 428.29, or
8 5 chapters 433, 434, and 436 to 438 shall not receive
8 6 the benefits of this section.

8 7 Any electric power generating plant which operated
8 8 during the preceding assessment year at a net capacity
8 9 factor of more than twenty percent, shall not receive
8 10 the benefits of this section. For purposes of this
8 11 section, "electric power generating plant" means any
8 12 name plate rated electric power generating plant, in

8 13 which electric energy is produced from other forms of
8 14 energy, including all taxable land, buildings, and
8 15 equipment used in the production of such energy. "Net
8 16 capacity factor" means net actual generation divided
8 17 by the product of net maximum capacity times the
8 18 number of hours the unit was in the active state
8 19 during the assessment year. Upon commissioning, a
8 20 unit is in the active state until it is de-
8 21 commissioned. "Net actual generation" means net
8 22 electrical megawatt hours produced by the unit during
8 23 the preceding assessment year. "Net maximum capacity"
8 24 means the capacity the unit can sustain over a
8 25 specified period when not restricted by ambient
8 26 conditions or equipment deratings, minus the losses
8 27 associated with station service or auxiliary loads.

8 28 b. The net acquisition cost of property acquired
8 29 before January 1, 1995, which was owned or used by a
8 30 related person shall be the net acquisition cost of
8 31 the transferor of the property.

8 32 c. "Related person" means a person who owns or
8 33 controls the taxpayer's business and another business
8 34 entity from which property is acquired or leased or to
8 35 which property is sold or leased. Business entities
8 36 are owned or controlled by the same person if the same
8 37 person directly or indirectly owns or controls fifty
8 38 percent or more of the assets or any class of stock or
8 39 who directly or indirectly has an interest of fifty
8 40 percent or more in the ownership or profits.

8 41 d. "Net acquisition cost" means the acquired cost
8 42 of the property, including all foundations and
8 43 installation cost less any excess cost adjustment.

8 44 3. Property assessed pursuant to this section
8 45 shall not be eligible to receive a partial exemption
8 46 under sections 427B.1 to 427B.6.

8 47 4. The taxpayer's valuation of property defined in
8 48 section 427A.1, subsection 1, paragraphs "e" and "j",
8 49 and located in an urban renewal area for which an
8 50 urban renewal plan provides for the division of taxes
9 1 as provided in section 403.19 to pay the principal and
9 2 interest on loans, advances, bonds issued under the
9 3 authority of section 403.9, subsection 1, or
9 4 indebtedness incurred by a city or county to finance
9 5 an urban renewal project within the urban renewal
9 6 area, if such loans, advances, or bonds were issued or
9 7 indebtedness incurred, on or after January 1, 1982,
9 8 and on or before June 30, 1995, shall be limited to
9 9 thirty percent of the net acquisition cost of the
9 10 property. Such property located in an urban renewal
9 11 area shall not be valued pursuant to subsection 1
9 12 until the assessment year following the calendar year
9 13 in which the obligations created by any loans,
9 14 advances, bonds, or indebtedness payable from the
9 15 division of taxes as provided in section 403.19 have
9 16 been retired. The taxpayer's valuation for such
9 17 property shall then be the valuation specified in
9 18 subsection 1 for the applicable assessment year. If
9 19 the loans, advances, or bonds issued, or indebtedness
9 20 incurred between January 1, 1982, and June 30, 1995,
9 21 are refinanced or refunded after June 30, 1995, the
9 22 valuation of such property shall then be the valuation
9 23 specified in subsection 1 for the applicable
9 24 assessment year beginning with the assessment year
9 25 following the calendar year in which any of those
9 26 loans, advances, bonds, or other indebtedness are
9 27 refinanced or refunded after June 30, 1995.

9 28 5. For the purpose of dividing taxes under section
9 29 260E.4 or 260F.4, the employer's or business's

9 30 valuation of property defined in section 427A.1,
9 31 subsection 1, paragraphs "e" and "j", and used to fund
9 32 a new jobs training project which project's first
9 33 written agreement providing for a division of taxes as
9 34 provided in section 403.19, is approved on or before
9 35 June 30, 1995, shall be limited to thirty percent of
9 36 the net acquisition cost of the property. An
9 37 employer's or business's taxable property used to fund
9 38 a new jobs training project shall not be valued
9 39 pursuant to subsection 1 until the assessment year
9 40 following the calendar year in which the certificates
9 41 or other funding obligations have been retired or
9 42 escrowed. The taxpayer's valuation for such property
9 43 shall then be the valuation specified in subsection 1
9 44 for the applicable assessment year. If the
9 45 certificates issued, or other funding obligations
9 46 incurred, between January 1, 1982, and June 30, 1995,
9 47 are refinanced or refunded after June 30, 1995, the
9 48 valuation of such property shall then be the valuation
9 49 specified in subsection 1 for the applicable
9 50 assessment year beginning with the assessment year
10 1 following the calendar year in which those
10 2 certificates or other funding obligations are
10 3 refinanced or refunded after June 30, 1995.

10 4 Sec. 16. NEW SECTION. 427B.18 ASSESSOR AND
10 5 COUNTY AUDITOR DUTIES.

10 6 1. On or before July 1 of each year, the assessor
10 7 shall determine the taxpayer's valuation of the
10 8 property specified in section 427B.17 for that year
10 9 and the valuation of the property if the property were
10 10 valued, for assessment purposes, at thirty percent of
10 11 net acquisition cost and shall report the valuations
10 12 to the county auditor.

10 13 2. On or before July 1, 1996, and on or before
10 14 July 1 of each subsequent year, the county auditor
10 15 shall prepare a statement listing for each taxing
10 16 district in the county:

10 17 a. Beginning with the assessment year beginning
10 18 January 1, 1995, the difference between the assessed
10 19 valuation of property defined in section 427A.1,
10 20 subsection 1, paragraphs "e" and "j", and assessed
10 21 pursuant to section 427B.17 and the valuation of the
10 22 property if the property were valued, for assessment
10 23 purposes, at thirty percent of net acquisition cost.

10 24 b. The tax levy rate for each taxing district
10 25 levied against assessments made as of January 1 of the
10 26 previous year.

10 27 c. The industrial machinery, equipment and
10 28 computers tax replacement claim for each taxing
10 29 district, which is equal to the amount determined
10 30 pursuant to paragraph "a", multiplied by the tax rate
10 31 specified in paragraph "b".

10 32 3. The county auditor shall certify and forward
10 33 one copy of the statement to the department of revenue
10 34 and finance not later than July 1 of each year.

10 35 Sec. 17. NEW SECTION. 427B.19 REPLACEMENT.

10 36 Each county treasurer shall be paid an amount equal
10 37 to the following percentages of the industrial
10 38 machinery, equipment and computers tax replacement
10 39 claim for that county determined pursuant to section
10 40 427B.18, subsection 2:

10 41 1. For the fiscal year beginning July 1, 1996,
10 42 ninety percent.

10 43 2. For the fiscal year beginning July 1, 1997,
10 44 seventy-five percent.

10 45 3. For the fiscal year beginning July 1, 1998,
10 46 sixty percent.

10 47 4. For the fiscal year beginning July 1, 1999,
10 48 forty-five percent.

10 49 5. For the fiscal year beginning July 1, 2000,
10 50 thirty percent.

11 1 6. For the fiscal year beginning July 1, 2001,
11 2 twenty percent.

11 3 7. For the fiscal year beginning July 1, 2002,
11 4 twenty percent.

11 5 8. For the fiscal year beginning July 1, 2003,
11 6 twenty percent.

11 7 9. For the fiscal year beginning July 1, 2004,
11 8 fifteen percent.

11 9 10. For the fiscal year beginning July 1, 2005,
11 10 ten percent.

11 11 Sec. 18. NEW SECTION. 427B.19A FUND CREATED.

11 12 1. The industrial machinery, equipment and
11 13 computers property tax replacement fund is created.
11 14 There is appropriated annually from the general fund
11 15 of the state to the department of revenue and finance
11 16 to be credited to the industrial machinery, equipment
11 17 and computers property tax replacement fund, the
11 18 amounts specified in section 427B.19B.

11 19 2. Each county treasurer shall be paid from the
11 20 fund created in this section the amount calculated
11 21 pursuant to section 427B.19. The payment shall be
11 22 made in two equal installments on or before September
11 23 30 and March 30 of each year. The county treasurer
11 24 shall apportion the payment in the manner provided in
11 25 section 445.57.

11 26 3. If an amount appropriated in section 427B.19B
11 27 for a fiscal year is insufficient to pay all claims
11 28 according to the replacement schedule in section
11 29 427B.19, the director shall prorate the disbursements
11 30 from the fund to the county treasurers and shall
11 31 notify the county auditors of the pro rata percentage
11 32 on or before August 1. If an amount appropriated in
11 33 section 427B.19B for a fiscal year is in excess of the
11 34 amount necessary to pay all claims according to the
11 35 replacement schedule in section 427B.19, the director
11 36 shall prorate the disbursements from the fund to the
11 37 county treasurers, notwithstanding the amount
11 38 calculated pursuant to section 427B.19, and shall
11 39 notify the county auditors of the pro rata percentage
11 40 on or before August 1.

11 41 4. The replacement amount paid to each school
11 42 district shall be regarded as property tax for the
11 43 purposes of the school foundation property tax levy in
11 44 section 257.3 and the additional property tax levy in
11 45 section 257.4. The department of management shall
11 46 annually make the adjustments necessary to implement
11 47 this subsection.

11 48 Sec. 19. NEW SECTION. 427B.19B APPROPRIATION.

11 49 There is appropriated in each of the following
11 50 fiscal years from the general fund of the state to the
12 1 industrial machinery, equipment and computers property
12 2 tax replacement fund the following amounts:

12 3 1. For the fiscal year beginning July 1, 1996,
12 4 eight million, one hundred thousand dollars.

12 5 2. For the fiscal year beginning July 1, 1997,
12 6 fifteen million, two hundred thousand dollars.

12 7 3. For the fiscal year beginning July 1, 1998,
12 8 twenty-one million, one hundred thousand dollars.

12 9 4. For the fiscal year beginning July 1, 1999,
12 10 twenty-three million, four hundred thousand dollars.

12 11 5. For the fiscal year beginning July 1, 2000,
12 12 twenty-one million, one hundred thousand dollars.

12 13 6. For the fiscal year beginning July 1, 2001,

12 14 eighteen million, one hundred thousand dollars.
12 15 7. For the fiscal year beginning July 1, 2002,
12 16 twenty-four million dollars.
12 17 8. For the fiscal year beginning July 1, 2003,
12 18 twenty-five million, six hundred thousand dollars.
12 19 9. For the fiscal year beginning July 1, 2004,
12 20 twenty million, four hundred thousand dollars.
12 21 10. For the fiscal year beginning July 1, 2005,
12 22 fourteen million, five hundred thousand dollars.
12 23 Sec. 20. NEW SECTION. 427B.19C PHASEOUT OF TAX.
12 24 Effective on July 1, 2002, all property taxes on
12 25 property defined in section 427A.1, subsection 1,
12 26 paragraphs "e" and "j", are repealed. For assessment
12 27 years beginning on or after January 1, 2005, such
12 28 property shall not be listed or assessed. This
12 29 section shall prevail over all inconsistent statutes.
12 30 Sec. 21. NEW SECTION. 427B.19D GUARANTEE OF
12 31 STATE REPLACEMENT FUNDS.
12 32 If for any reason an appropriation specified in
12 33 section 427B.19B is not made or the appropriation made
12 34 is less than that specified in section 427B.19B for
12 35 the applicable fiscal year, the director of revenue
12 36 and finance shall compute for each county the
12 37 difference between the total of all replacement claims
12 38 for taxing districts within the county and the amount
12 39 paid to the county treasurer for disbursement to the
12 40 taxing districts in the county. The department shall
12 41 divide that difference by the consolidated tax levy
12 42 rate in each county computed for the fiscal year in
12 43 which the specified appropriation should have been
12 44 made and shall certify the amount of taxable value
12 45 necessary to raise the difference at that tax rate.
12 46 The department shall notify the local assessor of such
12 47 amount of taxable value. The assessor, for the
12 48 assessment year beginning January 1 preceding the
12 49 fiscal year for which the specified appropriation was
12 50 not made, shall reassess all taxable property
13 1 described in section 427B.17 in the county at a
13 2 percentage of net acquisition cost which will yield
13 3 such taxable value and the property shall be assessed
13 4 and taxed in such manner for taxes due and payable in
13 5 the following fiscal year in addition to being
13 6 assessed and taxed in the applicable manner under
13 7 section 427B.17. Property tax dollar amounts
13 8 certified pursuant to this section shall not be
13 9 considered property tax dollars certified for purposes
13 10 of the property tax limitation in chapter 444.
13 11 Sec. 22. NEW SECTION. 427B.19E INDUSTRIAL
13 12 MACHINERY, EQUIPMENT AND COMPUTERS RELIEF FUND.
13 13 1. The industrial machinery, equipment and
13 14 computers relief fund is created. There is
13 15 appropriated annually from the general fund of the
13 16 state to the department of revenue and finance to be
13 17 credited to the relief fund, the following amounts:
13 18 a. For the fiscal year beginning July 1, 1996, one
13 19 million, nine hundred thousand dollars.
13 20 b. For the fiscal year beginning July 1, 1997, one
13 21 million, eight hundred thousand dollars.
13 22 c. For the fiscal year beginning July 1, 1998, one
13 23 million, nine hundred thousand dollars.
13 24 Moneys in the fund at the end of a fiscal year
13 25 shall not revert to the general fund of the state,
13 26 notwithstanding section 8.33.
13 27 2. a. The purpose of the industrial machinery,
13 28 equipment and computers relief fund is to provide
13 29 funds to those taxing districts in which an increase
13 30 in property tax revenue has not been realized as a

13 31 result of the elimination of the property tax on
13 32 property assessed pursuant to section 427B.17.
13 33 Beginning with the fiscal year beginning July 1, 1996,
13 34 a taxing district may apply for funds under this
13 35 section by filing an application with the director of
13 36 the department of management not later than March 1
13 37 preceding the fiscal year in which the funds will be
13 38 distributed. The state appeal board shall approve,
13 39 disapprove, or reduce the amount of funds requested by
13 40 the taxing district.

13 41 b. On forms provided by the department of
13 42 management, the taxing district shall request an
13 43 amount not exceeding the product of the decrease in
13 44 assessed valuation for the fiscal year for which the
13 45 application is filed compared to the assessed
13 46 valuation in the previous fiscal year, as determined
13 47 pursuant to subsection 3, and the property tax rate
13 48 applied in the previous fiscal year, less any property
13 49 tax replacement funds received pursuant to section
13 50 427B.19A in the previous fiscal year. The taxing
14 1 district shall also submit with the application the
14 2 district's plan to improve its future budget position.

14 3 c. Claims approved by the state appeal board shall
14 4 be paid to the taxing district by October 1 following
14 5 submission of the application for funds.

14 6 3. To be eligible to receive funds under this
14 7 section, a taxing district must show that there has
14 8 been a decrease of more than three percent in the
14 9 assessed valuation for taxes payable in the fiscal
14 10 year for which the application is submitted compared
14 11 to the assessed valuation for taxes payable in the
14 12 previous fiscal year, which decrease is attributable
14 13 to the elimination of the property tax on industrial
14 14 machinery, equipment and computers pursuant to section
14 15 427B.17. The taxing district, to be eligible for
14 16 funds, must also show that the district has exhausted
14 17 all other lawful alternatives for improving the
14 18 district's budget position.

14 19 4. If the amount appropriated in this section is
14 20 insufficient to pay all applications approved, the
14 21 director of revenue and finance shall prorate the
14 22 disbursements from the relief fund and shall report
14 23 the amount of the shortfall to the director of the
14 24 department of management. By January 1 of the
14 25 following year, the director of the department of
14 26 management shall submit to the general assembly a plan
14 27 for the funding of approved applications that were not
14 28 fully funded in that fiscal year.

14 29 5. Amounts received pursuant to this section shall
14 30 not be considered property tax dollars certified for
14 31 purposes of the property tax limitation in chapter
14 32 444.

14 33 6. The department of revenue and finance and the
14 34 department of management shall adopt rules necessary
14 35 to implement this section.

14 36 DIVISION IV
14 37 PROPERTY TAX CREDITS

14 38 Sec. 23. Section [8.59](#), Code 1995, is amended to
14 39 read as follows:

14 40 8.59 APPROPRIATIONS FREEZE.

14 41 Notwithstanding contrary provisions of the Code,
14 42 the amounts appropriated under the applicable sections
14 43 of the Code for fiscal years commencing on or after
14 44 July 1, 1993, are limited to those amounts expended
14 45 under those sections for the fiscal year commencing
14 46 July 1, 1992. If an applicable section appropriates
14 47 moneys to be distributed to different recipients and

14 48 the operation of this section reduces the total amount
14 49 to be distributed under the applicable section, the
14 50 moneys shall be prorated among the recipients. As
15 1 used in this section, "applicable sections" means the
15 2 following sections: 53.50, 229.35, 230.8, 230.11,
15 3

~~405A.8,~~
- 411.20,

~~425.1, 425.39, 426A.1,~~
- 663.44, and

15 4 822.5.

15 5 Sec. 24. Section [405A.8](#), subsection 1, Code 1995,
15 6 is amended to read as follows:

15 7 1. a. There are appropriated from the general
15 8 fund of the state to the department of revenue and
15 9 finance the following sums to carry out the provisions
15 10 of this chapter: For the fiscal year beginning July
15 11 1, 1988, and each subsequent fiscal year ending before
15 12 July 1, 1995, sixty-seven million seven hundred
15 13 thirty-seven thousand dollars. For the fiscal year
15 14 beginning July 1, 1995, and each subsequent fiscal
15 15 year, sixty-five million one hundred thousand dollars
15 16 of which eight million eight hundred thousand dollars
15 17 shall be allocated as provided in paragraph "b".

15 18 b. Beginning with the fiscal year beginning July
15 19 1, 1995, of the appropriations made in paragraph "a,"
15 20 eight million eight hundred thousand dollars for each
15 21 fiscal year shall be allocated with sixty percent to
15 22 be allocated to cities and forty percent to counties
15 23 from which the franchise taxes were collected under
15 24 chapter 422, division V. The amount to each city or
15 25 county shall be based upon the amount of tax the
15 26 financial institution located in the city or county
15 27 pays in franchise tax. If the financial institution
15 28 maintains one or more offices for the transaction of
15 29 business, other than its principal office, a portion
15 30 of its franchise tax shall be allocated to each
15 31 office, based upon a reasonable measure of the
15 32 business activity of each office. The director of
15 33 revenue and finance shall prescribe, for each type of
15 34 financial institution, a method of measuring the
15 35 business activity of each office. Financial
15 36 institutions shall furnish all necessary information
15 37 for this purpose at the request of the director.

15 38 Sec. 25. Section [422.65](#), Code 1995, is amended by
15 39 striking the section and inserting in lieu thereof the
15 40 following:

15 41 422.65 DEPOSIT OF REVENUE.

15 42 All moneys received from the franchise tax on or
15 43 after July 1, 1995, shall be deposited into the
15 44 general fund of the state.

15 45 Sec. 26. Section [425.1](#), subsection 1, Code 1995,
15 46 is amended to read as follows:

15 47 1. A homestead credit fund is created. There is
15 48 appropriated annually from the general fund of the
15 49 state to the department of revenue and finance to be
15 50 credited to the homestead credit fund, an amount

16 1

~~sufficient to implement this chapter~~
- equal to one

16 2 million dollars more than was appropriated for the
16 3 fiscal year beginning July 1, 1994.

16 4 The director of revenue and finance shall issue
16 5 warrants on the homestead credit fund payable to the

16 6 county treasurers of the several counties of the state
16 7 under this chapter.

16 8 If the amount in the fund is insufficient to pay
16 9 all claims in full, the director shall prorate the
16 10 amounts paid to the county treasurers based upon the
16 11 amount of certified claims submitted by each.

16 12 Sec. 27. Section 425.17, subsections 2 and 8, Code
16 13 1995, are amended to read as follows:

16 14 2. "Claimant" means

~~either of the following:~~

16 15

~~a. A~~

~~a person filing a claim for credit or~~
16 16 reimbursement under this division who has attained the
16 17 age of sixty-five years on or before December 31 of
16 18 the base year, who is a surviving spouse having
16 19 attained the age of fifty-five years on or before
16 20 December 31, 1988, or who is totally disabled and was
16 21 totally disabled on or before December 31 of the base
16 22 year, and was domiciled in this state during the
16 23 entire base year, and is domiciled in this state at
16 24 the time the claim is filed or at the time of the
16 25 person's death in the case of a claim filed by the
16 26 executor or administrator of the claimant's estate.
16 27

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

16 28

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

16 29

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

16 30

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

16 31

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

16 32

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

16 33

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

16 34

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

16 35

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

16 36

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

16 37

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

16 38

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

16 39

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

16 40

~~base year.~~

16 41 "Claimant"

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

~~includes a~~

16 42 vendee in possession under a contract for deed and may
16 43 include one or more joint tenants or tenants in
16 44 common. In the case of a claim for rent constituting
16 45 property taxes paid, the claimant shall have rented
16 46 the property during any part of the base year. If a
16 47 homestead is occupied by two or more persons, and more
16 48 than one person is able to qualify as a claimant, the
16 49 persons may determine among them who will be the
16 50 claimant. If they are unable to agree, the matter
17 1 shall be referred to the director of revenue and
17 2 finance not later than June 1 of each year and the
17 3 director's decision is final.

17 4 8. "Property taxes due" means property taxes
17 5 including any special assessments, but exclusive of
17 6 delinquent interest and charges for services, due on a
17 7 claimant's homestead in this state, but includes only
17 8 property taxes for which the claimant is liable and
17 9 which will actually be paid by the claimant. However,
17 10 if the claimant is a person whose property taxes have
17 11 been suspended under sections 427.8 and 427.9,
17 12 "property taxes due" means property taxes including
17 13 any special assessments, but exclusive of delinquent
17 14 interest and charges for services, due on a claimant's
17 15 homestead in this state, but includes only property
17 16 taxes for which the claimant is liable and which would
17 17 have to be paid by the claimant if the payment of the
17 18 taxes has not been suspended pursuant to sections
17 19 427.8 and 427.9. "Property taxes due" shall be
17 20 computed with no deduction for any credit under this
17 21 division or for any homestead credit allowed under
17 22 section 425.1. Each claim shall be based upon the
17 23 taxes due during the fiscal year next following the
17 24 base year. If a homestead is owned by two or more
17 25 persons as joint tenants or tenants in common, and one
17 26 or more persons are not members of claimant's
17 27 household, "property taxes due" is that part of
17 28 property taxes due on the homestead which equals the
17 29 ownership percentage of the claimant and the
17 30 claimant's household.

~~The county treasurer shall~~

17 31

~~include with the tax receipt a statement that if the~~

17 32

~~owner of the property is eighteen years of age or~~

17 33

~~over, the person may be eligible for the credit~~

17 34

~~allowed under this division.~~

- If a homestead is an

17 35 integral part of a farm, the claimant may use the
17 36 total property taxes due for the larger unit. If a
17 37 homestead is an integral part of a multidwelling or
17 38 multipurpose building the property taxes due for the
17 39 purpose of this subsection shall be prorated to
17 40 reflect the portion which the value of the property
17 41 that the household occupies as its homestead is to the
17 42 value of the entire structure. For purposes of this
17 43 subsection, "unit" refers to that parcel of property
17 44 covered by a single tax statement of which the
17 45 homestead is a part.

17 46 Sec. 28. Section [425.23](#), subsection 1, paragraph
17 47 a, Code 1995, is amended to read as follows:
17 48

~~a.~~

- The tentative credit or reimbursement

~~for a~~

17 49

~~claimant described in section 425.17, subsection 2,~~

17 50

~~paragraph "a" and paragraph "b" if no appropriation is~~

18 1

~~made to the fund created in section 425.40~~

- shall be

18 2 determined in accordance with the following schedule:
18 3
18 4 Percent of property taxes
18 5 due or rent constituting
18 6 property taxes paid
18 7 If the household allowed as a credit or
18 8 income is: reimbursement:
18 9 \$ 0 &endash; 5,999.99.....100%
18 10 6,000 &endash; 6,999.99..... 85
18 11 7,000 &endash; 7,999.99..... 70
18 12 8,000 &endash; 9,999.99..... 50
18 13 10,000 &endash; 11,999.99..... 35
18 14 12,000 &endash; 13,999.99..... 25

18 15 Sec. 29. Section [425.23](#), subsection 1, paragraph
18 16 b, Code 1995, is amended by striking the paragraph.

18 17 Sec. 30. Section [425.23](#), subsection 3, paragraph
18 18 a, Code 1995, is amended to read as follows:

18 19 a. A person who is eligible to file a claim for
18 20 credit for property taxes due and who has a household
18 21 income of six thousand dollars or less and who has an
18 22 unpaid special assessment levied against the homestead
18 23 may file a claim with the county treasurer that the
18 24 claimant had a household income of six thousand
18 25 dollars or less and that an unpaid special assessment
18 26 is presently levied against the homestead. The

18 26 department shall provide to the respective treasurers
18 27 the forms necessary for the administration of this
18 28 subsection. The claim shall be filed not later than
18 29 September 30 of each year. Upon the filing of the
18 30 claim, interest for late payment shall not accrue
18 31 against the amount of the unpaid special assessment
18 32 due and payable. The claim filed by the claimant
18 33 constitutes a claim for credit of an amount equal to
18 34 the actual amount due upon the unpaid special
18 35 assessment, plus interest, payable during the fiscal
18 36 year for which the claim is filed against the
18 37 homestead of the claimant.

~~18 38 However, where the~~

18 38

~~18 39 claimant is an individual described in section 425.17,~~

18 39

~~18 40 subsection 2, paragraph "b", and the tentative credit~~

18 40

~~18 41 is determined according to the schedule in section~~

18 41

~~18 42 425.23, subsection 1, paragraph "b", subparagraph (2),~~

18 42

~~18 43 the claim filed constitutes a claim for credit of an~~

18 43

~~18 44 amount equal to one half of the actual amount due and~~

18 44

~~18 45 payable during the fiscal year.~~

18 45 The department of

18 46 revenue and finance shall, upon the filing of the
18 47 claim with the department by the treasurer, pay that
18 48 amount of the unpaid special assessment during the
18 49 current fiscal year to the treasurer. The treasurer
18 50 shall submit the claims to the director of revenue and
19 1 director of revenue and finance shall certify the
19 2 amount of reimbursement due each county for unpaid
19 3 special assessment credits allowed under this
19 4 subsection. The amount of reimbursement due each
19 5 county shall be paid by the director of revenue and
19 6 finance on October 20 of each year, drawn upon
19 7 warrants payable to the respective treasurer. There
19 8 is appropriated annually from the general fund of the
19 9 state to the department of revenue and finance an
19 10 amount sufficient to carry out the provisions of this
19 11 subsection. The treasurer shall credit any moneys
19 12 received from the department against the amount of the
19 13 unpaid special assessment due and payable on the
19 14 homestead of the claimant.

19 15 Sec. 31. Section [425.39](#), subsection 2, Code 1995,
19 16 is amended by striking the subsection.

19 17 Sec. 32. Section [426.1](#), Code 1995, is amended to
19 18 read as follows:

19 19 426.1

~~ACRICALTURAL LAND~~

~~FARM TAX CREDIT FUND.~~

19 20 There is created as a permanent fund in the office
19 21 of the treasurer of state a fund to be known as the
19 22

~~agricultural land~~

~~farm tax credit fund, and for the~~
19 23 purpose of establishing and maintaining this fund for
19 24 each fiscal year there is appropriated

~~thereto~~

~~from~~
19 25 funds in the general fund of the state not otherwise
19 26 appropriated the sum of

~~thirty nine~~

~~forty-nine million~~

19 27

~~one~~

~~three hundred thousand dollars~~

~~of which the first~~

19 28

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

19 29

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

19 30

~~in section 425A.1~~

~~Any balance in~~

~~said~~

~~the fund on~~
19 31 June 30 shall revert to the general fund of the state.

19 32 Sec. 33. Section 426.3, Code 1995, is amended to
19 33 read as follows:

19 34 426.3 WHERE CREDIT GIVEN.

19 35 The

~~agricultural land~~

~~farm tax credit fund shall be~~
19 36 apportioned each year in the manner

~~hereinafter~~

19 37 provided so as to give a credit against the tax on
19 38 each tract of agricultural lands within the several
19 39 school districts of the state in which the levy for
19 40 the general school fund exceeds five dollars and forty
19 41 cents per thousand dollars of assessed value

~~; the~~

19 42 The amount of

~~such~~

~~the credit on each tract of~~

~~such~~

19 43 lands shall be a percentage of the amount the tax
19 44 levied for the general school fund exceeds the amount
19 45 of tax which would be levied on

~~said~~

- the tract of

~~such~~

19 46 lands were the levy for the general school fund five
19 47 dollars and forty cents per thousand dollars of
19 48 assessed value for the previous year, except in the
19 49 case of a deficiency in the

~~agricultural land credits~~

19 50 farm tax credit fund to pay

~~said~~

- the credits in full,
20 1 in which case the credit on each eligible tract of
20 2

~~such~~

- lands in the state shall be proportionate and
20 3 shall be applied as

~~hereinafter~~

- provided.

20 4 Sec. 34. Section 426.6, Code 1995, is amended to
20 5 read as follows:
20 6 426.6 COMPUTATION BY AUDITOR – APPEAL.
20 7 The

~~agricultural land~~

- farm tax credit allowed each
20 8 year shall be computed as follows: On or before the
20 9 first of June the county auditor shall list by school
20 10 districts all tracts of agricultural lands which they
20 11 are entitled to credit, together with the taxable
20 12 value for the previous year, together with the budget
20 13 from each school district for the previous year, and
20 14 the tax rate determined for the general fund of the
20 15 district in the manner prescribed in section 444.3 for
20 16 the previous year, and if such tax rate is in excess
20 17 of five dollars and forty cents per thousand dollars
20 18 of assessed value, the auditor shall multiply the tax
20 19 levy which is in excess of five dollars and forty
20 20 cents per thousand dollars of assessed value by the
20 21 total taxable value of the agricultural lands entitled
20 22 to credit in the district, and multiply this amount by
20 23 the applicable fiscal year percentage and on or before
20 24 the first of June certify

~~the~~

- this last amount to the

20 25 department of revenue and finance.
20 26 For purposes of this chapter, the "applicable
20 27 fiscal year percentage" means for the fiscal year
20 28 beginning July 1, 1996, the amount equal to the
20 29 appropriation made in section 426.1 for the fiscal
20 30 year beginning July 1, 1996, divided by the amount of
20 31 credits certified under this section to the department
20 32 of revenue and finance for the fiscal year beginning
20 33 July 1, 1995. For succeeding fiscal years, the

20 34 applicable fiscal year percentage equals the
20 35 appropriation for that fiscal year divided by the
20 36 amount of credits certified under this section to the
20 37 department of revenue and finance for the previous
20 38 fiscal year times the applicable fiscal year
20 39 percentage calculated under this paragraph for the
20 40 previous fiscal year.
20 41 In the event the county auditor denies a credit
20 42 upon any

~~such~~

- lands, the auditor shall immediately
20 43 mail to the owner at the owner's last known address
20 44 notice of the decision

~~thereon~~

- The owner may, within
20 45 thirty days

~~thereafter~~

-, appeal to the board of
20 46 supervisors of the county wherein the land involved is
20 47 situated by serving notice of

~~said~~

- appeal upon the
20 48 chairperson of

~~said~~

- the board. The board shall hear
20 49

~~such~~

- the appeal promptly and shall determine anew all
20 50 questions involved in

~~said~~

- the appeal and shall within
21 1 ten days after

~~such~~

- the hearing, mail to the owner at
21 2 the owner's last known address, notice of its
21 3 decision. In the event of disallowance the owner may,
21 4 within ten days from the date

~~such~~

- notice is mailed,
21 5 appeal

~~such~~

- the disallowance by the board of
21 6 supervisors to the district court of that county by
21 7 serving written notice of appeal on the county
21 8 auditor. The appeal shall be tried de novo and may be
21 9 heard in term time or vacation. The decision of the
21 10 district court

~~thereon~~

- shall be final.
21 11 Sec. 35. Section [426.7](#), Code 1995, is amended to
21 12 read as follows:
21 13 426.7 WARRANTS DRAWN BY DIRECTOR.
21 14 After receiving from the county auditors the
21 15 certifications provided for in section 426.6, and
21 16 during the following fiscal year, the director of
21 17 revenue and finance shall draw warrants on the

~~agricultural land credits~~

~~farm tax credit~~ fund created

21 19 in section 426.1, payable to the county treasurers in
21 20 the amount certified by the county auditors of the
21 21 respective counties and mail the warrants to the
21 22 county auditors on August 15 of each year taking into
21 23 consideration the relative budget and cash position of
21 24 the state resources. However, if the

~~agricultural~~

21 25

~~land credits~~

~~farm tax credit~~ fund is insufficient to

21 26 pay in full the total of the amounts certified to the
21 27 director of revenue and finance, the director shall
21 28 prorate the fund to the county treasurers and notify
21 29 the county auditors of the pro rata percentage on or
21 30 before

~~August~~

~~July 1.~~

21 31 Sec. 36. Section [441.21](#), subsection 1, Code 1995,
21 32 is amended by adding the following new paragraph:
21 33 NEW PARAGRAPH. h. (1) Notwithstanding any other
21 34 provision of this section, beginning with valuations
21 35 established as of January 1, 1996, in computing actual
21 36 value of agricultural structures, other than
21 37 agricultural dwellings, the assessor shall exclude the
21 38 first one hundred fifty thousand dollars in total
21 39 actual value of all such structures on each parcel of
21 40 land as provided in subparagraph (2). The excluded
21 41 valuation of such structures shall not be removed from
21 42 the productivity formula in establishing agricultural
21 43 values.
21 44 (2) An owner of agricultural structures shall not
21 45 file a claim for or be granted more than one one
21 46 hundred fifty thousand dollar exclusion under
21 47 subparagraph (1) for more than one parcel in the
21 48 state. For purposes of determining if a claim is
21 49 filed for more than one parcel and computing the
21 50 amount of a claim, agricultural structures are
22 1 considered owned by the same person, if in the case
22 2 where the owner is an individual, the individual owns
22 3 or controls an entity that owns other agricultural
22 4 structures in the state, or if in the case where the
22 5 owner is an entity, a person which owns or controls
22 6 the entity owns or controls another entity that owns
22 7 other agricultural structures in the state. Entities
22 8 are owned or controlled by the same person if the same
22 9 person directly or indirectly owns or controls more
22 10 than fifty percent of the assets or any class of stock
22 11 or who directly or indirectly has an interest of more
22 12 than fifty percent in the ownership or profits.
22 13 (3) An owner shall file a claim for the exclusion
22 14 under subparagraph (1) by February 15 of the
22 15 assessment year for only one parcel. The assessor
22 16 shall notify the owner of the acceptance of the
22 17 owner's claim by March 15. An owner denied a claim or
22 18 had the amount of a claim reduced may appeal the
22 19 assessor's decision in the same manner as provided for
22 20 the appeal of the denial of the farm tax credit under
22 21 section 426.6. Upon the filing and allowance of the
22 22 claim, the claim shall be allowed on that parcel for

22 23 successive years without further filing as long as the
22 24 property is legally or equitably owned by that person.
22 25 If ownership of the structure changes, the owner
22 26 wishes to file a claim for another parcel, or the
22 27 value significantly exceeds the exclusion amount as a
22 28 result of added improvements or new construction, the
22 29 owner must notify the assessor and refile a claim with
22 30 the appropriate assessor.

22 31 (4) If an allowed claim is subsequently disallowed
22 32 or the owner fails to notify the assessor as required
22 33 in subparagraph (3), the person shall be subject to a
22 34 civil penalty equal to the amount of property tax that
22 35 would have been due but for the exclusion, plus fifty
22 36 percent of such amount, and interest as provided in
22 37 section 445.39. Such person shall also no longer be
22 38 eligible to receive the exclusion under subparagraph
22 39 (1).

22 40 Sec. 37. Section [425.40](#), Code 1995, is repealed.

22 41 Sec. 38. Chapter 425A, Code 1995, is repealed.

22 42 Sec. 39. EFFECTIVE DATES.

22 43 1. Sections 23, 24, 25, 26, 27, 28, 29, 30, 31,
22 44 and 37 of this Act, being deemed of immediate
22 45 importance, take effect upon enactment for purposes of
22 46 property tax credits payable on or after July 1, 1995.

22 47 2. Sections 32, 33, 34, 35, and 38 of this Act
22 48 take effect January 1, 1996, for property taxes
22 49 payable on or after July 1, 1996.

22 50 3. Section 36 of this Act takes effect January 1,
23 1 1996, for computing valuations for taxes payable on or
23 2 after July 1, 1997.

23 3 DIVISION V

23 4 MENTAL HEALTH PROPERTY TAX RELIEF – LIMITATION

23 5 Sec. 40. Section [123.38](#), unnumbered paragraph 2,
23 6 Code 1995, is amended to read as follows:

23 7 Any licensee or permittee, or the licensee's or
23 8 permittee's executor or administrator, or any person
23 9 duly appointed by the court to take charge of and
23 10 administer the property or assets of the licensee or
23 11 permittee for the benefit of the licensee's or
23 12 permittee's creditors, may voluntarily surrender a
23 13 license or permit to the division. When a license or
23 14 permit is surrendered the division shall notify the
23 15 local authority, and the division or the local
23 16 authority shall refund to the person surrendering the
23 17 license or permit, a proportionate amount of the fee
23 18 received by the division or the local authority for
23 19 the license or permit as follows: If a license or
23 20 permit is surrendered during the first three months of
23 21 the period for which it was issued, the refund shall
23 22 be three-fourths of the amount of the fee; if
23 23 surrendered more than three months but not more than
23 24 six months after issuance, the refund shall be one-
23 25 half of the amount of the fee; if surrendered more
23 26 than six months but not more than nine months after
23 27 issuance, the refund shall be one-fourth of the amount
23 28 of the fee. No refund shall be made, however, for any
23 29 special liquor permit, nor for a liquor control
23 30 license, wine permit, or beer permit surrendered more
23 31 than nine months after issuance. For purposes of this
23 32 paragraph, any portion of license or permit fees used
23 33 for the purposes authorized in section 331.424,
23 34 subsection 1, paragraphs "a"

—
- and "b"

—, "c", "d", "e",

~~"f", "g", and "h"~~

~~-, and in section 331.438A,~~ shall not
23 36 be deemed received either by the division or by a
23 37 local authority. No refund shall be made to any
23 38 licensee or permittee, upon the surrender of the
23 39 license or permit, if there is at the time of
23 40 surrender, a complaint filed with the division or
23 41 local authority, charging the licensee or permittee
23 42 with a violation of this chapter. If upon a hearing
23 43 on a complaint the license or permit is not revoked or
23 44 suspended, then the licensee or permittee is eligible,
23 45 upon surrender of the license or permit, to receive a
23 46 refund as provided in this section; but if the license
23 47 or permit is revoked or suspended upon hearing the
23 48 licensee or permittee is not eligible for the refund
23 49 of any portion of the license or permit fee.

23 50 Sec. 41. Section 218.99, Code 1995, is amended to
24 1 read as follows:

24 2 218.99 COUNTY AUDITORS TO BE NOTIFIED OF PATIENTS'
24 3 PERSONAL ACCOUNTS.

24 4 The administrator of a division of the department
24 5 of human services in control of a state institution
24 6 shall direct the business manager of each institution
24 7 under the administrator's jurisdiction which is
24 8 mentioned in section 331.424, subsection 1, paragraphs
24 9 "a"

~~through "g"~~

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

24 10 paid under section 331.438A to quarterly inform the
24 11 auditor of the county of legal settlement of any
24 12 patient or resident who has an amount in excess of two
24 13 hundred dollars on account in the patients' personal
24 14 deposit fund and the amount on deposit. The
24 15 administrators shall direct the business manager to
24 16 further notify the auditor of the county at least
24 17 fifteen days before the release of funds in excess of
24 18 two hundred dollars or upon the death of the patient
24 19 or resident. If the patient or resident has no county
24 20 of legal settlement, notice shall be made to the
24 21 director of the department of human services and the
24 22 administrator of the division of the department in
24 23 control of the institution involved.

24 24 Sec. 42. Section 222.60, Code 1995, is amended to
24 25 read as follows:

24 26 222.60 COSTS PAID BY COUNTY OR STATE.

24 27 All necessary and legal expenses for the cost of
24 28 admission or commitment or for the treatment,
24 29 training, instruction, care, habilitation, support and
24 30 transportation of patients, as provided for in the
24 31 county management plan provisions implemented pursuant
24 32 to section 331.439, subsection 1, in a state hospital-
24 33 school for

~~the mentally retarded~~

~~- persons with mental~~

24 34 retardation, or in a special unit, or any public or
24 35 private facility within or without the state, approved
24 36 by the director of the department of human services,
24 37 shall be paid by either:

24 38 1. The county in which

~~such person~~

~~- the patient~~ has

24 39 legal settlement as defined in section 252.16.
24 40 2. The state when

~~such person~~

- ~~the patient~~ has no
24 41 legal settlement or when

~~such~~

- ~~legal~~ settlement is

24 42 unknown.

24 43 Sec. 43. Section [225C.4](#), subsection 2, paragraph
24 44 b, Code 1995, is amended to read as follows:

24 45 b. Establish mental health and mental retardation
24 46 services for all institutions under the control of the
24 47 director of human services and establish an autism
24 48 unit, following mutual planning with and consultation
24 49 from the medical director of the state psychiatric
24 50 hospital, at an institution or a facility administered
25 1 by the administrator to provide psychiatric and
25 2 related services and other specific programs to meet
25 3 the needs of autistic persons

~~as defined in section~~

-
25 4

~~331.424, subsection 1~~

-, and to furnish appropriate
25 5 diagnostic evaluation services.

25 6 Sec. 44. Section 331.301, subsection 12, Code
25 7 1995, is amended to read as follows:

25 8 12. The board of supervisors may credit funds to a
25 9 reserve for the purposes authorized by subsection 11
25 10 of this section; section 331.424, subsection 1,
25 11 paragraph

~~"l"~~

- ~~"f"~~; and section 331.441, subsection 2,
25 12 paragraph "b". Moneys credited to the reserve, and
25 13 interest earned on such moneys, shall remain in the
25 14 reserve until expended for purposes authorized by
25 15 subsection 11 of this section; section 331.424,
25 16 subsection 1, paragraph

~~"l"~~

- ~~"f"~~; or section 331.441,
25 17 subsection 2, paragraph "b".
25 18 Sec. 45. Section [331.424](#), subsection 1, Code 1995,
25 19 is amended to read as follows:

25 20 1. For general county services, an amount
25 21 sufficient to pay the charges for the following:
25 22 a. To the extent that the county is obligated by
25 23 statute to pay the charges for:
25 24

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

-
25 25

~~mental health institute.~~

-
25 26

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

-
25 27

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

25 28

~~established under chapter 222 and diagnostic~~

25 29

~~evaluation under section 222.31.~~

25 30

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

25 31

~~225.~~

25 32

~~(4)~~

~~(1) Care and treatment of persons at the~~
25 33 alcoholic treatment center at Oakdale. However, the
25 34 county may require that an admission to the center
25 35 shall be reported to the board by the center within
25 36 five days as a condition of the payment of county
25 37 funds for that admission.

25 38

~~(5)~~

~~(2) Care of children admitted or committed to~~
25 39 the Iowa juvenile home at Toledo.

25 40

~~(6)~~

~~(3) Clothing, transportation, medical, or~~
25 41 other services provided persons attending the Iowa
25 42 braille and sight saving school, the Iowa school for
25 43 the deaf, or the state hospital-school for severely
25 44 handicapped children at Iowa City, for which the
25 45 county becomes obligated to pay pursuant to sections
25 46 263.12, 269.2, and 270.4 through 270.7.

25 47

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

25 48

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

25 49

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

25 50

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

26 1

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

26 2

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

26 3

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

26 4

~~As used in this paragraph:~~

26 5

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

26 6

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

26 7

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

26 8

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

26 9

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

26 10

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

26 11

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

26 12

~~a severely disabling inability to understand,~~

26 13

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

26 14

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

26 15

~~limited to those persons afflicted by infantile~~

26 16

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

26 17

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

26 18

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

26 19

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

26 20

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

26 21

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

26 22

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

26 23

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

26 24

~~facility established pursuant to chapter 222.~~

26 25

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

26 26

~~establishment and initial operation of a community~~

26 27

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

26 28

~~limitations provided by state law.~~

26 29

~~e.~~

~~b. Foster care and related services provided
26 30 under court order to a child who is under the
26 31 jurisdiction of the juvenile court, including court-
26 32 ordered costs for a guardian ad litem under section
26 33 232.71.~~

26 34

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

26 35

~~transportation of mentally ill patients in state~~

26 36

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

26 37

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

26 38

~~including compensation for the advocate appointed~~

26 39

~~under section 229.19.~~

~~-~~
26 40

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

~~-~~
26 41

~~services or mental retardation services furnished to~~

~~-~~
26 42

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

~~-~~
26 43

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

~~-~~
26 44

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

~~-~~
26 45

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

~~-~~
26 46

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

~~-~~
26 47

~~the mental health and developmental disabilities~~

~~-~~
26 48

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

~~-~~
26 49

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

~~-~~
26 50

~~by the board.~~

~~-~~
27 1

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

~~-~~
27 2

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

~~-~~
27 3

~~i.~~

~~c. Elections, and voter registration pursuant~~

27 4 to chapter 48A.

27 5

~~j.~~

~~d. Employee benefits under chapters 96, 97B,~~

27 6 and 97C, which are associated with salaries for

27 7 general county services.

27 8

~~k.~~

- e. Joint county and city building authorities
27 9 established under section 346.27, as provided in
27 10 subsection 22 of that section.
27 11

~~l.~~
- f. Tort liability insurance, property
27 12 insurance, and any other insurance that may be
27 13 necessary in the operation of the county, costs of a
27 14 self-insurance program, costs of a local government
27 15 risk pool, and amounts payable under any insurance
27 16 agreements to provide or procure such insurance, self-
27 17 insurance program, or local government risk pool.
27 18

~~m.~~
- g. The maintenance and operation of the courts,
27 19 including but not limited to the salary and expenses
27 20 of the clerk of the district court and other employees
27 21 of the clerk's office, and bailiffs, court costs if
27 22 the prosecution fails or if the costs cannot be
27 23 collected from the person liable, costs and expenses
27 24 of prosecution under section 189A.17, salaries and
27 25 expenses of juvenile court officers under chapter 602,
27 26 court-ordered costs in domestic abuse cases under
27 27 section 236.5, the county's expense for confinement of
27 28 prisoners under chapter 356A, temporary assistance to
27 29 the county attorney, county contributions to a
27 30 retirement system for bailiffs, reimbursement for
27 31 judicial magistrates under section 602.6501, claims
27 32 filed under section 622.93, interpreters' fees under
27 33 section 622B.7, uniform citation and complaint
27 34 supplies under section 805.6, and costs of prosecution
27 35 under section 815.13.
27 36

~~n.~~
- h. Court-ordered costs of conciliation
27 37 procedures under section 598.16.
27 38

~~o.~~
- i. Establishment and maintenance of a joint
27 39 county indigent defense fund pursuant to an agreement
27 40 under section 28E.19.
27 41

~~p.~~
- j. The maintenance and operation of a local
27 42 emergency management agency established pursuant to
27 43 chapter 29C.
27 44 The board may require a public or private facility,
27 45 as a condition of receiving payment from county funds
27 46 for services it has provided, to furnish the board
27 47 with a statement of the income, assets, and legal
27 48 residence including township and county of each person
27 49 who has received services from that facility for which
27 50 payment has been made from county funds under
28 1 paragraphs "a"

~~through "h"~~
- and "b". However, the
28 2 facility shall not disclose to anyone the name or
28 3 street or route address of a person receiving services
28 4 for which commitment is not required, without first
28 5 obtaining that person's written permission.
28 6 Parents or other persons may voluntarily reimburse

28 7 the county or state for the reasonable cost of caring
28 8 for a patient or an inmate in a county or state
28 9 facility.

28 10 Sec. 46. Section [331.424](#), Code 1995, is amended by
28 11 adding the following new subsection:

28 12 NEW SUBSECTION. 1A. The maximum amount of
28 13 property tax dollars which may be certified by a
28 14 county for taxes levied under subsection 1 and payable
28 15 in the fiscal year beginning July 1, 1996, and
28 16 succeeding fiscal years shall not exceed the amount of
28 17 property tax dollars certified by the county for taxes
28 18 payable in the fiscal year beginning July 1, 1995,
28 19 minus an adjustment for the amounts levied by the
28 20 county under subsection 1 for mental health, mental
28 21 retardation, and developmental disabilities services
28 22 in the fiscal year beginning July 1, 1995. The
28 23 adjustment and maximum amount which may be levied by
28 24 the county shall be determined by the county auditor,
28 25 subject to the approval of the department of
28 26 management. A county which disagrees with the
28 27 adjustment and maximum amount proposed for the county
28 28 by the department of management may appeal the
28 29 determination to the state appeal board created in
28 30 section 24.26 which shall make a final determination.

28 31 Sec. 47. Section [331.426](#), subsection 1, Code 1995,
28 32 is amended by adding the following new paragraph:

28 33 NEW PARAGRAPH. h. An unusual need for a service
28 34 or cost paid from levies under section 331.424,
28 35 subsection 1, which would cause the total expenditures
28 36 of services and costs paid from those levies to exceed
28 37 the maximum levies authorized under section 331.424,
28 38 subsection 1A.

28 39 Sec. 48. Section [331.438](#), subsection 1, paragraph
28 40 b, Code 1995, is amended to read as follows:

28 41 b. "State payment" means the payment made by the
28 42 state under section 331.438A to a county determined to
28 43 be eligible for the payment in accordance with section
28 44 331.439.

~~Except as modified based upon the actual~~

~~-~~
28 45

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

~~-~~
28 46

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

~~-~~
28 47

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

~~-~~
28 48

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

~~-~~
28 49

~~expenditures during the immediately preceding fiscal~~

~~-~~
28 50

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

~~-~~
29 1

~~year expenditures.~~

29 2 Sec. 49. Section [331.438](#), Code 1995, is amended by
29 3 adding the following new subsection:

29 4 NEW SUBSECTION. 1A. The state of Iowa shall
29 5 provide funding to counties for the costs of mental
29 6 health and mental retardation services so that over
29 7 the five-year period beginning July 1, 1995, and
29 8 ending June 30, 2000, the relative shares of the state
29 9 and counties for these expenditures shall become
29 10 either equal or greater for the state.

29 11 Sec. 50. Section [331.438](#), subsection 3, paragraph
29 12 c, Code 1995, is amended by adding the following new
29 13 subparagraph:

29 14 NEW SUBPARAGRAPH. (15) Consider tort and other
29 15 liability issues associated with a county managing
29 16 mental health, mental retardation, and developmental
29 17 disabilities services in accordance with a fixed
29 18 budget and make recommendations to address the issues.

29 19 Sec. 51. NEW SECTION. 331.438A STATE AND COUNTY
29 20 EXPENDITURES FOR MENTAL HEALTH, MENTAL RETARDATION,
29 21 AND DEVELOPMENTAL DISABILITIES ASSISTANCE – FUND
29 22 CREATED.

29 23 1. The mental health, mental retardation, and
29 24 developmental disabilities property tax relief fund is
29 25 created in the office of the treasurer of state under
29 26 the authority of the department of revenue and
29 27 finance. The relief fund shall consist of moneys
29 28 appropriated to the fund and the amount of allocations
29 29 from the fund for property tax relief pursuant to
29 30 subsection 2 and for the adjustment factor pursuant to
29 31 subsection 5 shall be as specified in law by the
29 32 general assembly. There is appropriated to the mental
29 33 health, mental retardation, and developmental
29 34 disabilities property tax relief fund for the
29 35 indicated fiscal years from the general fund of the
29 36 state the following amounts:

29 37 a. For the fiscal year beginning July 1, 1995,
29 38 sixteen million dollars of which ten million dollars
29 39 is allocated to counties for property tax relief in
29 40 accordance with subsection 2 and six million dollars
29 41 is allocated to counties as the adjustment factor
29 42 pursuant to subsection 5.

29 43 b. For the fiscal year beginning July 1, 1996,
29 44 thirty million dollars.

29 45 c. For the fiscal year beginning July 1, 1997,
29 46 forty-seven million dollars.

29 47 d. For the fiscal year beginning July 1, 1998,
29 48 sixty-four million dollars.

29 49 e. For the fiscal year beginning July 1, 1999, and
29 50 succeeding fiscal years, eighty-one million dollars.

30 1 2. In each fiscal year, a county shall receive for
30 2 property tax relief the county's proportion of the
30 3 moneys in the relief fund allocated for property tax
30 4 relief. A county's proportion of the moneys shall be
30 5 equivalent to the sum of the following three factors:

30 6 a. One-third based upon the county's proportion of
30 7 the state's general population.

30 8 b. One-third based upon the county's proportion of
30 9 the state's total taxable property valuation assessed
30 10 for taxes payable in the previous fiscal year.

30 11 c. One-third based upon the county's proportion of
30 12 all counties' base year expenditures, as defined in
30 13 section 331.438.

30 14 3. The department of human services shall notify
30 15 the department of revenue and finance of the amount
30 16 due each county and the director of revenue and

30 17 finance shall draw warrants on the relief fund,
30 18 payable quarterly to the county treasurer in the
30 19 amount due a county in accordance with subsection 2,
30 20 and mail the warrants to county auditors by September
30 21 1, December 1, March 1, and June 1 of each year.

30 22 4. Before June 1, 1995, the director of human
30 23 services shall notify the county auditor of each
30 24 county of the amount of moneys the county will receive
30 25 from the relief fund for property tax relief pursuant
30 26 to subsection 2 in the succeeding fiscal year. For
30 27 the fiscal year beginning July 1, 1995, the department
30 28 of management shall reduce the amount of the county's
30 29 certified budget to be raised by property tax, for
30 30 that fiscal year by an amount equal to the amount the
30 31 county will receive from the relief fund for property
30 32 tax relief pursuant to subsection 2 and the department
30 33 of management shall determine the rate of taxation
30 34 necessary to raise the reduced amount. For subsequent
30 35 fiscal years, the levy for the mental health, mental
30 36 retardation, and developmental disabilities fund shall
30 37 be reduced by the county auditor and the board of
30 38 supervisors in the manner specified in section
30 39 331.424A.

30 40 5. In addition to moneys received by a county for
30 41 a fiscal year pursuant to subsection 2, the county may
30 42 be paid an adjustment factor payment for services
30 43 provided in accordance with the county's management
30 44 plan implemented pursuant to section 331.439 and paid
30 45 for from the county's services fund under section
30 46 331.424A. The amount of the adjustment factor payment
30 47 to a county is subject to the amount appropriated for
30 48 this purpose and shall be paid as provided by the
30 49 general assembly for that fiscal year.

30 50 6. The department of human services, in
31 1 consultation with the state-county management
31 2 committee, shall prescribe forms and adopt rules
31 3 pursuant to chapter 17A to administer this section.

31 4 Sec. 52. Section [331.439](#), Code 1995, is amended by
31 5 striking the section and inserting in lieu thereof the
31 6 following:

31 7 331.439 ELIGIBILITY FOR STATE PAYMENT.

31 8 1. The state payment to eligible counties under
31 9 this section shall be made as provided in section
31 10 331.438A. A county is eligible for the state payment,
31 11 as defined in section 331.438, for the fiscal year
31 12 beginning July 1, 1995, and for subsequent fiscal
31 13 years if the director of human services determines for
31 14 a specific fiscal year that all of the following
31 15 conditions are met:

31 16 a. The county accurately reported by October 15
31 17 the county's expenditures for mental health, mental
31 18 retardation, and developmental disabilities services
31 19 for the previous fiscal year on forms prescribed by
31 20 the department of human services.

31 21 b. The county developed and implemented a county
31 22 management plan for the county's mental health, mental
31 23 retardation, and developmental disabilities services
31 24 in accordance with the provisions of this paragraph.
31 25 The plan shall comply with the administrative rules
31 26 adopted for this purpose by the council on human
31 27 services and is subject to the approval of the
31 28 director of human services in consultation with the
31 29 state-county management committee created in section
31 30 331.438. The plan shall include a description of the
31 31 county's service management provision for mental
31 32 health, mental retardation, and developmental
31 33 disabilities services. The plan shall have the

31 34 following two parts:

31 35 (1) For mental health service management, the
31 36 county must contract with a state-approved managed
31 37 mental health care contractor or provide a comparable
31 38 system of managed care. For the fiscal year beginning
31 39 July 1, 1995, this part of the plan shall be submitted
31 40 by October 15, 1995, and the county shall implement
31 41 the approved plan by January 1, 1996. For subsequent
31 42 fiscal years, this part of the plan shall be submitted
31 43 to the department by April 1 for the succeeding fiscal
31 44 year.

31 45 (2) For mental retardation and developmental
31 46 disabilities services management, the county must
31 47 contract with a state-approved managed care contractor
31 48 or develop and implement a managed system of care
31 49 which addresses a full array of appropriate services
31 50 and cost-effective delivery of services. The managed
32 1 system of care shall incorporate a single entry point
32 2 process developed in accordance with the provisions of
32 3 section 331.440. The elements of the managed system
32 4 of care shall be specified in rules developed by the
32 5 department in consultation with the state-county
32 6 management committee and adopted by the council on
32 7 human services. The county shall implement either the
32 8 state-approved contract or implement a comparable
32 9 system of care within six months of the date by which
32 10 the department approves a managed care contractor. In
32 11 fiscal years succeeding the fiscal year of initial
32 12 implementation this part of the plan shall be
32 13 submitted to the department of human services by April
32 14 1 for the succeeding fiscal year.

32 15 c. Changes to the approved plan are submitted
32 16 sixty days prior to the proposed change and are not to
32 17 be implemented prior to the director of human
32 18 services' approval.

32 19 2. The county management plan shall address the
32 20 county's criteria for serving persons with chronic
32 21 mental illness, including any rationale used for
32 22 decision making regarding this population.

32 23 3. If funding is available under the fixed budget,
32 24 a county that has not provided services to a service
32 25 population which is not included in the service
32 26 management provisions required under subsection 1, may
32 27 provide such services.

32 28 4. For the fiscal year beginning July 1, 1996, and
32 29 succeeding fiscal years, implementation of the county
32 30 management plan is subject to a fixed budget
32 31 consisting of the moneys deposited by the state and
32 32 county in the county mental health, mental
32 33 retardation, and developmental disabilities services
32 34 fund created in section 331.424A. The amount of the
32 35 fixed budget shall be the amount specified for the
32 36 fiscal year in the county's management plan and
32 37 budgeted for such services.

32 38 5. A county shall implement the county's
32 39 management plan in a manner so as to provide adequate
32 40 funding for the entire fiscal year by budgeting for
32 41 ninety-nine percent of the funding anticipated to be
32 42 available for the plan.

32 43 6. A county's implementation of the service
32 44 management provisions required under subsection 1 for
32 45 mental health, mental retardation, and developmental
32 46 disabilities shall incorporate the single entry point
32 47 process described in section 331.440.

32 48 7. The basis for determining whether a managed
32 49 care system for mental health proposed by a county is
32 50 comparable to a managed care contractor approved by

33 1 the department of human services shall include but is
33 2 not limited to all of the following elements which
33 3 shall be specified in administrative rules adopted by
33 4 the department in consultation with the state-county
33 5 management committee:

- 33 6 a. The enrollment and eligibility process.
- 33 7 b. The scope of services included.
- 33 8 c. The method of plan administration.
- 33 9 d. The process for managing utilization and access
33 10 to services and other assistance.
- 33 11 e. The quality assurance process.
- 33 12 f. The risk management provisions and fiscal
33 13 viability of the provisions.

33 14 8. The director's approval of a county's mental
33 15 health, mental retardation, and developmental
33 16 disabilities services management plan shall not be
33 17 construed to constitute certification of the county's
33 18 budget.

33 19 Sec. 53. Section [331.440](#), subsection 1, Code 1995,
33 20 is amended by adding the following new paragraph:
33 21 NEW PARAGRAPH. c. The single entry point process
33 22 shall include provision for the county's participation
33 23 in a management information system developed in
33 24 accordance with rules adopted pursuant to subsection
33 25 3.

33 26 Sec. 54. NEW SECTION. 331.424A MENTAL HEALTH,
33 27 MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES
33 28 SERVICES FUND.

- 33 29 1. For the purposes of this chapter, unless the
33 30 context otherwise requires, "services fund" means the
33 31 county mental health, mental retardation, and
33 32 developmental disabilities services fund created in
33 33 subsection 2.
- 33 34 2. For the fiscal year beginning July 1, 1996, and
33 35 succeeding fiscal years, county revenues from taxes
33 36 and other sources designated for mental health, mental
33 37 retardation, and developmental disabilities services
33 38 shall be credited to the mental health, mental
33 39 retardation, and developmental disabilities services
33 40 fund of the county. The board shall make
33 41 appropriations from the fund for payment of services
33 42 provided under the county management plan approved
33 43 pursuant to section 331.439.
- 33 44 3. For the fiscal year beginning July 1, 1996, and
33 45 succeeding fiscal years, receipts from the state or
33 46 federal government for such services shall be credited
33 47 to the services fund, including but not limited to
33 48 moneys received by a county under section 331.438A.
- 33 49 4. For the fiscal year beginning July 1, 1996, and
33 50 for each subsequent fiscal year, the county may
34 1 certify a levy for payment of services. Unless
34 2 otherwise provided by state law, for each fiscal year,
34 3 county revenues from taxes imposed by the county
34 4 credited to the services fund shall not exceed an
34 5 amount equal to the amount of base year expenditures
34 6 from property taxes imposed by the county and paid for
34 7 services in the fiscal year beginning July 1, 1993,
34 8 and ending June 30, 1994, as defined in section
34 9 331.438, less the amount of property tax relief to be
34 10 received pursuant to section 331.438A in the fiscal
34 11 year for which the budget is certified. The county
34 12 auditor and the board of supervisors shall reduce the
34 13 amount of the levy certified under this section by the
34 14 amount of property tax relief to be received.
- 34 15 5. Appropriations specifically authorized to be
34 16 made from the mental health, mental retardation, and
34 17 disabilities services fund shall not be made from the

34 18 general fund of the county.
34 19 Sec. 55. Section 444.25A, subsection 1, Code 1995,
34 20 is amended to read as follows:
34 21 1. COUNTY LIMITATION. The maximum amount of
34 22 property tax dollars which may be certified by a
34 23 county for taxes payable in the fiscal year beginning
34 24 July 1, 1995, shall not exceed the amount of property
34 25 tax dollars certified by the county for taxes payable
34 26 in the fiscal year beginning July 1, 1994, minus the
34 27 amount of the property tax relief payment to be
34 28 received by the county for the fiscal year beginning
34 29 July 1, 1995, pursuant to section 331.438A, subsection
34 30 2, and the maximum amount of property tax dollars
34 31 which may be certified by a county for taxes payable
34 32 in the fiscal year beginning July 1, 1996, shall not
34 33 exceed the amount of property tax dollars certified by
34 34 the county for taxes payable in the fiscal year
34 35 beginning July 1, 1995, minus the amount by which the
34 36 property tax relief payment to be received by the
34 37 county in the fiscal year beginning July 1, 1996,
34 38 exceeds the amount of the property tax relief payment
34 39 received in the fiscal year beginning July 1, 1995,
34 40 pursuant to section 331.438A, subsection 2, for each
34 41 of the levies for the following, except for the levies
34 42 on the increase in taxable valuation due to new
34 43 construction, additions or improvements to existing
34 44 structures, remodeling of existing structures for
34 45 which a building permit is required, annexation, and
34 46 phasing out of tax exemptions, and on the increase in
34 47 valuation of taxable property as a result of a
34 48 comprehensive revaluation by a private appraiser under
34 49 a contract entered into prior to January 1, 1992, or
34 50 as a result of a comprehensive revaluation directed or
35 1 authorized by the conference board prior to January 1,
35 2 1992, with documentation of the contract,
35 3 authorization, or directive on the revaluation
35 4 provided to the director of revenue and finance, if
35 5 the levies are equal to or less than the levies for
35 6 the previous year, levies on that portion of the
35 7 taxable property located in an urban renewal project
35 8 the tax revenues from which are no longer divided as
35 9 provided in section 403.19, subsection 2, or as
35 10 otherwise provided in this section:
35 11 a. General county services under section 331.422,
35 12 subsection 1.
35 13 b. Rural county services under section 331.422,
35 14 subsection 2.
35 15 c. Other taxes under section 331.422, subsection
35 16 4.

35 17 Sec. 56. Section 444.25A, subsection 3, paragraph
35 18 b, subparagraph (3), Code 1995, is amended to read as
35 19 follows:
35 20 (3) Need for additional moneys for health care,
35 21 treatment, and facilities, including

~~mental health and~~

35 22

~~mental retardation care and~~

~~treatment pursuant to~~

35 23 section 331.424, subsection 1, paragraphs "a"

~~through~~

35 24

"h"
- and "b".

35 25 Sec. 57. NEW SECTION. 444.25B PROPERTY TAX
35 26 LIMITATIONS FOR 1998 AND 1999 FISCAL YEARS.
35 27 1. COUNTY LIMITATION. The maximum amount of
35 28 property tax dollars which may be certified by a
35 29 county for taxes payable in the fiscal year beginning
35 30 July 1, 1997, shall not exceed the amount of property
35 31 tax dollars certified by the county for taxes payable
35 32 in the fiscal year beginning July 1, 1996, minus the
35 33 amount by which the property tax relief payment to be
35 34 received by the county in the fiscal year beginning
35 35 July 1, 1997, exceeds the amount of the property tax
35 36 relief payment received by the county in the fiscal
35 37 year beginning July 1, 1996, pursuant to section
35 38 331.438A, subsection 2, and the maximum amount of
35 39 property tax dollars which may be certified by a
35 40 county for taxes payable in the fiscal year beginning
35 41 July 1, 1998, shall not exceed the amount of property
35 42 tax dollars certified by the county for taxes payable
35 43 in the fiscal year beginning July 1, 1997, minus the
35 44 amount by which the property tax relief payment to be
35 45 received by the county in the fiscal year beginning
35 46 July 1, 1998, exceeds the amount of the property tax
35 47 relief payment received by the county in the fiscal
35 48 year beginning July 1, 1997, pursuant to section
35 49 331.438A, subsection 2, for each of the levies for the
35 50 following, except for the levies on the increase in
36 1 taxable valuation due to new construction, additions
36 2 or improvements to existing structures, remodeling of
36 3 existing structures for which a building permit is
36 4 required, annexation, and phasing out of tax
36 5 exemptions, and on the increase in valuation of
36 6 taxable property as a result of a comprehensive
36 7 revaluation by a private appraiser under a contract
36 8 entered into prior to January 1, 1992, or as a result
36 9 of a comprehensive revaluation directed or authorized
36 10 by the conference board prior to January 1, 1992, with
36 11 documentation of the contract, authorization, or
36 12 directive on the revaluation provided to the director
36 13 of revenue and finance, if the levies are equal to or
36 14 less than the levies for the previous year, levies on
36 15 that portion of the taxable property located in an
36 16 urban renewal project the tax revenues from which are
36 17 no longer divided as provided in section 403.19,
36 18 subsection 2, or as otherwise provided in this
36 19 section:
36 20 a. General county services under section 331.422,
36 21 subsection 1.
36 22 b. Rural county services under section 331.422,
36 23 subsection 2.
36 24 c. Other taxes under section 331.422, subsection
36 25 4.
36 26 2. EXCEPTIONS. The limitations provided in
36 27 subsection 1 do not apply to the levies made for the
36 28 following:
36 29 a. Debt service to be deposited into the debt
36 30 service fund pursuant to section 331.430.
36 31 b. Taxes approved by a vote of the people which
36 32 are payable during the fiscal year beginning July 1,
36 33 1997, or July 1, 1998.
36 34 c. Hospitals pursuant to chapters 37, 347, and
36 35 347A.
36 36 d. Emergency management to be deposited into the
36 37 local emergency management fund and expended for
36 38 development of hazardous substance teams pursuant to
36 39 chapter 29C.

36 40 e. Unusual need for additional moneys to finance
36 41 existing programs which would provide substantial
36 42 benefit to county residents or compelling need to
36 43 finance new programs which would provide substantial
36 44 benefit to county residents. The increase in taxes
36 45 levied under this exception for the fiscal year
36 46 beginning July 1, 1997, is limited to no more than the
36 47 product of the total tax dollars levied in the fiscal
36 48 year beginning July 1, 1996, and the percent change,
36 49 computed to two decimal places, in the price index for
36 50 government purchases by type for state and local
37 1 governments computed for the third quarter of calendar
37 2 year 1996 from that computed for the third quarter of
37 3 calendar year 1995. The increase in taxes levied
37 4 under this exception for the fiscal year beginning
37 5 July 1, 1998, is limited to no more than the product
37 6 of the total tax dollars levied in the fiscal year
37 7 beginning July 1, 1997, and the percent change,
37 8 computed to two decimal places, in the price index for
37 9 government purchases by type for state and local
37 10 governments computed for the third quarter of calendar
37 11 year 1997 from that computed for the third quarter of
37 12 calendar year 1996.

37 13 For purposes of this paragraph, the price index for
37 14 government purchases by type for state and local
37 15 governments is defined by the bureau of economic
37 16 analysis of the United States department of commerce
37 17 and published in table 7.11 of the national income and
37 18 products accounts. For the fiscal years beginning
37 19 July 1, 1997, and July 1, 1998, the price index used
37 20 shall be the revision published in the November 1996
37 21 and November 1997 issues, respectively, of the United
37 22 States department of commerce publication, "survey of
37 23 current business". For purposes of this paragraph,
37 24 tax dollars levied in the fiscal years beginning July
37 25 1, 1996, and July 1, 1997, shall not include funds
37 26 levied for paragraphs "a", "b", and "c" of this
37 27 subsection.

37 28 Application of this exception shall require an
37 29 original publication of the budget and a public
37 30 hearing and a second publication and a second hearing
37 31 both in the manner and form prescribed by the director
37 32 of the department of management, notwithstanding the
37 33 provisions of section 331.434. The publications and
37 34 hearings prescribed in this paragraph shall be held
37 35 and the budget certified no later than March 15. The
37 36 taxes levied for counties whose budgets are certified
37 37 after March 15, 1997, shall be frozen at the fiscal
37 38 year beginning July 1, 1996, level, and the taxes
37 39 levied for counties whose budgets are certified after
37 40 March 15, 1998, shall be frozen at the fiscal year
37 41 beginning July 1, 1997, level.

37 42 3. APPEAL PROCEDURES. In lieu of the procedures
37 43 in sections 24.48 and 331.426, which procedures do not
37 44 apply for taxes payable in the fiscal years beginning
37 45 July 1, 1997, and July 1, 1998, if a county needs to
37 46 raise property tax dollars from a tax levy in excess
37 47 of the limitations imposed by subsection 1, the
37 48 following procedures apply:

37 49 a. Not later than March 1, and after the
37 50 publication and public hearing on the budget in the
38 1 manner and form prescribed by the director of the
38 2 department of management, notwithstanding section
38 3 331.434, the county shall petition the state appeal
38 4 board for approval of a property tax increase in
38 5 excess of the increase provided for in subsection 2,
38 6 paragraph "e", on forms furnished by the director of

38 7 the department of management. Applications received
38 8 after March 1 shall be automatically ineligible for
38 9 consideration by the board.

38 10 b. Additional costs incurred by the county due to
38 11 any of the following circumstances shall be the basis
38 12 for justifying the excess in property tax dollars:

38 13 (1) Natural disaster or other life-threatening
38 14 emergencies.

38 15 (2) Unusual need for additional moneys to finance
38 16 existing programs which would provide substantial
38 17 benefit to county residents or compelling need to
38 18 finance new programs which would provide substantial
38 19 benefit to county residents.

38 20 (3) Need for additional moneys for health care,
38 21 treatment, and facilities pursuant to section 331.424,
38 22 subsection 1, paragraphs "a" and "b".

38 23 (4) Judgments, settlements, and related costs
38 24 arising out of civil claims against the county and its
38 25 officers, employees, and agents, as defined in chapter
38 26 670.

38 27 c. The state appeal board shall approve,
38 28 disapprove, or reduce the amount of excess property
38 29 tax dollars requested. The board shall take into
38 30 account the intent of this section to provide property
38 31 tax relief. The decision of the board shall be
38 32 rendered at a regular or special meeting of the board
38 33 within twenty days of the board's receipt of an
38 34 appeal.

38 35 d. Within seven days of receipt of the decision of
38 36 the state appeal board, the county shall adopt and
38 37 certify its budget under section 331.434, which budget
38 38 may be protested as provided in section 331.436. The
38 39 budget shall not contain an amount of property tax
38 40 dollars in excess of the amount approved by the state
38 41 appeal board.

38 42 4. Rate adjustment by county auditor. In addition
38 43 to the requirement of the county auditor in section
38 44 444.3 to establish a rate of tax which does not exceed
38 45 the rate authorized by law, the county auditor shall
38 46 also adjust the rate if the amount of property tax
38 47 dollars to be raised is in excess of the amount
38 48 specified in subsection 1, as may be adjusted pursuant
38 49 to subsection 3.

38 50 Sec. 58. NEW SECTION. 444.25C PROPERTY TAX
39 1 LIMITATION FOR FISCAL YEAR 2000.

39 2 1. COUNTY LIMITATION. The maximum amount of
39 3 property tax dollars which may be certified by a
39 4 county for taxes payable in the fiscal year beginning
39 5 July 1, 1999, shall not exceed the amount of property
39 6 tax dollars certified by the county for taxes payable
39 7 in the fiscal year beginning July 1, 1998, minus the
39 8 difference between the amount by which the property
39 9 tax relief payment to be received by the county in the
39 10 fiscal year beginning July 1, 1999, exceeds the amount
39 11 of the property tax relief payment received by the
39 12 county in the fiscal year beginning July 1, 1998,
39 13 pursuant to section 331.438A, subsection 2, for each
39 14 of the levies for the following, except for the levies
39 15 on the increase in taxable valuation due to new
39 16 construction, additions or improvements to existing
39 17 structures, remodeling of existing structures for
39 18 which a building permit is required, annexation, and
39 19 phasing out of tax exemptions, and on the increase in
39 20 valuation of taxable property as a result of a
39 21 comprehensive revaluation by a private appraiser under
39 22 a contract entered into prior to January 1, 1992, or
39 23 as a result of a comprehensive revaluation directed or

39 24 authorized by the conference board prior to January 1,
39 25 1992, with documentation of the contract,
39 26 authorization, or directive on the revaluation
39 27 provided to the director of revenue and finance, if
39 28 the levies are equal to or less than the levies for
39 29 the previous year, levies on that portion of the
39 30 taxable property located in an urban renewal project
39 31 the tax revenues from which are no longer divided as
39 32 provided in section 403.19, subsection 2, or as
39 33 otherwise provided in this section:

39 34 a. General county services under section 331.422,
39 35 subsection 1.

39 36 b. Rural county services under section 331.422,
39 37 subsection 2.

39 38 c. Other taxes under section 331.422, subsection
39 39 4.

39 40 2. EXCEPTIONS. The limitations provided in
39 41 subsection 1 do not apply to the levies made for the
39 42 following:

39 43 a. Debt service to be deposited into the debt
39 44 service fund pursuant to section 331.430.

39 45 b. Taxes approved by a vote of the people which
39 46 are payable during the fiscal year beginning July 1,
39 47 1999, or July 1, 2000.

39 48 c. Hospitals pursuant to chapters 37, 347, and
39 49 347A.

39 50 d. Emergency management to be deposited into the
40 1 local emergency management fund and expended for
40 2 development of hazardous substance teams pursuant to
40 3 chapter 29C.

40 4 e. Unusual need for additional moneys to finance
40 5 existing programs which would provide substantial
40 6 benefit to county residents or compelling need to
40 7 finance new programs which would provide substantial
40 8 benefit to county residents. The increase in taxes
40 9 levied under this exception for the fiscal year
40 10 beginning July 1, 1999, is limited to no more than the
40 11 product of the total tax dollars levied in the fiscal
40 12 year beginning July 1, 1998, and the percent change,
40 13 computed to two decimal places, in the price index for
40 14 government purchases by type for state and local
40 15 governments computed for the third quarter of calendar
40 16 year 1998 from that computed for the third quarter of
40 17 calendar year 1997.

40 18 For purposes of this paragraph, the price index for
40 19 government purchases by type for state and local
40 20 governments is defined by the bureau of economic
40 21 analysis of the United States department of commerce
40 22 and published in table 7.11 of the national income and
40 23 products accounts. For the fiscal year beginning July
40 24 1, 1999, the price index used shall be the revision
40 25 published in the November 1998 of the United States
40 26 department of commerce publication, "survey of current
40 27 business". For purposes of this paragraph, tax
40 28 dollars levied in the fiscal year beginning July 1,
40 29 1998, shall not include funds levied for paragraphs
40 30 "a", "b", and "c" of this subsection.

40 31 Application of this exception shall require an
40 32 original publication of the budget and a public
40 33 hearing and a second publication and a second hearing
40 34 both in the manner and form prescribed by the director
40 35 of the department of management, notwithstanding the
40 36 provisions of section 331.434. The publications and
40 37 hearings prescribed in this paragraph shall be held
40 38 and the budget certified no later than March 15. The
40 39 taxes levied for counties whose budgets are certified
40 40 after March 15, 1999, shall be frozen at the fiscal

40 41 year beginning July 1, 1998, level.
40 42 3. APPEAL PROCEDURES. In lieu of the procedures
40 43 in sections 24.48 and 331.426, which procedures do not
40 44 apply for taxes payable in the fiscal year beginning
40 45 July 1, 1999, if a county needs to raise property tax
40 46 dollars from a tax levy in excess of the limitations
40 47 imposed by subsection 1, the following procedures
40 48 apply:

40 49 a. Not later than March 1, and after the
40 50 publication and public hearing on the budget in the
41 1 manner and form prescribed by the director of the
41 2 department of management, notwithstanding section
41 3 331.434, the county shall petition the state appeal
41 4 board for approval of a property tax increase in
41 5 excess of the increase provided for in subsection 2,
41 6 paragraph "e", on forms furnished by the director of
41 7 the department of management. Applications received
41 8 after March 1 shall be automatically ineligible for
41 9 consideration by the board.

41 10 b. Additional costs incurred by the county due to
41 11 any of the following circumstances shall be the basis
41 12 for justifying the excess in property tax dollars:

41 13 (1) Natural disaster or other life-threatening
41 14 emergencies.

41 15 (2) Unusual need for additional moneys to finance
41 16 existing programs which would provide substantial
41 17 benefit to county residents or compelling need to
41 18 finance new programs which would provide substantial
41 19 benefit to county residents.

41 20 (3) Need for additional moneys for health care,
41 21 treatment, and facilities pursuant to section 331.424,
41 22 subsection 1, paragraphs "a" and "b".

41 23 (4) Judgments, settlements, and related costs
41 24 arising out of civil claims against the county and its
41 25 officers, employees, and agents, as defined in chapter
41 26 670.

41 27 c. The state appeal board shall approve,
41 28 disapprove, or reduce the amount of excess property
41 29 tax dollars requested. The board shall take into
41 30 account the intent of this section to provide property
41 31 tax relief. The decision of the board shall be
41 32 rendered at a regular or special meeting of the board
41 33 within twenty days of the board's receipt of an
41 34 appeal.

41 35 d. Within seven days of receipt of the decision of
41 36 the state appeal board, the county shall adopt and
41 37 certify its budget under section 331.434, which budget
41 38 may be protested as provided in section 331.436. The
41 39 budget shall not contain an amount of property tax
41 40 dollars in excess of the amount approved by the state
41 41 appeal board.

41 42 4. Rate adjustment by county auditor. In addition
41 43 to the requirement of the county auditor in section
41 44 444.3 to establish a rate of tax which does not exceed
41 45 the rate authorized by law, the county auditor shall
41 46 also adjust the rate if the amount of property tax
41 47 dollars to be raised is in excess of the amount
41 48 specified in subsection 1, as may be adjusted pursuant
41 49 to subsection 3.

41 50 Sec. 59. Section [444.27](#), Code 1995, is amended to
42 1 read as follows:

42 2 444.27 SECTIONS VOID.

42 3 1. For purposes of section 444.25, sections 24.48
42 4 and 331.426 are void for the fiscal years beginning
42 5 July 1, 1993, and July 1, 1994. For purposes of
42 6 section 444.25A, sections 24.48 and 331.426 are void
42 7 for the fiscal years beginning July 1, 1995, and July

42 8 1, 1996.

42 9 2. For purposes of sections 444.25B and 444.25C,
42 10 sections 24.48 and 331.426 are void for the fiscal
42 11 years beginning July 1, 1997, July 1, 1998, and July
42 12 1, 1999.

42 13 Sec. 60. Section 445.23, Code 1995, is amended to
42 14 read as follows:

42 15 445.23 STATEMENT OF TAXES DUE.

42 16 1.

~~Upon request, the~~

- ~~The county treasurer shall~~

42 17 state in writing the full amount of taxes against a
42 18 parcel, all sales for unpaid taxes, and the amount
42 19 needed to redeem the parcel, if redeemable. If the
42 20 person requesting the statement is not the titleholder
42 21 of record or contract holder of record of the parcel,
42 22 that person shall pay a fee at the rate of two dollars
42 23 per parcel for each year for which information is
42 24 requested, and the money shall be deposited in the
42 25 county general fund.

42 26 2. The county treasurer shall include in a
42 27 prominent place on the tax statement the amount of
42 28 each of the following state tax credits that apply to
42 29 the parcel and amount by which each credit reduced the
42 30 taxes due on the parcel:

42 31 a. Homestead credit under chapter 425.

42 32 b. Military service credit under chapter 426A.

42 33 c. Extraordinary credit under chapter 425.

42 34 d. Mental health, mental retardation, and de-
42 35 velopmental disabilities property tax relief under
42 36 section 331.438A.

42 37 e. Farm tax credit under chapter 426.

42 38 Sec. 61. REPEAL. 1994 Iowa Acts, chapter 1163,
42 39 section 8, is repealed.

42 40 Sec. 62. DEPARTMENT OF HUMAN SERVICES – ICFMR
42 41 REQUIREMENT. The department of human services shall
42 42 consult with the department of inspections and
42 43 appeals, the Iowa state association of counties, and
42 44 the Iowa association of rehabilitation and residential
42 45 facilities in adopting administrative rules
42 46 identifying optimum staffing ratios for intermediate
42 47 care facilities for the mentally retarded (ICFMR).
42 48 The administrative rules shall be implemented on or
42 49 before January 1, 1996.

42 50 Sec. 63. COUNTY ADJUSTMENT FACTOR PAYMENT –
43 1 FISCAL YEAR 1995-1996.

43 2 1. For the fiscal year beginning July 1, 1995, the
43 3 adjustment factor payment from the mental health,
43 4 mental retardation, and developmental disabilities
43 5 property tax relief fund specified in section 331.438A
43 6 shall be paid as provided in this section. An
43 7 eligible county may apply to the department of human
43 8 services for an adjustment factor payment to reimburse
43 9 costs paid by the county in that fiscal year for
43 10 services to persons with mental illness, mental
43 11 retardation, or developmental disabilities in
43 12 accordance with the county's management plan approved
43 13 pursuant to section 331.439. Eligible costs shall be
43 14 limited to eligible consumers of services who were not
43 15 served in the previous fiscal year, unusual cost
43 16 increases, service cost inflation, and investments for
43 17 quality and efficiency improvements. Reimbursement
43 18 shall not be provided from the fund for applications
43 19 received after August 10, 1995.

43 20 2. Payment from the fund shall be limited to the
43 21 amount designated for this purpose and if applications

43 22 received exceed the available funding, payments shall
43 23 be prorated. The department of human services shall
43 24 notify the director of revenue and finance of the
43 25 amounts due a county under this section. The director
43 26 shall draw warrants on the relief fund payable to the
43 27 county treasurer in the amount due to each county.
43 28 The warrants shall be paid in a timely manner to
43 29 enable the county to accrue the payment in the
43 30 county's 1995-1996 fiscal year.

43 31 3. Notwithstanding section 8.33, moneys in the
43 32 relief fund allocated for the adjustment payment which
43 33 remain unobligated or unexpended at the close of the
43 34 fiscal year ending June 30, 1996, shall not revert to
43 35 the general fund of the state but shall remain
43 36 available for adjustment payments in the succeeding
43 37 fiscal year.

43 38 Sec. 64. INTERIM COMMITTEE CREATED. The
43 39 legislative council is requested to establish an
43 40 interim committee comprised of members of the general
43 41 assembly with the charge of developing a system to
43 42 regulate and contain county expenditures for mental
43 43 health, mental retardation, and developmental
43 44 disabilities services and to develop a formula for
43 45 distribution of property tax relief moneys to counties
43 46 under section 331.438A, subsection 2. In addition,
43 47 the committee should consider proposals from counties
43 48 and other interested persons for a distribution
43 49 formula factor which rewards or provides incentives
43 50 for economy and efficiency in providing mental health,
44 1 mental retardation, and developmental disabilities
44 2 services; and a mechanism for a county to appeal to
44 3 the state if it is believed the county is unfairly
44 4 treated under an established funding formula. The
44 5 committee should be directed to report to the governor
44 6 and the general assembly prior to the 1996 legislative
44 7 session.

44 8 Sec. 65. EFFECTIVE DATES.

44 9 1. Sections 40, 41, 42, 43, and 44 of this
44 10 division of this Act take effect July 1, 1996.

44 11 2. Sections 45, 46, 47, 54, and 56 take effect
44 12 January 1, 1996, and are applicable to taxes paid in
44 13 the fiscal year beginning July 1, 1996, and succeeding
44 14 fiscal years.

44 15 3. The remainder of this division of this Act,
44 16 being deemed of immediate importance, takes effect
44 17 upon enactment."

44 18 #2. Title page, by striking lines 1 through 4 and
44 19 inserting the following: "An Act relating to income
44 20 tax relief, property tax relief, machinery and
44 21 equipment phase-in exemption and reimbursement, levies
44 22 for mental health, mental retardation, and
44 23 developmental disabilities services, providing
44 24 appropriations, and providing effective dates and
44 25 applicability provisions."

44 26 [SF 69H](#)

44 27 mg/pk/25