

Reprinted

MAR 9 1995

APPROPRIATIONS CALENDAR

HOUSE FILE 336

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 250)

(P.928)
 Passed House, Date 3/22/95 Passed Senate, Date _____
 Vote: Ayes 96 Nays 1 Vote: Ayes _____ Nays _____
 Approved _____

A BILL FOR

1 An Act making an appropriation to the department of human
 2 services for medical assistance for certain minors with mental
 3 retardation, and providing applicability and effective date
 4 provisions.

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

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HF 336

1 Section 1. MEDICAL ASSISTANCE COSTS FOR SERVICES TO MINORS
2 WITH MENTAL RETARDATION. There is appropriated from the
3 general fund of the state to the department of human services
4 for the fiscal year beginning July 1, 1995, and ending June
5 30, 1996, the following amount, or so much thereof as is
6 necessary, to be used for the purposes designated:

7 For the nonfederal share of the costs of services provided
8 to minors with mental retardation under medical assistance in
9 accordance with the provisions of section 249A.12, subsection
10 4:

11 \$ 6,600,000

12 Sec. 2. FUNDING OF SESSION LAW REQUIREMENTS. If section 1
13 of this Act is enacted on or before March 31, 1995, the
14 requirements of 1994 Iowa Acts, chapter 1163, section 8,
15 subsection 1, to enact an appropriation to fully fund the
16 provisions of section 249A.12, subsection 4, shall be
17 considered to be met and the repeals contained in 1994 Iowa
18 Acts, chapter 1163, section 8, subsection 1, shall be void.

19 Sec. 3. EFFECTIVE DATE. Section 2 of this Act, being
20 deemed of immediate importance, takes effect upon enactment.

21 EXPLANATION

22 This bill makes a 1995-1996 fiscal year appropriation to
23 the department of human services for the nonfederal share of
24 the costs of services provided to minors with mental
25 retardation under the medical assistance program under section
26 249A.12, subsection 4.

27 The services for minors referred to in section 249A.12,
28 subsection 4, are intermediate care facility for the mentally
29 retarded services and home and community-based waivers for
30 persons with mental retardation services. Section 249A.12
31 further provides that these costs are not to be billed to
32 counties.

33 House File 2430 (1994 Iowa Acts, chapter 1163) includes a
34 contingent repeal provision in the event an appropriation is
35 not enacted by the Seventy-sixth General Assembly, 1995

1 Session, to fully fund the provisions of section 249A.12,
2 subsection 4. According to the repeal provision, if the
3 appropriation is not enacted, the extension of the property
4 tax limitation for the 1995-1996 and 1996-1997 fiscal years
5 contained in House File 2430 is repealed effective April 1,
6 1995.

7 Section 2 of the bill provides that if the appropriation
8 provision of the bill is enacted by March 31, 1995, the
9 contingent repeal of the property tax limitation extension is
10 void. Section 2 takes effect upon enactment.

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HOUSE FILE 336

H-3295

1 Amend House File 336 as follows:

2 1. Page 1, by inserting after line 11 the
3 following:

4 "Sec. 100. Section 331.439, subsection 3,
5 paragraph a, Code 1995, is amended to read as follows:

6 a. For mental health service management, the
7 county must contract with a state-approved managed
8 mental health care contractor or describe the method
9 the county will use to achieve a comparable system of
10 managed care which assures cost-effective delivery of
11 services. ~~For the fiscal year beginning July 1, 1995,~~
12 ~~this part of the plan shall be submitted to the~~
13 ~~department of human services by March 1, 1995.~~ This
14 part of the plan shall initially be submitted to the
15 department of human services within nine months
16 following the date on which the state contractor for
17 managed mental health care under the medical
18 assistance program assumes care management
19 responsibilities. For subsequent fiscal years, this
20 part of the plan shall be submitted by the prior April
21 1. The implementation of this part of the plan shall
22 begin within twelve months following the date on which
23 the state contractor for managed mental health care
24 under the medical assistance program assumes care
25 management responsibilities."

26 2. Page 1, line 19, by striking the words
27 "EFFECTIVE DATE." and inserting the following:
28 "EFFECTIVE AND APPLICABILITY DATES.

29 1. Section 100 of this Act, being deemed of
30 immediate importance, takes effect upon enactment, and
31 applies retroactively to March 1, 1995.

32 2."

33 3. Title page, line 1, by inserting after the
34 word "Act" the following: "relating to mental health
35 and developmental disabilities services by".

36 4. Title page, line 3, by inserting after the
37 word "retardation," the following: "and revising
38 dates required for certain planning activities for
39 mental health services".

40 5. By renumbering as necessary.

Out of Order 3/22/95 By HOUSER of Pottawattamie
MYERS of Johnson

H-3295 FILED MARCH 14, 1995

HOUSE FILE 336

H-3306

1 Amend the amendment, H-3293, to House File 336 as
2 follows:

3 1. Page 1, line 11, by striking the figure
4 "81,000,000" and inserting the following:
5 "35,000,000".

By MURPHY of Dubuque

H-3306 FILED MARCH 15, 1995

Out of Order 3/22/95

HOUSE FILE 336

H-3293

- 1 Amend House File 336 as follows:
2 1. Page 1, line 1, by striking the word "MINORS"
3 and inserting the following: "PERSONS".
4 2. Page 1, line 10, by inserting after the figure
5 "4" the following: ", and to other persons with
6 mental retardation, notwithstanding the provisions of
7 section 249A.12, subsection 2, section 249A.26, and
8 any other provision of law to the contrary".
9 3. Page 1, line 11, by striking the figure
10 "6,600,000" and inserting the following:
11 "81,000,000".
12 4. Title page, line 2, by striking the words
13 "certain minors" and inserting the following:
14 "persons".

By MURPHY of Dubuque

BELL of Jasper

CATALDO of Polk

O'BRIEN of Boone

JOCHUM of Dubuque

SCHRADER of Marion

RUNNING of Linn

OLLIE of Clinton

LARKIN of Lee

COHOON of Des Moines

CONNORS of Polk

HARPER of Black Hawk

MASCHER of Johnson

BAKER of Polk

BURNETT of Story

DREES of Carroll

MUNDIE of Webster

H-3293 FILED MARCH 13, 1995

Out of Order
3/22/95
(p. 927)

HOUSE FILE 336

H-3339

1 Amend House File 336 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. MEDICAL ASSISTANCE COSTS FOR SERVICES
5 TO MINORS WITH MENTAL RETARDATION. There is
6 appropriated from the general fund of the state to the
7 department of human services for the fiscal year
8 beginning July 1, 1995, and ending June 30, 1996, the
9 following amount, or so much thereof as is necessary,
10 to be used for the purposes designated:

11 For the nonfederal share of the costs of services
12 provided to minors with mental retardation under
13 medical assistance in accordance with the provisions
14 of section 249A.12, subsection 4:

15 \$ 6,600,000

16 Sec. 2. Section 123.38, unnumbered paragraph 2,
17 Code 1995, is amended to read as follows:

18 Any licensee or permittee, or the licensee's or
19 permittee's executor or administrator, or any person
20 duly appointed by the court to take charge of and
21 administer the property or assets of the licensee or
22 permittee for the benefit of the licensee's or
23 permittee's creditors, may voluntarily surrender a
24 license or permit to the division. When a license or
25 permit is surrendered the division shall notify the
26 local authority, and the division or the local
27 authority shall refund to the person surrendering the
28 license or permit, a proportionate amount of the fee
29 received by the division or the local authority for
30 the license or permit as follows: If a license or
31 permit is surrendered during the first three months of
32 the period for which it was issued, the refund shall
33 be three-fourths of the amount of the fee; if
34 surrendered more than three months but not more than
35 six months after issuance, the refund shall be one-
36 half of the amount of the fee; if surrendered more
37 than six months but not more than nine months after
38 issuance, the refund shall be one-fourth of the amount
39 of the fee. No refund shall be made, however, for any
40 special liquor permit, nor for a liquor control
41 license, wine permit, or beer permit surrendered more
42 than nine months after issuance. For purposes of this
43 paragraph, any portion of license or permit fees used
44 for the purposes authorized in section 331.424,
45 subsection 1, paragraphs "a" and "b" and "c" and "d" and "e"
46 "f" and "g" and "h", and in section 331.438A, shall not
47 be deemed received either by the division or by a
48 local authority. No refund shall be made to any
49 licensee or permittee, upon the surrender of the
50 license or permit, if there is at the time of

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1 surrender, a complaint filed with the division or
2 local authority, charging the licensee or permittee
3 with a violation of this chapter. If upon a hearing
4 on a complaint the license or permit is not revoked or
5 suspended, then the licensee or permittee is eligible,
6 upon surrender of the license or permit, to receive a
7 refund as provided in this section; but if the license
8 or permit is revoked or suspended upon hearing the
9 licensee or permittee is not eligible for the refund
10 of any portion of the license or permit fee.

11 Sec. 3. Section 218.99, Code 1995, is amended to
12 read as follows:

13 218.99 COUNTY AUDITORS TO BE NOTIFIED OF PATIENTS'
14 PERSONAL ACCOUNTS.

15 The administrator of a division of the department
16 of human services in control of a state institution
17 shall direct the business manager of each institution
18 under the administrator's jurisdiction which is
19 mentioned in section 331.424, subsection 1, paragraphs
20 "a" through "g" and "b" and for which services are
21 paid under section 331.438A to quarterly inform the
22 auditor of the county of legal settlement of any
23 patient or resident who has an amount in excess of two
24 hundred dollars on account in the patients' personal
25 deposit fund and the amount on deposit. The
26 administrators shall direct the business manager to
27 further notify the auditor of the county at least
28 fifteen days before the release of funds in excess of
29 two hundred dollars or upon the death of the patient
30 or resident. If the patient or resident has no county
31 of legal settlement, notice shall be made to the
32 director of the department of human services and the
33 administrator of the division of the department in
34 control of the institution involved.

35 Sec. 4. Section 222.60, Code 1995, is amended to
36 read as follows:

37 222.60 COSTS PAID BY COUNTY OR STATE.

38 All necessary and legal expenses for the cost of
39 admission or commitment or for the treatment,
40 training, instruction, care, habilitation, support and
41 transportation of patients, as provided for in the
42 county management plan provisions implemented pursuant
43 to section 331.439, subsection 1, in a state hospital-
44 school for ~~the-mentally-retarded~~ persons with mental
45 retardation, or in a special unit, or any public or
46 private facility within or without the state, approved
47 by the director of the department of human services,
48 shall be paid by either:

49 1. The county in which such-person the patient has
50 legal settlement as defined in section 252.16.

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1 2. The state when ~~such-person~~ the patient has no
2 legal settlement or when ~~such~~ legal settlement is
3 unknown.

4 Sec. 5. Section 225C.4, subsection 2, paragraph b,
5 Code 1995, is amended to read as follows:

6 b. Establish mental health and mental retardation
7 services for all institutions under the control of the
8 director of human services and establish an autism
9 unit, following mutual planning with and consultation
10 from the medical director of the state psychiatric
11 hospital, at an institution or a facility administered
12 by the administrator to provide psychiatric and
13 related services and other specific programs to meet
14 the needs of autistic persons ~~as-defined-in-section~~
15 ~~331.424, subsection 1~~, and to furnish appropriate
16 diagnostic evaluation services.

17 Sec. 6. Section 331.301, subsection 12, Code 1995,
18 is amended to read as follows:

19 12. The board of supervisors may credit funds to a
20 reserve for the purposes authorized by subsection 11
21 of this section; section 331.424, subsection 1,
22 paragraph "f"; and section 331.441, subsection 2,
23 paragraph "b". Moneys credited to the reserve, and
24 interest earned on such moneys, shall remain in the
25 reserve until expended for purposes authorized by
26 subsection 11 of this section; section 331.424,
27 subsection 1, paragraph "f"; or section 331.441,
28 subsection 2, paragraph "b".

29 Sec. 7. Section 331.424, subsection 1, Code 1995,
30 is amended to read as follows:

31 1. For general county services, an amount
32 sufficient to pay the charges for the following:

33 a. To the extent that the county is obligated by
34 statute to pay the charges for:

35 ~~(1) Care and treatment of patients by a state~~
36 ~~mental health institute;~~

37 ~~---(2) Care and treatment of patients by either of~~
38 ~~the state hospital schools or by any other facility~~
39 ~~established under chapter 222 and diagnostic~~
40 ~~evaluation under section 222.31;~~

41 ~~---(3) Care and treatment of patients under chapter~~
42 ~~225;~~

43 ~~(4)~~ (1) Care and treatment of persons at the
44 alcoholic treatment center at Oakdale. However, the
45 county may require that an admission to the center
46 shall be reported to the board by the center within
47 five days as a condition of the payment of county
48 funds for that admission.

49 ~~(5)~~ (2) Care of children admitted or committed to
50 the Iowa juvenile home at Toledo.

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1 ~~(6)~~ (3) Clothing, transportation, medical, or
2 other services provided persons attending the Iowa
3 braille and sight saving school, the Iowa school for
4 the deaf, or the state hospital-school for severely
5 handicapped children at Iowa City, for which the
6 county becomes obligated to pay pursuant to sections
7 263.12, 269.2, and 270.4 through 270.7.

8 ~~b.---To-the-extent-that-the-board-deems-it-advisable~~
9 ~~to-pay,-the-charges-for-professional-evaluation,~~
10 ~~treatment,-training,-habilitation,-and-care-of-persons~~
11 ~~who-are-mentally-retarded,-autistic-persons,-or~~
12 ~~persons-who-are-afflicted-by-any-other-developmental~~
13 ~~disability,-at-a-suitable-public-or-private-facility~~
14 ~~providing-inpatient-or-outpatient-care-in-the-county.~~
15 ~~As-used-in-this-paragraph:~~

16 ~~---(1)---"Developmental-disability"-has-the-meaning~~
17 ~~assigned-that-term-by-42-U.S.C.-sec.-6001(7)-(1976),~~
18 ~~Supp.-II,-1978,-and-Supp.-III,-1979.~~

19 ~~---(2)---"Autistic-persons"-means-persons,-regardless~~
20 ~~of-age,-with-severe-communication-and-behavior~~
21 ~~disorders-that-became-manifest-during-the-early-stages~~
22 ~~of-childhood-development-and-that-are-characterized-by~~
23 ~~a-severely-disabling-inability-to-understand,~~
24 ~~communicate,-learn,-and-participate-in-social~~
25 ~~relationships.---"Autistic-persons"-includes-but-is-not~~
26 ~~limited-to-those-persons-afflicted-by-infantile~~
27 ~~autism,-profound-aphasia,-and-childhood-psychosis.~~

28 ~~---c.---Care-and-treatment-of-persons-placed-in-the~~
29 ~~county-hospital,-county-care-facility,-a-health-care~~
30 ~~facility-as-defined-in-section-135C.1,-subsection-6,~~
31 ~~or-any-other-public-or-private-facility,-which~~
32 ~~placement-is-in-lieu-of-admission-or-commitment-to-or~~
33 ~~is-upon-discharge,-removal,-or-transfer-from-a-state~~
34 ~~mental-health-institute,-hospital-school,-or-other~~
35 ~~facility-established-pursuant-to-chapter-222.~~

36 ~~---d.---Amounts-budgeted-by-the-board-for-the-cost-of~~
37 ~~establishment-and-initial-operation-of-a-community~~
38 ~~mental-health-center-in-the-manner-and-subject-to-the~~
39 ~~limitations-provided-by-state-law.~~

40 ~~---e. b.~~ Foster care and related services provided
41 under court order to a child who is under the
42 jurisdiction of the juvenile court, including court-
43 ordered costs for a guardian ad litem under section
44 232.71.

45 ~~f.---The-care,-admission,-commitment,-and~~
46 ~~transportation-of-mentally-ill-patients-in-state~~
47 ~~hospitals,-to-the-extent-that-expenses-for-these~~
48 ~~services-are-required-to-be-paid-by-the-county,~~
49 ~~including-compensation-for-the-advocate-appointed~~
50 ~~under-section-229.19.~~

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1 ---g---Amounts-budgeted-by-the-board-for-mental-health
2 services-or-mental-retardation-services-furnished-to
3 persons-on-either-an-outpatient-or-inpatient-basis,-to
4 a-school-or-other-public-agency,-or-to-the-community
5 at-large,-by-a-community-mental-health-center-or-other
6 suitable-facility-located-in-or-reasonably-near-the
7 county,-provided-that-services-meet-the-standards-of
8 the-mental-health-and-developmental-disabilities
9 commission-created-in-section-225C-5-and-are
10 consistent-with-the-annual-plan-for-services-approved
11 by-the-board.

12 ---h---Reimbursement-on-behalf-of-mentally-retarded
13 persons-under-section-249A.12.

14 i. c. Elections, and voter registration pursuant
15 to chapter 48A.

16 j. d. Employee benefits under chapters 96, 97B,
17 and 97C, which are associated with salaries for
18 general county services.

19 k. e. Joint county and city building authorities
20 established under section 346.27, as provided in
21 subsection 22 of that section.

22 l. f. Tort liability insurance, property
23 insurance, and any other insurance that may be
24 necessary in the operation of the county, costs of a
25 self-insurance program, costs of a local government
26 risk pool, and amounts payable under any insurance
27 agreements to provide or procure such insurance, self-
28 insurance program, or local government risk pool.

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

47 n. h. Court-ordered costs of conciliation
48 procedures under section 598.16.

49 o. i. Establishment and maintenance of a joint
50 county indigent defense fund pursuant to an agreement

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1 under section 28E.19.

2 p- j. The maintenance and operation of a local
3 emergency management agency established pursuant to
4 chapter 29C.

5 The board may require a public or private facility,
6 as a condition of receiving payment from county funds
7 for services it has provided, to furnish the board
8 with a statement of the income, assets, and legal
9 residence including township and county of each person
10 who has received services from that facility for which
11 payment has been made from county funds under
12 paragraphs "a" through "h" and "b". However, the
13 facility shall not disclose to anyone the name or
14 street or route address of a person receiving services
15 for which commitment is not required, without first
16 obtaining that person's written permission.

17 Parents or other persons may voluntarily reimburse
18 the county or state for the reasonable cost of caring
19 for a patient or an inmate in a county or state
20 facility.

21 Sec. 8. Section 331.424, Code 1995, is amended by
22 adding the following new subsection:

23 NEW SUBSECTION. 1A. The maximum amount of
24 property tax dollars which may be certified by a
25 county for taxes levied under subsection 1 and payable
26 in the fiscal year beginning July 1, 1996, and
27 succeeding fiscal years shall not exceed the amount of
28 property tax dollars certified by the county for taxes
29 payable in the fiscal year beginning July 1, 1995,
30 minus an adjustment for the amounts levied by the
31 county under subsection 1 for mental health, mental
32 retardation, and developmental disabilities services
33 in the fiscal year beginning July 1, 1995. The
34 adjustment and maximum amount which may be levied by
35 the county shall be determined by the county auditor,
36 subject to the approval of the department of
37 management. A county which disagrees with the
38 adjustment and maximum amount proposed for the county
39 by the department of management may appeal the
40 determination to the state appeal board created in
41 section 24.26 which shall make a final determination.

42 Sec. 9. Section 331.426, subsection 1, Code 1995,
43 is amended by adding the following new paragraph:

44 NEW PARAGRAPH. h. An unusual need for a service
45 or cost paid from levies under section 331.424,
46 subsection 1, which would cause the total expenditures
47 of services and costs paid from those levies to exceed
48 the maximum levies authorized under section 331.424,
49 subsection 1A.

50 Sec. 10. Section 331.438, subsection 1, paragraph

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1 b, Code 1995, is amended to read as follows:

2 b. "State payment" means the payment made by the
3 state under section 331.438A to a county determined to
4 be eligible for the payment in accordance with section
5 331.439. ~~Except as modified based upon the actual~~
6 ~~amount of the appropriation for purposes of state~~
7 ~~payment under section 331.439, the amount of the state~~
8 ~~payment for a fiscal year shall be calculated as fifty~~
9 ~~percent of the amount by which the county's qualified~~
10 ~~expenditures during the immediately preceding fiscal~~
11 ~~year were in excess of the amount of the county's base~~
12 ~~year expenditures.~~

13 Sec. 11. Section 331.438, Code 1995, is amended by
14 adding the following new subsection:

15 NEW SUBSECTION. 1A. The state of Iowa shall
16 provide funding to counties for the costs of mental
17 health and mental retardation services so that over
18 the five-year period beginning July 1, 1995, and
19 ending June 30, 2000, the relative shares of the state
20 and counties for these expenditures shall become
21 either equal or greater for the state.

22 Sec. 12. Section 331.438, subsection 3, paragraph
23 c, Code 1995, is amended by adding the following new
24 subparagraph:

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

30 Sec. 13. NEW SECTION. 331.438A STATE AND COUNTY
31 EXPENDITURES FOR MENTAL HEALTH, MENTAL RETARDATION,
32 AND DEVELOPMENTAL DISABILITIES ASSISTANCE -- FUND
33 CREATED.

34 1. The mental health, mental retardation, and
35 developmental disabilities property tax relief fund is
36 created in the office of the treasurer of state under
37 the authority of the department of revenue and
38 finance. The relief fund shall consist of moneys
39 appropriated to the fund and the amount of allocations
40 from the fund for property tax relief pursuant to
41 subsection 2 and for the adjustment factor pursuant to
42 subsection 5 shall be as specified in law by the
43 general assembly.

44 2. In each fiscal year, a county shall receive for
45 property tax relief the county's proportion of the
46 moneys in the relief fund allocated for property tax
47 relief. A county's proportion of the moneys shall be
48 equivalent to the sum of the following three factors:

49 a. One-third based upon the county's proportion of
50 the state's general population.

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1 b. One-third based upon the county's proportion of
2 the state's total taxable property valuation assessed
3 for taxes payable in the previous fiscal year.

4 c. One-third based upon the county's proportion of
5 all counties' base year expenditures, as defined in
6 section 331.438.

7 3. The department of human services shall notify
8 the department of revenue and finance of the amount
9 due each county and the director of revenue and
10 finance shall draw warrants on the relief fund,
11 payable quarterly to the county treasurer in the
12 amount due a county in accordance with subsection 2,
13 and mail the warrants to county auditors by September
14 1, December 1, March 1, and June 1 of each year.

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

33 5. In addition to moneys received by a county for
34 a fiscal year pursuant to subsection 2, the county may
35 be paid an adjustment factor payment for services
36 provided in accordance with the county's management
37 plan implemented pursuant to section 331.439 and paid
38 for from the county's services fund under section
39 331.424A. The amount of the adjustment factor payment
40 to a county is subject to the amount appropriated for
41 this purpose and shall be paid as provided by the
42 general assembly for that fiscal year.

43 6. The department of human services, in
44 consultation with the state-county management
45 committee, shall prescribe forms and adopt rules
46 pursuant to chapter 17A to administer this section.

47 Sec. 14. Section 331.439, Code 1995, is amended by
48 striking the section and inserting in lieu thereof the
49 following:

50 331.439 ELIGIBILITY FOR STATE PAYMENT.

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1 1. The state payment to eligible counties under
2 this section shall be made as provided in section
3 331.438A. A county is eligible for the state payment,
4 as defined in section 331.438, for the fiscal year
5 beginning July 1, 1995, and for subsequent fiscal
6 years if the director of human services determines for
7 a specific fiscal year that all of the following
8 conditions are met:

9 a. The county accurately reported by October 15
10 the county's expenditures for mental health, mental
11 retardation, and developmental disabilities services
12 for the previous fiscal year on forms prescribed by
13 the department of human services.

14 b. The county developed and implemented a county
15 management plan for the county's mental health, mental
16 retardation, and developmental disabilities services
17 in accordance with the provisions of this paragraph.
18 The plan shall comply with the administrative rules
19 adopted for this purpose by the council on human
20 services and is subject to the approval of the
21 director of human services in consultation with the
22 state-county management committee created in section
23 331.438. The plan shall include a description of the
24 county's service management provision for mental
25 health, mental retardation, and developmental
26 disabilities services. The plan shall have the
27 following two parts:

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

38 (2) For mental retardation and developmental
39 disabilities services management, the county must
40 contract with a state-approved managed care contractor
41 or develop and implement a managed system of care
42 which addresses a full array of appropriate services
43 and cost-effective delivery of services. The managed
44 system of care shall incorporate a single entry point
45 process developed in accordance with the provisions of
46 section 331.440. The elements of the managed system
47 of care shall be specified in rules developed by the
48 department in consultation with the state-county
49 management committee and adopted by the council on
50 human services. The county shall implement either the

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1 state-approved contract or implement a comparable
2 system of care within six months of the date by which
3 the department approves a managed care contractor. In
4 fiscal years succeeding the fiscal year of initial
5 implementation this part of the plan shall be
6 submitted to the department of human services by April
7 1 for the succeeding fiscal year.

8 c. Changes to the approved plan are submitted
9 sixty days prior to the proposed change and are not to
10 be implemented prior to the director of human
11 services' approval.

12 2. The county management plan shall address the
13 county's criteria for serving persons with chronic
14 mental illness, including any rationale used for
15 decision making regarding this population.

16 3. If funding is available under the fixed budget,
17 a county that has not provided services to a service
18 population which is not included in the service
19 management provisions required under subsection 1, may
20 provide such services.

21 4. For the fiscal year beginning July 1, 1996, and
22 succeeding fiscal years, implementation of the county
23 management plan is subject to a fixed budget
24 consisting of the moneys deposited by the state and
25 county in the county mental health, mental
26 retardation, and developmental disabilities services
27 fund created in section 331.424A. The amount of the
28 fixed budget shall be the amount specified for the
29 fiscal year in the county's management plan and
30 budgeted for such services.

31 5. A county shall implement the county's
32 management plan in a manner so as to provide adequate
33 funding for the entire fiscal year by budgeting for
34 ninety-nine percent of the funding anticipated to be
35 available for the plan.

36 6. A county's implementation of the service
37 management provisions required under subsection 1 for
38 mental health, mental retardation, and developmental
39 disabilities shall incorporate the single entry point
40 process described in section 331.440.

41 7. The basis for determining whether a managed
42 care system for mental health proposed by a county is
43 comparable to a managed care contractor approved by
44 the department of human services shall include but is
45 not limited to all of the following elements which
46 shall be specified in administrative rules adopted by
47 the department in consultation with the state-county
48 management committee:

49 a. The enrollment and eligibility process.

50 b. The scope of services included.

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1 c. The method of plan administration.
2 d. The process for managing utilization and access
3 to services and other assistance.
4 e. The quality assurance process.
5 f. The risk management provisions and fiscal
6 viability of the provisions.
7 8. The director's approval of a county's mental
8 health, mental retardation, and developmental
9 disabilities services management plan shall not be
10 construed to constitute certification of the county's
11 budget.

12 Sec. 15. Section 331.440, subsection 1, Code 1995,
13 is amended by adding the following new paragraph:

14 NEW PARAGRAPH. c. The single entry point process
15 shall include provision for the county's participation
16 in a management information system developed in
17 accordance with rules adopted pursuant to subsection
18 3.

19 Sec. 16. NEW SECTION. 331.424A MENTAL HEALTH,
20 MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES
21 SERVICES FUND.

22 1. For the purposes of this chapter, unless the
23 context otherwise requires, "services fund" means the
24 county mental health, mental retardation, and
25 developmental disabilities services fund created in
26 subsection 2.

27 2. For the fiscal year beginning July 1, 1996, and
28 succeeding fiscal years, county revenues from taxes
29 and other sources designated for mental health, mental
30 retardation, and developmental disabilities services
31 shall be credited to the mental health, mental
32 retardation, and developmental disabilities services
33 fund of the county. The board shall make
34 appropriations from the fund for payment of services
35 provided under the county management plan approved
36 pursuant to section 331.439.

37 3. For the fiscal year beginning July 1, 1996, and
38 succeeding fiscal years, receipts from the state or
39 federal government for such services shall be credited
40 to the services fund, including but not limited to
41 moneys received by a county under section 331.438A.

42 4. For the fiscal year beginning July 1, 1996, and
43 for each subsequent fiscal year, the county may
44 certify a levy for payment of services. Unless
45 otherwise provided by state law, for each fiscal year,
46 county revenues from taxes imposed by the county
47 credited to the services fund shall not exceed an
48 amount equal to the amount of base year expenditures
49 from property taxes imposed by the county and paid for
50 services in the fiscal year beginning July 1, 1993,

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1 and ending June 30, 1994, as defined in section
2 331.438, less the amount of property tax relief to be
3 received pursuant to section 331.438A in the fiscal
4 year for which the budget is certified. The county
5 auditor and the board of supervisors shall reduce the
6 amount of the levy certified under this section by the
7 amount of property tax relief to be received.

8 5. Appropriations specifically authorized to be
9 made from the mental health, mental retardation, and
10 disabilities services fund shall not be made from the
11 general fund of the county.

12 Sec. 17. Section 444.25A, subsection 1, Code 1995,
13 is amended to read as follows:

14 1. COUNTY LIMITATION. The maximum amount of
15 property tax dollars which may be certified by a
16 county for taxes payable in the fiscal year beginning
17 July 1, 1995, shall not exceed the amount of property
18 tax dollars certified by the county for taxes payable
19 in the fiscal year beginning July 1, 1994, minus the
20 amount of the property tax relief payment to be
21 received by the county for the fiscal year beginning
22 July 1, 1995, pursuant to section 331.438A, subsection
23 2, and the maximum amount of property tax dollars
24 which may be certified by a county for taxes payable
25 in the fiscal year beginning July 1, 1996, shall not
26 exceed the amount of property tax dollars certified by
27 the county for taxes payable in the fiscal year
28 beginning July 1, 1995, minus the amount by which the
29 property tax relief payment to be received by the
30 county in the fiscal year beginning July 1, 1996,
31 exceeds the amount of the property tax relief payment
32 received in the fiscal year beginning July 1, 1995,
33 pursuant to section 331.438A, subsection 2, for each
34 of the levies for the following, except for the levies
35 on the increase in taxable valuation due to new
36 construction, additions or improvements to existing
37 structures, remodeling of existing structures for
38 which a building permit is required, annexation, and
39 phasing out of tax exemptions, and on the increase in
40 valuation of taxable property as a result of a
41 comprehensive revaluation by a private appraiser under
42 a contract entered into prior to January 1, 1992, or
43 as a result of a comprehensive revaluation directed or
44 authorized by the conference board prior to January 1,
45 1992, with documentation of the contract,
46 authorization, or directive on the revaluation
47 provided to the director of revenue and finance, if
48 the levies are equal to or less than the levies for
49 the previous year, levies on that portion of the
50 taxable property located in an urban renewal project

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1 the tax revenues from which are no longer divided as
2 provided in section 403.19, subsection 2, or as
3 otherwise provided in this section:

4 a. General county services under section 331.422,
5 subsection 1.

6 b. Rural county services under section 331.422,
7 subsection 2.

8 c. Other taxes under section 331.422, subsection
9 4.

10 Sec. 18. Section 444.25A, subsection 3, paragraph
11 b, subparagraph (3), Code 1995, is amended to read as
12 follows:

13 (3) Need for additional moneys for health care,
14 treatment, and facilities, including ~~mental-health-and~~
15 ~~mental-retardation-care-and~~ treatment pursuant to
16 section 331.424, subsection 1, paragraphs "a" through
17 "h" and "b".

18 Sec. 19. NEW SECTION. 444.25B PROPERTY TAX
19 LIMITATIONS FOR 1998 AND 1999 FISCAL YEARS.

20 1. COUNTY LIMITATION. The maximum amount of
21 property tax dollars which may be certified by a
22 county for taxes payable in the fiscal year beginning
23 July 1, 1997, shall not exceed the amount of property
24 tax dollars certified by the county for taxes payable
25 in the fiscal year beginning July 1, 1996, minus the
26 amount by which the property tax relief payment to be
27 received by the county in the fiscal year beginning
28 July 1, 1997, exceeds the amount of the property tax
29 relief payment received by the county in the fiscal
30 year beginning July 1, 1996, pursuant to section
31 331.438A, subsection 2, and the maximum amount of
32 property tax dollars which may be certified by a
33 county for taxes payable in the fiscal year beginning
34 July 1, 1998, shall not exceed the amount of property
35 tax dollars certified by the county for taxes payable
36 in the fiscal year beginning July 1, 1997, minus the
37 amount by which the property tax relief payment to be
38 received by the county in the fiscal year beginning
39 July 1, 1998, exceeds the amount of the property tax
40 relief payment received by the county in the fiscal
41 year beginning July 1, 1997, pursuant to section
42 331.438A, subsection 2, for each of the levies for the
43 following, except for the levies on the increase in
44 taxable valuation due to new construction, additions
45 or improvements to existing structures, remodeling of
46 existing structures for which a building permit is
47 required, annexation, and phasing out of tax
48 exemptions, and on the increase in valuation of
49 taxable property as a result of a comprehensive
50 revaluation by a private appraiser under a contract

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1 entered into prior to January 1, 1992, or as a result
2 of a comprehensive revaluation directed or authorized
3 by the conference board prior to January 1, 1992, with
4 documentation of the contract, authorization, or
5 directive on the revaluation provided to the director
6 of revenue and finance, if the levies are equal to or
7 less than the levies for the previous year, levies on
8 that portion of the taxable property located in an
9 urban renewal project the tax revenues from which are
10 no longer divided as provided in section 403.19,
11 subsection 2, or as otherwise provided in this
12 section:

13 a. General county services under section 331.422,
14 subsection 1.

15 b. Rural county services under section 331.422,
16 subsection 2.

17 c. Other taxes under section 331.422, subsection
18 4.

19 2. EXCEPTIONS. The limitations provided in
20 subsection 1 do not apply to the levies made for the
21 following:

22 a. Debt service to be deposited into the debt
23 service fund pursuant to section 331.430.

24 b. Taxes approved by a vote of the people which
25 are payable during the fiscal year beginning July 1,
26 1997, or July 1, 1998.

27 c. Hospitals pursuant to chapters 37, 347, and
28 347A.

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

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

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1 computed to two decimal places, in the price index for
2 government purchases by type for state and local
3 governments computed for the third quarter of calendar
4 year 1997 from that computed for the third quarter of
5 calendar year 1996.

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

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

35 3. APPEAL PROCEDURES. In lieu of the procedures
36 in sections 24.48 and 331.426, which procedures do not
37 apply for taxes payable in the fiscal years beginning
38 July 1, 1997, and July 1, 1998, if a county needs to
39 raise property tax dollars from a tax levy in excess
40 of the limitations imposed by subsection 1, the
41 following procedures apply:

42 a. Not later than March 1, and after the
43 publication and public hearing on the budget in the
44 manner and form prescribed by the director of the
45 department of management, notwithstanding section
46 331.434, the county shall petition the state appeal
47 board for approval of a property tax increase in
48 excess of the increase provided for in subsection 2,
49 paragraph "e", on forms furnished by the director of
50 the department of management. Applications received

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1 after March 1 shall be automatically ineligible for
2 consideration by the board.

3 b. Additional costs incurred by the county due to
4 any of the following circumstances shall be the basis
5 for justifying the excess in property tax dollars:

6 (1) Natural disaster or other life-threatening
7 emergencies.

8 (2) Unusual need for additional moneys to finance
9 existing programs which would provide substantial
10 benefit to county residents or compelling need to
11 finance new programs which would provide substantial
12 benefit to county residents.

13 (3) Need for additional moneys for health care,
14 treatment, and facilities pursuant to section 331.424,
15 subsection 1, paragraphs "a" and "b".

16 (4) Judgments, settlements, and related costs
17 arising out of civil claims against the county and its
18 officers, employees, and agents, as defined in chapter
19 670.

20 c. The state appeal board shall approve,
21 disapprove, or reduce the amount of excess property
22 tax dollars requested. The board shall take into
23 account the intent of this section to provide property
24 tax relief. The decision of the board shall be
25 rendered at a regular or special meeting of the board
26 within twenty days of the board's receipt of an
27 appeal.

28 d. Within seven days of receipt of the decision of
29 the state appeal board, the county shall adopt and
30 certify its budget under section 331.434, which budget
31 may be protested as provided in section 331.436. The
32 budget shall not contain an amount of property tax
33 dollars in excess of the amount approved by the state
34 appeal board.

35 4. Rate adjustment by county auditor. In addition
36 to the requirement of the county auditor in section
37 444.3 to establish a rate of tax which does not exceed
38 the rate authorized by law, the county auditor shall
39 also adjust the rate if the amount of property tax
40 dollars to be raised is in excess of the amount
41 specified in subsection 1, as may be adjusted pursuant
42 to subsection 3.

43 Sec. 20. NEW SECTION. 444.25C PROPERTY TAX
44 LIMITATION FOR FISCAL YEAR 2000.

45 1. COUNTY LIMITATION. The maximum amount of
46 property tax dollars which may be certified by a
47 county for taxes payable in the fiscal year beginning
48 July 1, 1999, shall not exceed the amount of property
49 tax dollars certified by the county for taxes payable
50 in the fiscal year beginning July 1, 1998, minus the

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1 difference between the amount by which the property
2 tax relief payment to be received by the county in the
3 fiscal year beginning July 1, 1999, exceeds the amount
4 of the property tax relief payment received by the
5 county in the fiscal year beginning July 1, 1998,
6 pursuant to section 331.438A, subsection 2, for each
7 of the levies for the following, except for the levies
8 on the increase in taxable valuation due to new
9 construction, additions or improvements to existing
10 structures, remodeling of existing structures for
11 which a building permit is required, annexation, and
12 phasing out of tax exemptions, and on the increase in
13 valuation of taxable property as a result of a
14 comprehensive revaluation by a private appraiser under
15 a contract entered into prior to January 1, 1992, or
16 as a result of a comprehensive revaluation directed or
17 authorized by the conference board prior to January 1,
18 1992, with documentation of the contract,
19 authorization, or directive on the revaluation
20 provided to the director of revenue and finance, if
21 the levies are equal to or less than the levies for
22 the previous year, levies on that portion of the
23 taxable property located in an urban renewal project
24 the tax revenues from which are no longer divided as
25 provided in section 403.19, subsection 2, or as
26 otherwise provided in this section:

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

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

- 36 a. Debt service to be deposited into the debt
37 service fund pursuant to section 331.430.
- 38 b. Taxes approved by a vote of the people which
39 are payable during the fiscal year beginning July 1,
40 1999, or July 1, 2000.
- 41 c. Hospitals pursuant to chapters 37, 347, and
42 347A.
- 43 d. Emergency management to be deposited into the
44 local emergency management fund and expended for
45 development of hazardous substance teams pursuant to
46 chapter 29C.
- 47 e. Unusual need for additional moneys to finance
48 existing programs which would provide substantial
49 benefit to county residents or compelling need to
50 finance new programs which would provide substantial

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1 benefit to county residents. The increase in taxes
2 levied under this exception for the fiscal year
3 beginning July 1, 1999, is limited to no more than the
4 product of the total tax dollars levied in the fiscal
5 year beginning July 1, 1998, and the percent change,
6 computed to two decimal places, in the price index for
7 government purchases by type for state and local
8 governments computed for the third quarter of calendar
9 year 1998 from that computed for the third quarter of
10 calendar year 1997.

11 For purposes of this paragraph, the price index for
12 government purchases by type for state and local
13 governments is defined by the bureau of economic
14 analysis of the United States department of commerce
15 and published in table 7.11 of the national income and
16 products accounts. For the fiscal year beginning July
17 1, 1999, the price index used shall be the revision
18 published in the November 1998 of the United States
19 department of commerce publication, "survey of current
20 business". For purposes of this paragraph, tax
21 dollars levied in the fiscal year beginning July 1,
22 1998, shall not include funds levied for paragraphs
23 "a", "b", and "c" of this subsection.

24 Application of this exception shall require an
25 original publication of the budget and a public
26 hearing and a second publication and a second hearing
27 both in the manner and form prescribed by the director
28 of the department of management, notwithstanding the
29 provisions of section 331.434. The publications and
30 hearings prescribed in this paragraph shall be held
31 and the budget certified no later than March 15. The
32 taxes levied for counties whose budgets are certified
33 after March 15, 1999, shall be frozen at the fiscal
34 year beginning July 1, 1998, level.

35 3. APPEAL PROCEDURES. In lieu of the procedures
36 in sections 24.48 and 331.426, which procedures do not
37 apply for taxes payable in the fiscal year beginning
38 July 1, 1999, if a county needs to raise property tax
39 dollars from a tax levy in excess of the limitations
40 imposed by subsection 1, the following procedures
41 apply:

42 a. Not later than March 1, and after the
43 publication and public hearing on the budget in the
44 manner and form prescribed by the director of the
45 department of management, notwithstanding section
46 331.434, the county shall petition the state appeal
47 board for approval of a property tax increase in
48 excess of the increase provided for in subsection 2,
49 paragraph "e", on forms furnished by the director of
50 the department of management. Applications received

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1 after March 1 shall be automatically ineligible for
2 consideration by the board.

3 b. Additional costs incurred by the county due to
4 any of the following circumstances shall be the basis
5 for justifying the excess in property tax dollars:

6 (1) Natural disaster or other life-threatening
7 emergencies.

8 (2) Unusual need for additional moneys to finance
9 existing programs which would provide substantial
10 benefit to county residents or compelling need to
11 finance new programs which would provide substantial
12 benefit to county residents.

13 (3) Need for additional moneys for health care,
14 treatment, and facilities pursuant to section 331.424,
15 subsection 1, paragraphs "a" and "b".

16 (4) Judgments, settlements, and related costs
17 arising out of civil claims against the county and its
18 officers, employees, and agents, as defined in chapter
19 670.

20 c. The state appeal board shall approve,
21 disapprove, or reduce the amount of excess property
22 tax dollars requested. The board shall take into
23 account the intent of this section to provide property
24 tax relief. The decision of the board shall be
25 rendered at a regular or special meeting of the board
26 within twenty days of the board's receipt of an
27 appeal.

28 d. Within seven days of receipt of the decision of
29 the state appeal board, the county shall adopt and
30 certify its budget under section 331.434, which budget
31 may be protested as provided in section 331.436. The
32 budget shall not contain an amount of property tax
33 dollars in excess of the amount approved by the state
34 appeal board.

35 4. Rate adjustment by county auditor. In addition
36 to the requirement of the county auditor in section
37 444.3 to establish a rate of tax which does not exceed
38 the rate authorized by law, the county auditor shall
39 also adjust the rate if the amount of property tax
40 dollars to be raised is in excess of the amount
41 specified in subsection 1, as may be adjusted pursuant
42 to subsection 3.

43 Sec. 21. Section 444.27, Code 1995, is amended to
44 read as follows:

45 444.27 SECTIONS VOID.

46 1. For purposes of section 444.25, sections 24.48
47 and 331.426 are void for the fiscal years beginning
48 July 1, 1993, and July 1, 1994. For purposes of
49 section 444.25A, sections 24.48 and 331.426 are void
50 for the fiscal years beginning July 1, 1995, and July

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1 1, 1996.

2 2. For purposes of sections 444.25B and 444.25C,
3 sections 24.48 and 331.426 are void for the fiscal
4 years beginning July 1, 1997, July 1, 1998, and July
5 1, 1999.

6 Sec. 22. Section 445.23, Code 1995, is amended to
7 read as follows:

8 445.23 STATEMENT OF TAXES DUE.

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

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

24 a. Homestead credit under chapter 425.

25 b. Military service credit under chapter 426A.

26 c. Extraordinary credit under chapter 425.

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

30 e. Farm tax credit under chapter 426.

31 Sec. 23. REPEAL. 1994 Iowa Acts, chapter 1163,
32 section 8, is repealed.

33 Sec. 24. DEPARTMENT OF HUMAN SERVICES -- ICFMR
34 REQUIREMENT. The department of human services shall
35 consult with the department of inspections and
36 appeals, the Iowa state association of counties, and
37 the Iowa association of rehabilitation and residential
38 facilities in adopting administrative rules
39 identifying optimum staffing ratios for intermediate
40 care facilities for the mentally retarded (ICFMR).
41 The administrative rules shall be implemented on or
42 before January 1, 1996.

43 Sec. 25. COUNTY ADJUSTMENT FACTOR PAYMENT --
44 FISCAL YEAR 1995-1996.

45 1. For the fiscal year beginning July 1, 1995, the
46 adjustment factor payment from the mental health,
47 mental retardation, and developmental disabilities
48 property tax relief fund specified in section 331.438A
49 shall be paid as provided in this section. An
50 eligible county may apply to the department of human

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1 services for an adjustment factor payment to reimburse
2 costs paid by the county in that fiscal year for
3 services to persons with mental illness, mental
4 retardation, or developmental disabilities in
5 accordance with the county's management plan approved
6 pursuant to section 331.439. Eligible costs shall be
7 limited to eligible consumers of services who were not
8 served in the previous fiscal year, unusual cost
9 increases, service cost inflation, and investments for
10 quality and efficiency improvements. Reimbursement
11 shall not be provided from the fund for applications
12 received after August 10, 1995.

13 2. Payment from the fund shall be limited to the
14 amount designated for this purpose and if applications
15 received exceed the available funding, payments shall
16 be prorated. The department of human services shall
17 notify the director of revenue and finance of the
18 amounts due a county under this section. The director
19 shall draw warrants on the relief fund payable to the
20 county treasurer in the amount due to each county.
21 The warrants shall be paid in a timely manner to
22 enable the county to accrue the payment in the
23 county's 1995-1996 fiscal year.

24 3. Notwithstanding section 8.33, moneys in the
25 relief fund allocated for the adjustment payment which
26 remain unobligated or unexpended at the close of the
27 fiscal year ending June 30, 1996, shall not revert to
28 the general fund of the state but shall remain
29 available for adjustment payments in the succeeding
30 fiscal year.

31 Sec. 26. INTERIM COMMITTEE CREATED. The
32 legislative council is requested to establish an
33 interim committee comprised of members of the general
34 assembly with the charge of developing a system to
35 regulate and contain county expenditures for mental
36 health, mental retardation, and developmental
37 disabilities services and to develop a formula for
38 distribution of property tax relief moneys to counties
39 under section 331.438A, subsection 2. In addition,
40 the committee should consider proposals from counties
41 and other interested persons for a distribution
42 formula factor which rewards or provides incentives
43 for economy and efficiency in providing mental health,
44 mental retardation, and developmental disabilities
45 services; and a mechanism for a county to appeal to
46 the state if it is believed the county is unfairly
47 treated under an established funding formula. The
48 committee should be directed to report to the governor
49 and the general assembly prior to the 1996 legislative
50 session.

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1 Sec. 27. FUNDING OF SESSION LAW REQUIREMENTS. If
2 section 1 of this Act is enacted on or before March
3 31, 1995, the requirements of 1994 Iowa Acts, chapter
4 1163, section 8, subsection 1, to enact an
5 appropriation to fully fund the provisions of section
6 249A.12, subsection 4, shall be considered to be met
7 and the repeals contained in 1994 Iowa Acts, chapter
8 1163, section 8, subsection 1, shall be void.

9 Sec. 28. EFFECTIVE DATES.

10 1. Sections 2, 3, 4, 5, and 6 of this division of
11 this Act take effect July 1, 1996.

12 2. Sections 7, 8, 9, 16, and 18 of this Act take
13 effect January 1, 1996, and are applicable to taxes
14 paid in the fiscal year beginning July 1, 1996, and
15 succeeding fiscal years.

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

18 2. Title page, by striking lines 1 through 4 and
19 inserting the following: "An Act relating to funding
20 and levies for mental health, mental retardation, and
21 developmental disabilities services, providing an
22 appropriation, and providing effective dates and
23 applicability provisions."

By HAMMIT of Harrison

H-3339 FILED MARCH 17, 1995

Adopted
3/22/95
(P. 927)

HOUSE FILE 336

H-3351

1 Amend the amendment, H-3293, to House File 336 as
 2 follows:
 3 1. Page 1, line 11, by striking the figure
 4 "81,000,000" and inserting the following:
 5 "41,600,000".

By MURPHY of Dubuque

H-3351 FILED MARCH 20, 1995

Out of Order 3/22/95

HOUSE FILE 336

H-3352

1 Amend the amendment, H-3339, to House File 336 as
 2 follows:
 3 1. Page 1, line 5, by striking the word "MINORS"
 4 and inserting the following: "PERSONS".
 5 2. Page 1, line 14, by inserting after the figure
 6 "4" the following: ", and to other persons with
 7 mental retardation, notwithstanding the provisions of
 8 section 249A.12, subsection 2, section 249A.26, and
 9 any other provision of law to the contrary".
 10 3. Page 1, line 15, by striking the figure
 11 "6,600,000" and inserting the following:
 12 "41,600,000".

By MURPHY of Dubuque
 BELL of Jasper
 CATALDO of Polk
 O'BRIEN of Boone
 JOCHUM of Dubuque
 SCHRADER of Marion
 RUNNING of Linn
 OLLIE of Clinton
 LARKIN of Lee

COHOON of Des Moines
 CONNORS of Polk
 HARPER of Black Hawk
 MASCHER of Johnson
 BAKER of Polk
 BURNETT of Story
 DREES of Carroll
 MUNDIE of Webster

WITHDRAWN

Withdrawn 3/22/95 (p. 927)

H-3352 FILED MARCH 20, 1995

HOUSE FILE 336

H-3403

1 Amend the amendment, H-3293, to House File 336 as
 2 follows:
 3 1. Page 1, line 7, by inserting after the figure
 4 "249A.26," the following: "contrary provisions of
 5 section 222.73,".
 6 2. Page 1, line 11, by striking the figure
 7 "81,000,000" and inserting the following:
 8 "41,600,000".

By MURPHY of Dubuque

H-3403 FILED MARCH 22, 1995
OUT OF ORDER

HOUSE FILE 336

H-3379

1 Amend the amendment, H-3339, to House File 336 as
2 follows:

3 1. Page 9, line 33, by striking the word and
4 figures "October 15, 1995," and inserting the
5 following: "January 5, 1996,".

6 2. Page 9, line 34, by striking the word
7 "January" and inserting the following: "March".

8 3. Page 9, line 50, by inserting after the word
9 "services." the following: "Initially, this part of
10 the plan shall be submitted within nine months of the
11 date by which the department approves a managed care
12 contractor."

13 4. Page 10, line 2, by striking the word "six"
14 and inserting the following: "twelve".

By HOUSER of Pottawattamie
MYERS of Johnson

H-3379 FILED MARCH 21, 1995

Adopted
3-22-95 (p. 927)

HOUSE FILE 336

H-3389

1 Amend the amendment, H-3339, to House File 336 as
2 follows:

3 1. Page 1, line 5, by striking the word "MINORS"
4 and inserting the following: "PERSONS".

5 2. Page 1, line 14, by inserting after the figure
6 "4" the following: ", and to other persons with
7 mental retardation, notwithstanding the provisions of
8 section 249A.12, subsection 2, section 249A.26,
9 contrary provisions of section 222.73, and any other
10 provision of law to the contrary".

11 3. Page 1, line 15, by striking the figure
12 "6,600,000" and inserting the following:
13 "41,600,000".

By MURPHY of Dubuque

H-3389 FILED MARCH 21, 1995

WITHDRAWN

3/22/95

(p. 927)

HOUSE FILE 336

H-3405

1 Amend the amendment, H-3339, to House File 336 as
2 follows:

3 1. Page 1, by striking line 4 and inserting the
4 following:

5 "DIVISION I

6 PROPERTY TAX-RELATED PROVISIONS

7 Sec. ____ . MENTAL HEALTH, MENTAL RETARDATION, AND
8 DEVELOPMENTAL DISABILITIES PROPERTY TAX RELIEF FUND.

9 There is appropriated from the general fund of the
10 state to the department of mental health, mental
11 retardation, and developmental disabilities property
12 tax relief fund for the fiscal year beginning July 1,
13 1995, and ending June 30, 1996, the following amount,
14 or so much thereof as is necessary, to be used for the
15 purposes designated:

16 For property tax relief in accordance with the
17 provisions of section 331.438A, subsection 2:

18 \$ 54,400,000

19 Sec. 2. MEDICAL ASSISTANCE COSTS FOR SERVICES".

20 2. Page 12, line 10, by inserting before the word
21 "disabilities" the following: "developmental".

22 3. By striking page 20, line 43, through page 21,
23 line 30.

24 4. Page 22, line 2, by striking the words and
25 figure "section 1 of this Act" and inserting the
26 following: "section 2 of this division of this Act".

27 5. Page 22, line 12, by inserting after the word
28 "of" the following: "this division of".

29 6. Page 22, by striking lines 16 and 17 and
30 inserting the following:

31 "3. The remainder of this division of this Act,
32 being deemed of immediate importance, takes effect
33 upon enactment.

34 DIVISION II

35 SUBCHAPTER S CORPORATIONS

36 Sec. ____ . Section 422.5, subsection 1, paragraph
37 j, Code 1995, is amended by adding the following new
38 unnumbered paragraph:

39 NEW UNNUMBERED PARAGRAPH. The tax imposed upon the
40 taxable income of a resident shareholder in a
41 corporation which has in effect for the tax year an
42 election under subchapter S of the Internal Revenue
43 Code and carries on business within and without the
44 state shall be computed by reducing the amount
45 determined pursuant to paragraphs "a" through "i" by
46 the amounts of nonrefundable credits under this
47 division and by multiplying this resulting amount by a
48 fraction of which the resident's net income allocated
49 to Iowa, as determined in section 422.8, subsection 2,
50 paragraph "b", is the numerator and the resident's

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1 total net income computed under section 422.7 is the
2 denominator. This paragraph also applies to
3 individuals who are residents of Iowa for less than
4 the entire tax year.

5 Sec. _____. Section 422.5, subsection 1, paragraph
6 k, unnumbered paragraph 4, Code 1995, is amended to
7 read as follows:

8 In the case of a resident, including a resident
9 estate or trust, the state's apportioned share of the
10 state alternative minimum tax is one hundred percent
11 of the state alternative minimum tax computed in this
12 subsection. In the case of a resident or part year
13 resident shareholder in a corporation which has in
14 effect for the tax year an election under subchapter S
15 of the Internal Revenue Code and carries on business
16 within and without the state, a nonresident, including
17 a nonresident estate or trust, or an individual,
18 estate, or trust that is domiciled in the state for
19 less than the entire tax year, the state's apportioned
20 share of the state alternative minimum tax is the
21 amount of tax computed under this subsection, reduced
22 by the applicable credits in sections 422.10 through
23 422.12 and this result multiplied by a fraction with a
24 numerator of the sum of state net income allocated to
25 Iowa as determined in section 422.8, subsection 2,
26 paragraph "a" or "b" as applicable, plus tax
27 preference items, adjustments, and losses under
28 subparagraph (1) attributable to Iowa and with a
29 denominator of the sum of total net income computed
30 under section 422.7 plus all tax preference items,
31 adjustments, and losses under subparagraph (1). In
32 computing this fraction, those items excludable under
33 subparagraph (1) shall not be used in computing the
34 tax preference items. Married taxpayers electing to
35 file separate returns or separately on a combined
36 return must allocate the minimum tax computed in this
37 subsection in the proportion that each spouse's
38 respective preference items, adjustments, and losses
39 under subparagraph (1) bear to the combined preference
40 items, adjustments, and losses under subparagraph (1)
41 of both spouses.

42 Sec. _____. Section 422.8, subsection 2, Code 1995,
43 is amended to read as follows:

44 2. a. Nonresident's net income allocated to Iowa
45 is the net income, or portion thereof, which is
46 derived from a business, trade, profession, or
47 occupation carried on within this state or income from
48 any property, trust, estate, or other source within
49 Iowa. However, income derived from a business, trade,
50 profession, or occupation carried on within this state

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

25 b. A resident's income allocable to Iowa is the
26 income determined under section 422.7 reduced by items
27 of income and expenses from a subchapter S corporation
28 which pass directly to the shareholders under
29 provisions of the Internal Revenue Code and increased
30 by the greater of the following:

31 (1) The net income or loss of the corporation
32 which is fairly and equitably attributable to this
33 state under section 422.33, subsections 2 and 3.

34 (2) The taxpayer's pro rata share of an amount
35 deemed distributed to shareholders which when added to
36 the salaries, wages, or other compensation for
37 services performed by all shareholders will equal ten
38 percent of the net income of the corporation computed
39 in accordance with section 422.35 and considering
40 items of income and expense which pass directly to the
41 shareholders under provisions of the Internal Revenue
42 Code before deduction of shareholder's salaries,
43 wages, or other compensation for services performed.

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

48 Sec. ____ . Section 422.8, Code 1995, is amended by
49 adding the following new subsection:

50 NEW SUBSECTION. 6. If the resident or part year

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1 resident is a shareholder of a corporation which has
2 in effect an election under subchapter S of the
3 Internal Revenue Code, subsections 1 and 3 do not
4 apply to any income taxes paid to another state or
5 foreign country on the income from the corporation
6 which has in effect an election under subchapter S of
7 the Internal Revenue Code.

8 Sec. _____. This division of this Act, being deemed
9 of immediate importance, takes effect upon enactment
10 and applies retroactively to January 1, 1995, for tax
11 years beginning on or after that date.

DIVISION III

MACHINERY AND EQUIPMENT

EXEMPTION AND REPLACEMENT FUNDS

15 Sec. _____. Section 427B.17, Code 1995, is amended
16 by striking the section and inserting in lieu thereof
17 the following:

18 427B.17 PROPERTY SUBJECT TO SPECIAL VALUATION.

19 1. Property defined in section 427A.1, subsection
20 1, paragraphs "e" and "j", shall be valued by the
21 local assessor as follows:

22 a. For the assessment year beginning January 1,
23 1995, at twenty-six percent of the net acquisition
24 cost.

25 b. For the assessment year beginning January 1,
26 1996, at twenty-two percent of the net acquisition
27 cost.

28 c. For the assessment year beginning January 1,
29 1997, at eighteen percent of the net acquisition cost.

30 d. For the assessment year beginning January 1,
31 1998, at fourteen percent of the net acquisition cost.

32 e. For the assessment year beginning January 1,
33 1999, at ten percent of the net acquisition cost.

34 f. For the assessment year beginning January 1,
35 2000, at six percent of the net acquisition cost.

36 g. For the assessment year beginning January 1,
37 2001, and all subsequent assessment years, at zero
38 percent of the net acquisition cost.

39 2. For purposes of this section:

40 a. Property assessed by the department of revenue
41 and finance pursuant to sections 428.24 to 428.29, or
42 chapters 433, 434, and 436 to 438 shall not receive
43 the benefits of this section.

44 Any electric power generating plant which operated
45 during the preceding assessment year at a net capacity
46 factor of more than twenty percent, shall not receive
47 the benefits of this section. For purposes of this
48 section, "electric power generating plant" means any
49 name plate rated electric power generating plant, in
50 which electric energy is produced from other forms of

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1 energy, including all taxable land, buildings, and
2 equipment used in the production of such energy. "Net
3 capacity factor" means net actual generation divided
4 by the product of net maximum capacity times the
5 number of hours the unit was in the active state
6 during the assessment year. Upon commissioning, a
7 unit is in the active state until it is de-
8 commissioned. "Net actual generation" means net
9 electrical megawatt hours produced by the unit during
10 the preceding assessment year. "Net maximum capacity"
11 means the capacity the unit can sustain over a
12 specified period when not restricted by ambient
13 conditions or equipment deratings, minus the losses
14 associated with station service or auxiliary loads.

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

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

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

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

34 4. The taxpayer's valuation of property defined in
35 section 427A.1, subsection 1, paragraphs "e" and "j",
36 and located in an urban renewal area for which an
37 urban renewal plan provides for the division of taxes
38 as provided in section 403.19 to pay the principal and
39 interest on loans, advances, bonds issued under the
40 authority of section 403.9, subsection 1, or
41 indebtedness incurred by a city or county to finance
42 an urban renewal project within the urban renewal
43 area, if such loans, advances, or bonds were issued or
44 indebtedness incurred, on or after January 1, 1982,
45 and on or before June 30, 1995, shall be limited to
46 thirty percent of the net acquisition cost of the
47 property. Such property located in an urban renewal
48 area shall not be valued pursuant to subsection 1
49 until the assessment year following the calendar year
50 in which the obligations created by any loans,

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1 advances, bonds, or indebtedness payable from the
2 division of taxes as provided in section 403.19 have
3 been retired. The taxpayer's valuation for such
4 property shall then be the valuation specified in
5 subsection 1 for the applicable assessment year. If
6 the loans, advances, or bonds issued, or indebtedness
7 incurred between January 1, 1982, and June 30, 1995,
8 are refinanced or refunded after June 30, 1995, the
9 valuation of such property shall then be the valuation
10 specified in subsection 1 for the applicable
11 assessment year beginning with the assessment year
12 following the calendar year in which any of those
13 loans, advances, bonds, or other indebtedness are
14 refinanced or refunded after June 30, 1995.

15 5. For the purpose of dividing taxes under section
16 260E.4 or 260F.4, the employer's or business's
17 valuation of property defined in section 427A.1,
18 subsection 1, paragraphs "e" and "j", and used to fund
19 a new jobs training project which project's first
20 written agreement providing for a division of taxes as
21 provided in section 403.19, is approved on or before
22 June 30, 1995, shall be limited to thirty percent of
23 the net acquisition cost of the property. An
24 employer's or business's taxable property used to fund
25 a new jobs training project shall not be valued
26 pursuant to subsection 1 until the assessment year
27 following the calendar year in which the certificates
28 or other funding obligations have been retired or
29 escrowed. The taxpayer's valuation for such property
30 shall then be the valuation specified in subsection 1
31 for the applicable assessment year. If the
32 certificates issued, or other funding obligations
33 incurred, between January 1, 1982, and June 30, 1995,
34 are refinanced or refunded after June 30, 1995, the
35 valuation of such property shall then be the valuation
36 specified in subsection 1 for the applicable
37 assessment year beginning with the assessment year
38 following the calendar year in which those
39 certificates or other funding obligations are
40 refinanced or refunded after June 30, 1995.

41 Sec. ____ . NEW SECTION. 427B.18 ASSESSOR AND
42 COUNTY AUDITOR DUTIES.

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

50 2. On or before July 1, 1996, and on or before

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1 July 1 of each subsequent year, the county auditor
2 shall prepare a statement listing for each taxing
3 district in the county:

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

11 b. The tax levy rate for each taxing district
12 levied against assessments made as of January 1 of the
13 previous year.

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

19 3. The county auditor shall certify and forward
20 one copy of the statement to the department of revenue
21 and finance not later than July 1 of each year.

22 Sec. ____ . NEW SECTION. 427B.19 REPLACEMENT.

23 Each county treasurer shall be paid an amount equal
24 to the following percentages of the industrial
25 machinery, equipment and computers tax replacement
26 claim for that county determined pursuant to section
27 427B.18, subsection 2:

28 1. For the fiscal year beginning July 1, 1996,
29 ninety percent.

30 2. For the fiscal year beginning July 1, 1997,
31 seventy-five percent.

32 3. For the fiscal year beginning July 1, 1998,
33 sixty percent.

34 4. For the fiscal year beginning July 1, 1999,
35 forty-five percent.

36 5. For the fiscal year beginning July 1, 2000,
37 thirty percent.

38 6. For the fiscal year beginning July 1, 2001,
39 twenty percent.

40 7. For the fiscal year beginning July 1, 2002,
41 twenty percent.

42 8. For the fiscal year beginning July 1, 2003,
43 twenty percent.

44 9. For the fiscal year beginning July 1, 2004,
45 fifteen percent.

46 10. For the fiscal year beginning July 1, 2005,
47 ten percent.

48 Sec. ____ . NEW SECTION. 427B.19A FUND CREATED.

49 1. The industrial machinery, equipment and
50 computers property tax replacement fund is created.

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1 There is appropriated annually from the general fund
2 of the state to the department of revenue and finance
3 to be credited to the industrial machinery, equipment
4 and computers property tax replacement fund, the
5 amounts specified in section 427B.19B.

6 2. Each county treasurer shall be paid from the
7 fund created in this section the amount calculated
8 pursuant to section 427B.19. The payment shall be
9 made in two equal installments on or before September
10 30 and March 30 of each year. The county treasurer
11 shall apportion the payment in the manner provided in
12 section 445.57.

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

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

35 Sec. ____ . NEW SECTION. 427B.19B APPROPRIATION.

36 There is appropriated in each of the following
37 fiscal years from the general fund of the state to the
38 industrial machinery, equipment and computers property
39 tax replacement fund the following amounts:

40 1. For the fiscal year beginning July 1, 1996,
41 eight million, one hundred thousand dollars.

42 2. For the fiscal year beginning July 1, 1997,
43 fifteen million, two hundred thousand dollars.

44 3. For the fiscal year beginning July 1, 1998,
45 twenty-one million, one hundred thousand dollars.

46 4. For the fiscal year beginning July 1, 1999,
47 twenty-three million, four hundred thousand dollars.

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

50 6. For the fiscal year beginning July 1, 2001,

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1 eighteen million, one hundred thousand dollars.

2 7. For the fiscal year beginning July 1, 2002,
3 twenty-four million dollars.

4 8. For the fiscal year beginning July 1, 2003,
5 twenty-five million, six hundred thousand dollars.

6 9. For the fiscal year beginning July 1, 2004,
7 twenty million, four hundred thousand dollars.

8 10. For the fiscal year beginning July 1, 2005,
9 fourteen million, five hundred thousand dollars.

10 Sec. ____ . NEW SECTION. 427B.19C PHASEOUT OF TAX.

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

17 Sec. ____ . NEW SECTION. 427B.19D GUARANTEE OF
18 STATE REPLACEMENT FUNDS.

19 If for any reason an appropriation specified in
20 section 427B.19B is not made or the appropriation made
21 is less than that specified in section 427B.19B for
22 the applicable fiscal year, the director of revenue
23 and finance shall compute for each county the
24 difference between the total of all replacement claims
25 for taxing districts within the county and the amount
26 paid to the county treasurer for disbursement to the
27 taxing districts in the county. The department shall
28 divide that difference by the consolidated tax levy
29 rate in each county computed for the fiscal year in
30 which the specified appropriation should have been
31 made and shall certify the amount of taxable value
32 necessary to raise the difference at that tax rate.
33 The department shall notify the local assessor of such
34 amount of taxable value. The assessor, for the
35 assessment year beginning January 1 preceding the
36 fiscal year for which the specified appropriation was
37 not made, shall reassess all taxable property
38 described in section 427B.17 in the county at a
39 percentage of net acquisition cost which will yield
40 such taxable value and the property shall be assessed
41 and taxed in such manner for taxes due and payable in
42 the following fiscal year in addition to being
43 assessed and taxed in the applicable manner under
44 section 427B.17. Property tax dollar amounts
45 certified pursuant to this section shall not be
46 considered property tax dollars certified for purposes
47 of the property tax limitation in chapter 444.

48 Sec. ____ . NEW SECTION. 427B.19E INDUSTRIAL
49 MACHINERY, EQUIPMENT AND COMPUTERS RELIEF FUND.

50 1. The industrial machinery, equipment and

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1 computers relief fund is created. There is
2 appropriated annually from the general fund of the
3 state to the department of revenue and finance to be
4 credited to the relief fund, the following amounts:
5 a. For the fiscal year beginning July 1, 1996, one
6 million, nine hundred thousand dollars.
7 b. For the fiscal year beginning July 1, 1997, one
8 million, eight hundred thousand dollars.
9 c. For the fiscal year beginning July 1, 1998, one
10 million, nine hundred thousand dollars.

11 Moneys in the fund at the end of a fiscal year
12 shall not revert to the general fund of the state,
13 notwithstanding section 8.33.

14 2. a. The purpose of the industrial machinery,
15 equipment and computers relief fund is to provide
16 funds to those taxing districts in which an increase
17 in property tax revenue has not been realized as a
18 result of the elimination of the property tax on
19 property assessed pursuant to section 427B.17.
20 Beginning with the fiscal year beginning July 1, 1996,
21 a taxing district may apply for funds under this
22 section by filing an application with the director of
23 the department of management not later than March 1
24 preceding the fiscal year in which the funds will be
25 distributed. The state appeal board shall approve,
26 disapprove, or reduce the amount of funds requested by
27 the taxing district.

28 b. On forms provided by the department of
29 management, the taxing district shall request an
30 amount not exceeding the product of the decrease in
31 assessed valuation for the fiscal year for which the
32 application is filed compared to the assessed
33 valuation in the previous fiscal year, as determined
34 pursuant to subsection 3, and the property tax rate
35 applied in the previous fiscal year, less any property
36 tax replacement funds received pursuant to section
37 427B.19A in the previous fiscal year. The taxing
38 district shall also submit with the application the
39 district's plan to improve its future budget position.

40 c. Claims approved by the state appeal board shall
41 be paid to the taxing district by October 1 following
42 submission of the application for funds.

43 3. To be eligible to receive funds under this
44 section, a taxing district must show that there has
45 been a decrease of more than three percent in the
46 assessed valuation for taxes payable in the fiscal
47 year for which the application is submitted compared
48 to the assessed valuation for taxes payable in the
49 previous fiscal year, which decrease is attributable
50 to the elimination of the property tax on industrial

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1 machinery, equipment and computers pursuant to section
2 427B.17. The taxing district, to be eligible for
3 funds, must also show that the district has exhausted
4 all other lawful alternatives for improving the
5 district's budget position.

6 4. If the amount appropriated in this section is
7 insufficient to pay all applications approved, the
8 director of revenue and finance shall prorate the
9 disbursements from the relief fund and shall report
10 the amount of the shortfall to the director of the
11 department of management. By January 1 of the
12 following year, the director of the department of
13 management shall submit to the general assembly a plan
14 for the funding of approved applications that were not
15 fully funded in that fiscal year.

16 5. Amounts received pursuant to this section shall
17 not be considered property tax dollars certified for
18 purposes of the property tax limitation in chapter
19 444.

20 6. The department of revenue and finance and the
21 department of management shall adopt rules necessary
22 to implement this section.

23 DIVISION IV

24 INCOME TAX

25 Sec. _____. Section 422.7, Code 1995, is amended by
26 adding the following new subsection:

27 NEW SUBSECTION. 33. For a person who is disabled,
28 or is fifty-five years of age or older, or is the
29 surviving spouse of an individual or a survivor having
30 an insurable interest in an individual who would have
31 qualified for the exemption under this subsection for
32 the tax year, subtract, to the extent included, the
33 total amount of a governmental or other pension,
34 retirement pay, annuity, or other similar periodic
35 payment made under a plan maintained or contributed to
36 by an employer, or maintained or contributed to by a
37 self-employed person as an employer, up to a maximum
38 of three thousand dollars for a person who files a
39 separate state income tax return, and up to a maximum
40 of six thousand dollars for a husband and wife who
41 file a joint state income tax return. However, a
42 surviving spouse who is not disabled or fifty-five
43 years of age or older can only exclude the amount of
44 annuities or other similar periodic payments received
45 as a result of the death of the other spouse.

46 Sec. _____. Section 422.12, subsection 1, paragraph
47 c, Code 1995, is amended to read as follows:

48 c. For each dependent, an additional fifteen sixty
49 dollars. As used in this section, the term
50 "dependent" has the same meaning as provided by the

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1 Internal Revenue Code.

2 Sec. _____. APPLICABILITY. This division of this
3 Act applies retroactively to January 1, 1995, for tax
4 years beginning on or after that date.

5 DIVISION V

6 CASH RESERVE AND SPECIAL FUNDS

7 Sec. _____. Section 8.56, subsection 1, Code 1995,
8 is amended to read as follows:

9 1. A cash reserve fund is created in the state
10 treasury. The cash reserve fund shall be separate
11 from the general fund of the state and shall not be
12 considered part of the general fund of the state
13 except in determining the cash position of the state
14 as provided in subsection 3. The moneys in the cash
15 reserve fund are not subject to section 8.33 and shall
16 not be transferred, used, obligated, appropriated, or
17 otherwise encumbered except as provided in this
18 section. Notwithstanding section 12C.7, subsection 2,
19 interest or earnings on moneys deposited in the cash
20 reserve fund shall be credited to the rebuild Iowa
21 economic-emergency-fund infrastructure fund created in
22 section 8.57. Moneys in the cash reserve fund may be
23 used for cash flow purposes provided that any moneys
24 so allocated are returned to the cash reserve fund by
25 the end of each fiscal year. However, the fund shall
26 be considered a special account for the purposes of
27 section 8.53.

28 Sec. _____. Section 8.56, subsection 4, paragraph b,
29 Code 1995, is amended to read as follows:

30 b. In addition to the requirements of paragraph
31 "a", an appropriation shall not be made from the cash
32 reserve fund ~~which would cause the fund's balance to~~
33 ~~be less than three percent of the adjusted revenue~~
34 ~~estimate for the year for which the appropriation is~~
35 ~~made unless the bill or joint resolution making the~~
36 appropriation is approved by vote of at least three-
37 fifths of the members of both chambers of the general
38 assembly and is signed by the governor.

39 Sec. _____. Section 8.57, subsection 1, paragraph a,
40 Code 1995, is amended by striking the paragraph and
41 inserting in lieu thereof the following:

42 a. The cash reserve goal percentage for fiscal
43 years beginning on or after July 1, 1995, is five
44 percent of the adjusted revenue estimate. For each
45 fiscal year beginning on or after July 1, 1995, in
46 which the appropriation of the surplus existing in the
47 general fund of the state at the conclusion of the
48 prior fiscal year pursuant to paragraph "b" was not
49 sufficient for the cash reserve fund to reach the cash
50 reserve goal percentage for the current fiscal year,

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1 there is appropriated from the general fund of the
2 state an amount to be determined as follows:

3 (1) If the balance of the cash reserve fund in the
4 current fiscal year is not more than four percent of
5 the adjusted revenue estimate for the current fiscal
6 year, the amount of the appropriation under this
7 lettered paragraph is one percent of the adjusted
8 revenue estimate for the current fiscal year.

9 (2) If the balance of the cash reserve fund in the
10 current fiscal year is more than four percent but less
11 than five percent of the adjusted revenue estimate for
12 that fiscal year, the amount of the appropriation
13 under this lettered paragraph is the amount necessary
14 for the cash reserve fund to reach five percent of the
15 adjusted revenue estimate for the current fiscal year.

16 (3) The moneys appropriated under this lettered
17 paragraph shall be credited in equal and proportionate
18 amounts in each quarter of the current fiscal year.

19 Sec. ____ . Section 8.57, subsection 1, paragraph b,
20 Code 1995, is amended to read as follows:

21 b. ~~Commencing June 30, 1993, the~~ The surplus
22 existing in the general fund of the state at the
23 conclusion of the fiscal year is appropriated for
24 distribution in the succeeding fiscal year as provided
25 in this section subsections 2 and 3. Moneys credited
26 to the cash reserve fund from the appropriation made
27 in this paragraph shall not exceed the amount
28 necessary for the cash reserve fund to reach the cash
29 reserve goal percentage for the succeeding fiscal
30 year. As used in this paragraph, "surplus" means the
31 excess of revenues and other financing sources over
32 expenditures and other financing uses for the general
33 fund of the state in a fiscal year.

34 Sec. ____ . Section 8.57, subsection 5, Code 1995,
35 is amended to read as follows:

36 5. a. A rebuild Iowa infrastructure ~~account~~ fund
37 is created under the authority of the department of
38 management. Moneys The fund shall consist of
39 appropriations made to the fund and transfers of
40 interest, earnings, and moneys from other funds as
41 provided by law. The fund shall be separate from the
42 general fund of the state and the balance in the fund
43 shall not be considered part of the balance of the
44 general fund of the state. However, the fund shall be
45 considered a special account for the purposes of
46 section 8.53, relating to generally accepted
47 accounting principles.

48 b. Notwithstanding section 8.33, moneys in the
49 infrastructure fund which remain unencumbered or
50 unobligated at the end of a fiscal year shall not

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1 revert to any fund but shall remain available for
2 infrastructure expenditures in the succeeding fiscal
3 year. Notwithstanding section 12C.7, subsection 2,
4 interest or earnings on moneys in the infrastructure
5 fund shall be credited to the infrastructure fund.

6 c. Moneys in the account fund in a fiscal year
7 shall be used as directed by the general assembly for
8 public infrastructure-related expenditures.

9 d. The general assembly may provide that all or
10 part of the moneys deposited in the GAAP deficit
11 reduction account created in this section shall be
12 transferred to the infrastructure account fund in lieu
13 of appropriation of the moneys to the Iowa economic
14 emergency fund.

15 Sec. ____ . TRANSFER TO INFRASTRUCTURE FUND. Moneys
16 in the Iowa economic emergency fund, created in
17 section 8.55, at the conclusion of the fiscal year
18 beginning July 1, 1994, shall be transferred to the
19 rebuild Iowa infrastructure account.

20 Sec. ____ . EFFECTIVE DATE. This division of this
21 Act, being deemed of immediate importance, takes
22 effect upon enactment."

23 7. Page 22, lines 21 and 22, by striking the
24 words ", providing an appropriation," and inserting
25 the following: "; deductions for pension income,
26 treatment of income from subchapter S corporations,
27 and increased dependent credit for state individual
28 income tax purposes; machinery and equipment phase-in
29 exemption and reimbursement for property tax purposes;
30 relating to the cash reserve and an infrastructure
31 fund; providing appropriations,".

32 8. By renumbering and correcting internal
33 references as necessary.

By HALVORSON of Clayton
 RANTS of Woodbury
 GIPP of Winneshiek
 COON of Warren
 LARSON of Linn
 VEENSTRA of Sioux
 THOMSON of Linn
 NUTT of Woodbury
 SALTON of Palo Alto
 HUSEMAN of Cherokee
 SUKUP of Franklin
 BODDICKER of Cedar
 MAIN of Jefferson
 HOUSER of Pottawattamie
 BOGGESS of Taylor
 CARROLL of Poweshiek
 MILLAGE of Scott
 WEIDMAN of Cass
 HAMMITT of Harrison
 GRIES of Crawford
 ARNOLD of Lucas
 BRAUNS of Muscatine

H-3405 FILED MARCH 22, 1995

ADOPTED

(p. 926)

HOUSE FILE 336

H-3410

- 1 Amend amendment, H-3405, to amendment H-3339, to
- 2 House File 336 as follows:
- 3 1. Page 1, line 10, by striking the words
- 4 "department of".

By HALVORSON of Clayton

H-3410 FILED MARCH 22, 1995
 ADOPTED BY UNANIMOUS

DRAKE of Pottawattamie
 HARRISON of Scott
 WELTER of Jones
 MARTIN of Scott
 HANSON of Black Hawk
 CORNELIUS of Jackson
 TYRRELL of Iowa
 MEYER of Sac
 GRUBBS of Scott
 HURLEY of Fayette
 DAGGETT of Union
 EDDIE of Buena Vista
 GREINER of Washington
 BRANSTAD of Winnebago
 SIEGRIST of Pottawattamie
 LAMBERTI of Polk
 HEATON of Henry
 RENKEN of Grundy
 CORMACK of Webster
 VANDE HOEF of Osceola
 VAN FOSSEN of Scott
 GARMAN of Story

3/23/95 *approved*

HOUSE FILE 336
BY COMMITTEE ON APPROPRIATIONS
(SUCCESSOR TO HSB 250)

(As Amended and Passed by the House March 22, 1995)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to funding and levies for mental health, mental
2 retardation, and developmental disabilities services;
3 deductions for pension income, treatment of income from
4 subchapter S corporations, and increased dependent credit for
5 state individual income tax purposes; machinery and equipment
6 phase-in exemption and reimbursement for property tax
7 purposes; relating to the cash reserve and an infrastructure
8 fund; providing appropriations, and providing effective dates
9 and applicability provisions.

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

11
12
13
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15
16
17
18
19
20
21

ALL NEW LANGUAGE BY THE HOUSE

DIVISION I

PROPERTY TAX-RELATED PROVISIONS

1
2
3 Section 1. MENTAL HEALTH, MENTAL RETARDATION, AND
4 DEVELOPMENTAL DISABILITIES PROPERTY TAX RELIEF FUND. There is
5 appropriated from the general fund of the state to the mental
6 health, mental retardation, and developmental disabilities
7 property tax relief fund for the fiscal year beginning July 1,
8 1995, and ending June 30, 1996, the following amount, or so
9 much thereof as is necessary, to be used for the purposes
10 designated:

11 For property tax relief in accordance with the provisions
12 of section 331.438A, subsection 2:
13 \$ 54,400,000

14 Sec. 2. MEDICAL ASSISTANCE COSTS FOR SERVICES TO MINORS
15 WITH MENTAL RETARDATION. There is appropriated from the
16 general fund of the state to the department of human services
17 for the fiscal year beginning July 1, 1995, and ending June
18 30, 1996, the following amount, or so much thereof as is
19 necessary, to be used for the purposes designated:

20 For the nonfederal share of the costs of services provided
21 to minors with mental retardation under medical assistance in
22 accordance with the provisions of section 249A.12, subsection
23 4:
24 \$ 6,600,000

25 Sec. 3. Section 123.38, unnumbered paragraph 2, Code 1995,
26 is amended to read as follows:

27 Any licensee or permittee, or the licensee's or permittee's
28 executor or administrator, or any person duly appointed by the
29 court to take charge of and administer the property or assets
30 of the licensee or permittee for the benefit of the licensee's
31 or permittee's creditors, may voluntarily surrender a license
32 or permit to the division. When a license or permit is
33 surrendered the division shall notify the local authority, and
34 the division or the local authority shall refund to the person
35 surrendering the license or permit, a proportionate amount of

1 the fee received by the division or the local authority for
2 the license or permit as follows: If a license or permit is
3 surrendered during the first three months of the period for
4 which it was issued, the refund shall be three-fourths of the
5 amount of the fee; if surrendered more than three months but
6 not more than six months after issuance, the refund shall be
7 one-half of the amount of the fee; if surrendered more than
8 six months but not more than nine months after issuance, the
9 refund shall be one-fourth of the amount of the fee. No
10 refund shall be made, however, for any special liquor permit,
11 nor for a liquor control license, wine permit, or beer permit
12 surrendered more than nine months after issuance. For
13 purposes of this paragraph, any portion of license or permit
14 fees used for the purposes authorized in section 331.424,
15 subsection 1, paragraphs "a", "b", "c", "d", "e", "f",
16 "g" and "h", and in section 331.438A, shall not be deemed
17 received either by the division or by a local authority. No
18 refund shall be made to any licensee or permittee, upon the
19 surrender of the license or permit, if there is at the time of
20 surrender, a complaint filed with the division or local
21 authority, charging the licensee or permittee with a violation
22 of this chapter. If upon a hearing on a complaint the license
23 or permit is not revoked or suspended, then the licensee or
24 permittee is eligible, upon surrender of the license or
25 permit, to receive a refund as provided in this section; but
26 if the license or permit is revoked or suspended upon hearing
27 the licensee or permittee is not eligible for the refund of
28 any portion of the license or permit fee.

29 Sec. 4. Section 218.99, Code 1995, is amended to read as
30 follows:

31 218.99 COUNTY AUDITORS TO BE NOTIFIED OF PATIENTS'
32 PERSONAL ACCOUNTS.

33 The administrator of a division of the department of human
34 services in control of a state institution shall direct the
35 business manager of each institution under the administrator's

1 jurisdiction which is mentioned in section 331.424, subsection
2 1, paragraphs "a" through "g" and "b" and for which services
3 are paid under section 331.438A to quarterly inform the
4 auditor of the county of legal settlement of any patient or
5 resident who has an amount in excess of two hundred dollars on
6 account in the patients' personal deposit fund and the amount
7 on deposit. The administrators shall direct the business
8 manager to further notify the auditor of the county at least
9 fifteen days before the release of funds in excess of two
10 hundred dollars or upon the death of the patient or resident.
11 If the patient or resident has no county of legal settlement,
12 notice shall be made to the director of the department of
13 human services and the administrator of the division of the
14 department in control of the institution involved.

15 Sec. 5. Section 222.60, Code 1995, is amended to read as
16 follows:

17 222.60 COSTS PAID BY COUNTY OR STATE.

18 All necessary and legal expenses for the cost of admission
19 or commitment or for the treatment, training, instruction,
20 care, habilitation, support and transportation of patients, as
21 provided for in the county management plan provisions
22 implemented pursuant to section 331.439, subsection 1, in a
23 state hospital-school for ~~the mentally-retarded~~ persons with
24 mental retardation, or in a special unit, or any public or
25 private facility within or without the state, approved by the
26 director of the department of human services, shall be paid by
27 either:

28 1. The county in which ~~such-person~~ the patient has legal
29 settlement as defined in section 252.16.

30 2. The state when ~~such-person~~ the patient has no legal
31 settlement or when ~~such~~ legal settlement is unknown.

32 Sec. 6. Section 225C.4, subsection 2, paragraph b, Code
33 1995, is amended to read as follows:

34 b. Establish mental health and mental retardation services
35 for all institutions under the control of the director of

1 human services and establish an autism unit, following mutual
 2 planning with and consultation from the medical director of
 3 the state psychiatric hospital, at an institution or a
 4 facility administered by the administrator to provide
 5 psychiatric and related services and other specific programs
 6 to meet the needs of autistic persons ~~as defined in section~~
 7 ~~331.424, subsection 1~~, and to furnish appropriate diagnostic
 8 evaluation services.

9 Sec. 7. Section 331.301, subsection 12, Code 1995, is
 10 amended to read as follows:

11 12. The board of supervisors may credit funds to a reserve
 12 for the purposes authorized by subsection 11 of this section;
 13 section 331.424, subsection 1, paragraph "1" "f"; and section
 14 331.441, subsection 2, paragraph "b". Moneys credited to the
 15 reserve, and interest earned on such moneys, shall remain in
 16 the reserve until expended for purposes authorized by
 17 subsection 11 of this section; section 331.424, subsection 1,
 18 paragraph "1" "f"; or section 331.441, subsection 2, paragraph
 19 "b".

20 Sec. 8. Section 331.424, subsection 1, Code 1995, is
 21 amended to read as follows:

22 1. For general county services, an amount sufficient to
 23 pay the charges for the following:

24 a. To the extent that the county is obligated by statute
 25 to pay the charges for:

26 ~~(1) Care and treatment of patients by a state mental~~
 27 ~~health institute.~~

28 ~~(2) Care and treatment of patients by either of the state~~
 29 ~~hospital schools or by any other facility established under~~
 30 ~~chapter 222 and diagnostic evaluation under section 222.31.~~

31 ~~(3) Care and treatment of patients under chapter 225.~~

32 ~~(4)~~ (1) Care and treatment of persons at the alcoholic
 33 treatment center at Oakdale. However, the county may require
 34 that an admission to the center shall be reported to the board
 35 by the center within five days as a condition of the payment

1 of county funds for that admission.

2 (5) (2) Care of children admitted or committed to the Iowa
3 juvenile home at Toledo.

4 (6) (3) Clothing, transportation, medical, or other
5 services provided persons attending the Iowa braille and sight
6 saving school, the Iowa school for the deaf, or the state
7 hospital-school for severely handicapped children at Iowa
8 City, for which the county becomes obligated to pay pursuant
9 to sections 263.12, 269.2, and 270.4 through 270.7.

10 ~~b.---To the extent that the board deems it advisable to pay,~~
11 ~~the charges for professional evaluation, treatment, training,~~
12 ~~habilitation, and care of persons who are mentally retarded,~~
13 ~~autistic persons, or persons who are afflicted by any other~~
14 ~~developmental disability, at a suitable public or private~~
15 ~~facility providing inpatient or outpatient care in the county.~~
16 ~~As used in this paragraph:~~

17 (1) -- "Developmental disability" has the meaning assigned
18 that term by 42 U.S.C. sec. 6001(7) (1976), Supp. II, 1978,
19 and Supp. III, 1979.

20 (2) -- "Autistic persons" means persons, regardless of age,
21 with severe communication and behavior disorders that became
22 manifest during the early stages of childhood development and
23 that are characterized by a severely disabling inability to
24 understand, communicate, learn, and participate in social
25 relationships. -- "Autistic persons" includes but is not limited
26 to those persons afflicted by infantile autism, profound
27 aphasia, and childhood psychosis.

28 c. -- Care and treatment of persons placed in the county
29 hospital, county care facility, a health care facility as
30 defined in section 135C.1, subsection 6, or any other public
31 or private facility, which placement is in lieu of admission
32 or commitment to or is upon discharge, removal, or transfer
33 from a state mental health institute, hospital, school, or
34 other facility established pursuant to chapter 222.

35 d. -- Amounts budgeted by the board for the cost of

1 establishment-and-initial-operation-of-a-community-mental
2 health-center-in-the-manner-and-subject-to-the-limitations
3 provided-by-state-law.

4 e. b. Foster care and related services provided under
5 court order to a child who is under the jurisdiction of the
6 juvenile court, including court-ordered costs for a guardian
7 ad litem under section 232.71.

8 f. ~~---The care, admission, commitment, and transportation of~~
9 ~~mentally-ill-patients-in-state-hospitals, to-the-extent-that~~
10 ~~expenses-for-these-services-are-required-to-be-paid-by-the~~
11 ~~county, including compensation for the advocate appointed~~
12 ~~under section 229.19.~~

13 g. ~~---Amounts budgeted by the board for mental health~~
14 ~~services or mental retardation services furnished to persons~~
15 ~~on either an outpatient or inpatient basis, to a school or~~
16 ~~other public agency, or to the community at large, by a~~
17 ~~community mental health center or other suitable facility~~
18 ~~located in or reasonably near the county, provided that~~
19 ~~services meet the standards of the mental health and~~
20 ~~developmental disabilities commission created in section~~
21 ~~225C.5 and are consistent with the annual plan for services~~
22 ~~approved by the board.~~

23 h. ~~---Reimbursement on behalf of mentally-retarded persons~~
24 ~~under section 249A.12.~~

25 i. c. Elections, and voter registration pursuant to
26 chapter 48A.

27 j. d. Employee benefits under chapters 96, 97B, and 97C,
28 which are associated with salaries for general county
29 services.

30 k. e. Joint county and city building authorities
31 established under section 346.27, as provided in subsection 22
32 of that section.

33 l. f. Tort liability insurance, property insurance, and
34 any other insurance that may be necessary in the operation of
35 the county, costs of a self-insurance program, costs of a

1 local government risk pool, and amounts payable under any
2 insurance agreements to provide or procure such insurance,
3 self-insurance program, or local government risk pool.
4 m. g. The maintenance and operation of the courts,
5 including but not limited to the salary and expenses of the
6 clerk of the district court and other employees of the clerk's
7 office, and bailiffs, court costs if the prosecution fails or
8 if the costs cannot be collected from the person liable, costs
9 and expenses of prosecution under section 189A.17, salaries
10 and expenses of juvenile court officers under chapter 602,
11 court-ordered costs in domestic abuse cases under section
12 236.5, the county's expense for confinement of prisoners under
13 chapter 356A, temporary assistance to the county attorney,
14 county contributions to a retirement system for bailiffs,
15 reimbursement for judicial magistrates under section 602.6501,
16 claims filed under section 622.93, interpreters' fees under
17 section 622B.7, uniform citation and complaint supplies under
18 section 805.6, and costs of prosecution under section 815.13.
19 n. h. Court-ordered costs of conciliation procedures under
20 section 598.16.
21 o. i. Establishment and maintenance of a joint county
22 indigent defense fund pursuant to an agreement under section
23 28E.19.
24 p. j. The maintenance and operation of a local emergency
25 management agency established pursuant to chapter 29C.
26 The board may require a public or private facility, as a
27 condition of receiving payment from county funds for services
28 it has provided, to furnish the board with a statement of the
29 income, assets, and legal residence including township and
30 county of each person who has received services from that
31 facility for which payment has been made from county funds
32 under paragraphs "a" through "h" and "b". However, the
33 facility shall not disclose to anyone the name or street or
34 route address of a person receiving services for which
35 commitment is not required, without first obtaining that

1 person's written permission.

2 Parents or other persons may voluntarily reimburse the
3 county or state for the reasonable cost of caring for a
4 patient or an inmate in a county or state facility.

5 Sec. 9. Section 331.424, Code 1995, is amended by adding
6 the following new subsection:

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

24 Sec. 10. Section 331.426, subsection 1, Code 1995, is
25 amended by adding the following new paragraph:

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

31 Sec. 11. Section 331.438, subsection 1, paragraph b, Code
32 1995, is amended to read as follows:

33 b. "State payment" means the payment made by the state
34 under section 331.438A to a county determined to be eligible
35 for the payment in accordance with section 331.439. ~~Except-as~~

1 modified-based-upon-the-actual-amount-of-the-appropriation-for
2 purposes-of-state-payment-under-section-331.439,-the-amount-of
3 the-state-payment-for-a-fiscal-year-shall-be-calculated-as
4 fifty-percent-of-the-amount-by-which-the-county's-qualified
5 expenditures-during-the-immediately-preceding-fiscal-year-were
6 in-excess-of-the-amount-of-the-county's-base-year
7 expenditures.

8 Sec. 12. Section 331.438, Code 1995, is amended by adding
9 the following new subsection:

10 NEW SUBSECTION. 1A. The state of Iowa shall provide
11 funding to counties for the costs of mental health and mental
12 retardation services so that over the five-year period
13 beginning July 1, 1995, and ending June 30, 2000, the relative
14 shares of the state and counties for these expenditures shall
15 become either equal or greater for the state.

16 Sec. 13. Section 331.438, subsection 3, paragraph c, Code
17 1995, is amended by adding the following new subparagraph:

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

23 Sec. 14. NEW SECTION. 331.438A STATE AND COUNTY
24 EXPENDITURES FOR MENTAL HEALTH, MENTAL RETARDATION, AND
25 DEVELOPMENTAL DISABILITIES ASSISTANCE -- FUND CREATED.

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

35 2. In each fiscal year, a county shall receive for

1 property tax relief the county's proportion of the moneys in
2 the relief fund allocated for property tax relief. A county's
3 proportion of the moneys shall be equivalent to the sum of the
4 following three factors:

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

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

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

13 3. The department of human services shall notify the
14 department of revenue and finance of the amount due each
15 county and the director of revenue and finance shall draw
16 warrants on the relief fund, payable quarterly to the county
17 treasurer in the amount due a county in accordance with
18 subsection 2, and mail the warrants to county auditors by
19 September 1, December 1, March 1, and June 1 of each year.

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

1 5. In addition to moneys received by a county for a fiscal
2 year pursuant to subsection 2, the county may be paid an
3 adjustment factor payment for services provided in accordance
4 with the county's management plan implemented pursuant to
5 section 331.439 and paid for from the county's services fund
6 under section 331.424A. The amount of the adjustment factor
7 payment to a county is subject to the amount appropriated for
8 this purpose and shall be paid as provided by the general
9 assembly for that fiscal year.

10 6. The department of human services, in consultation with
11 the state-county management committee, shall prescribe forms
12 and adopt rules pursuant to chapter 17A to administer this
13 section.

14 Sec. 15. Section 331.439, Code 1995, is amended by
15 striking the section and inserting in lieu thereof the
16 following:

17 331.439 ELIGIBILITY FOR STATE PAYMENT.

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

25 a. The county accurately reported by October 15 the
26 county's expenditures for mental health, mental retardation,
27 and developmental disabilities services for the previous
28 fiscal year on forms prescribed by the department of human
29 services.

30 b. The county developed and implemented a county
31 management plan for the county's mental health, mental
32 retardation, and developmental disabilities services in
33 accordance with the provisions of this paragraph. The plan
34 shall comply with the administrative rules adopted for this
35 purpose by the council on human services and is subject to the

1 approval of the director of human services in consultation
2 with the state-county management committee created in section
3 331.438. The plan shall include a description of the county's
4 service management provision for mental health, mental
5 retardation, and developmental disabilities services. The
6 plan shall have the following two parts:

7 (1) For mental health service management, the county must
8 contract with a state-approved managed mental health care
9 contractor or provide a comparable system of managed care.
10 For the fiscal year beginning July 1, 1995, this part of the
11 plan shall be submitted by January 5, 1996, and the county
12 shall implement the approved plan by March 1, 1996. For
13 subsequent fiscal years, this part of the plan shall be
14 submitted to the department by April 1 for the succeeding
15 fiscal year.

16 (2) For mental retardation and developmental disabilities
17 services management, the county must contract with a state-
18 approved managed care contractor or develop and implement a
19 managed system of care which addresses a full array of
20 appropriate services and cost-effective delivery of services.
21 The managed system of care shall incorporate a single entry
22 point process developed in accordance with the provisions of
23 section 331.440. The elements of the managed system of care
24 shall be specified in rules developed by the department in
25 consultation with the state-county management committee and
26 adopted by the council on human services. Initially, this
27 part of the plan shall be submitted within nine months of the
28 date by which the department approves a managed care
29 contractor. The county shall implement either the state-
30 approved contract or implement a comparable system of care
31 within twelve months of the date by which the department
32 approves a managed care contractor. In fiscal years
33 succeeding the fiscal year of initial implementation this part
34 of the plan shall be submitted to the department of human
35 services by April 1 for the succeeding fiscal year.

1 c. Changes to the approved plan are submitted sixty days
2 prior to the proposed change and are not to be implemented
3 prior to the director of human services' approval.

4 2. The county management plan shall address the county's
5 criteria for serving persons with chronic mental illness,
6 including any rationale used for decision making regarding
7 this population.

8 3. If funding is available under the fixed budget, a
9 county that has not provided services to a service population
10 which is not included in the service management provisions
11 required under subsection 1, may provide such services.

12 4. For the fiscal year beginning July 1, 1996, and
13 succeeding fiscal years, implementation of the county
14 management plan is subject to a fixed budget consisting of the
15 moneys deposited by the state and county in the county mental
16 health, mental retardation, and developmental disabilities
17 services fund created in section 331.424A. The amount of the
18 fixed budget shall be the amount specified for the fiscal year
19 in the county's management plan and budgeted for such
20 services.

21 5. A county shall implement the county's management plan
22 in a manner so as to provide adequate funding for the entire
23 fiscal year by budgeting for ninety-nine percent of the
24 funding anticipated to be available for the plan.

25 6. A county's implementation of the service management
26 provisions required under subsection 1 for mental health,
27 mental retardation, and developmental disabilities shall
28 incorporate the single entry point process described in
29 section 331.440.

30 7. The basis for determining whether a managed care system
31 for mental health proposed by a county is comparable to a
32 managed care contractor approved by the department of human
33 services shall include but is not limited to all of the
34 following elements which shall be specified in administrative
35 rules adopted by the department in consultation with the

1 state-county management committee:

2 a. The enrollment and eligibility process.

3 b. The scope of services included.

4 c. The method of plan administration.

5 d. The process for managing utilization and access to
6 services and other assistance.

7 e. The quality assurance process.

8 f. The risk management provisions and fiscal viability of
9 the provisions.

10 8. The director's approval of a county's mental health,
11 mental retardation, and developmental disabilities services
12 management plan shall not be construed to constitute
13 certification of the county's budget.

14 Sec. 16. Section 331.440, subsection 1, Code 1995, is
15 amended by adding the following new paragraph:

16 NEW PARAGRAPH. c. The single entry point process shall
17 include provision for the county's participation in a
18 management information system developed in accordance with
19 rules adopted pursuant to subsection 3.

20 Sec. 17. NEW SECTION. 331.424A MENTAL HEALTH, MENTAL
21 RETARDATION, AND DEVELOPMENTAL DISABILITIES SERVICES FUND.

22 1. For the purposes of this chapter, unless the context
23 otherwise requires, "services fund" means the county mental
24 health, mental retardation, and developmental disabilities
25 services fund created in subsection 2.

26 2. For the fiscal year beginning July 1, 1996, and
27 succeeding fiscal years, county revenues from taxes and other
28 sources designated for mental health, mental retardation, and
29 developmental disabilities services shall be credited to the
30 mental health, mental retardation, and developmental
31 disabilities services fund of the county. The board shall
32 make appropriations from the fund for payment of services
33 provided under the county management plan approved pursuant to
34 section 331.439.

35 3. For the fiscal year beginning July 1, 1996, and

1 succeeding fiscal years, receipts from the state or federal
2 government for such services shall be credited to the services
3 fund, including but not limited to moneys received by a county
4 under section 331.438A.

5 4. For the fiscal year beginning July 1, 1996, and for
6 each subsequent fiscal year, the county may certify a levy for
7 payment of services. Unless otherwise provided by state law,
8 for each fiscal year, county revenues from taxes imposed by
9 the county credited to the services fund shall not exceed an
10 amount equal to the amount of base year expenditures from
11 property taxes imposed by the county and paid for services in
12 the fiscal year beginning July 1, 1993, and ending June 30,
13 1994, as defined in section 331.438, less the amount of
14 property tax relief to be received pursuant to section
15 331.438A in the fiscal year for which the budget is certified.
16 The county auditor and the board of supervisors shall reduce
17 the amount of the levy certified under this section by the
18 amount of property tax relief to be received.

19 5. Appropriations specifically authorized to be made from
20 the mental health, mental retardation, and developmental
21 disabilities services fund shall not be made from the general
22 fund of the county.

23 Sec. 18. Section 444.25A, subsection 1, Code 1995, is
24 amended to read as follows:

25 1. COUNTY LIMITATION. The maximum amount of property tax
26 dollars which may be certified by a county for taxes payable
27 in the fiscal year beginning July 1, 1995, shall not exceed
28 the amount of property tax dollars certified by the county for
29 taxes payable in the fiscal year beginning July 1, 1994, minus
30 the amount of the property tax relief payment to be received
31 by the county for the fiscal year beginning July 1, 1995,
32 pursuant to section 331.438A, subsection 2, and the maximum
33 amount of property tax dollars which may be certified by a
34 county for taxes payable in the fiscal year beginning July 1,
35 1996, shall not exceed the amount of property tax dollars

1 certified by the county for taxes payable in the fiscal year
2 beginning July 1, 1995, minus the amount by which the property
3 tax relief payment to be received by the county in the fiscal
4 year beginning July 1, 1996, exceeds the amount of the
5 property tax relief payment received in the fiscal year
6 beginning July 1, 1995, pursuant to section 331.438A,
7 subsection 2, for each of the levies for the following, except
8 for the levies on the increase in taxable valuation due to new
9 construction, additions or improvements to existing
10 structures, remodeling of existing structures for which a
11 building permit is required, annexation, and phasing out of
12 tax exemptions, and on the increase in valuation of taxable
13 property as a result of a comprehensive revaluation by a
14 private appraiser under a contract entered into prior to
15 January 1, 1992, or as a result of a comprehensive revaluation
16 directed or authorized by the conference board prior to
17 January 1, 1992, with documentation of the contract,
18 authorization, or directive on the revaluation provided to the
19 director of revenue and finance, if the levies are equal to or
20 less than the levies for the previous year, levies on that
21 portion of the taxable property located in an urban renewal
22 project the tax revenues from which are no longer divided as
23 provided in section 403.19, subsection 2, or as otherwise
24 provided in this section:

- 25 a. General county services under section 331.422,
- 26 subsection 1.
- 27 b. Rural county services under section 331.422, subsection
- 28 2.
- 29 c. Other taxes under section 331.422, subsection 4.

30 Sec. 19. Section 444.25A, subsection 3, paragraph b,
31 subparagraph (3), Code 1995, is amended to read as follows:

32 (3) Need for additional moneys for health care, treatment,
33 and facilities, including ~~mental-health-and-mental-retardation~~
34 ~~care-and~~ treatment pursuant to section 331.424, subsection 1,
35 paragraphs "a" through "n" and "b".

1 Sec. 20. NEW SECTION. 444.25B PROPERTY TAX LIMITATIONS
2 FOR 1998 AND 1999 FISCAL YEARS.

3 1. COUNTY LIMITATION. The maximum amount of property tax
4 dollars which may be certified by a county for taxes payable
5 in the fiscal year beginning July 1, 1997, shall not exceed
6 the amount of property tax dollars certified by the county for
7 taxes payable in the fiscal year beginning July 1, 1996, minus
8 the amount by which the property tax relief payment to be
9 received by the county in the fiscal year beginning July 1,
10 1997, exceeds the amount of the property tax relief payment
11 received by the county in the fiscal year beginning July 1,
12 1996, pursuant to section 331.438A, subsection 2, and the
13 maximum amount of property tax dollars which may be certified
14 by a county for taxes payable in the fiscal year beginning
15 July 1, 1998, shall not exceed the amount of property tax
16 dollars certified by the county for taxes payable in the
17 fiscal year beginning July 1, 1997, minus the amount by which
18 the property tax relief payment to be received by the county
19 in the fiscal year beginning July 1, 1998, exceeds the amount
20 of the property tax relief payment received by the county in
21 the fiscal year beginning July 1, 1997, pursuant to section
22 331.438A, subsection 2, for each of the levies for the
23 following, except for the levies on the increase in taxable
24 valuation due to new construction, additions or improvements
25 to existing structures, remodeling of existing structures for
26 which a building permit is required, annexation, and phasing
27 out of tax exemptions, and on the increase in valuation of
28 taxable property as a result of a comprehensive revaluation by
29 a private appraiser under a contract entered into prior to
30 January 1, 1992, or as a result of a comprehensive revaluation
31 directed or authorized by the conference board prior to
32 January 1, 1992, with documentation of the contract,
33 authorization, or directive on the revaluation provided to the
34 director of revenue and finance, if the levies are equal to or
35 less than the levies for the previous year, levies on that

1 portion of the taxable property located in an urban renewal
2 project the tax revenues from which are no longer divided as
3 provided in section 403.19, subsection 2, or as otherwise
4 provided in this section:

5 a. General county services under section 331.422,
6 subsection 1.

7 b. Rural county services under section 331.422, subsection
8 2.

9 c. Other taxes under section 331.422, subsection 4.

10 2. EXCEPTIONS. The limitations provided in subsection 1
11 do not apply to the levies made for the following:

12 a. Debt service to be deposited into the debt service fund
13 pursuant to section 331.430.

14 b. Taxes approved by a vote of the people which are
15 payable during the fiscal year beginning July 1, 1997, or July
16 1, 1998.

17 c. Hospitals pursuant to chapters 37, 347, and 347A.

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

21 e. Unusual need for additional moneys to finance existing
22 programs which would provide substantial benefit to county
23 residents or compelling need to finance new programs which
24 would provide substantial benefit to county residents. The
25 increase in taxes levied under this exception for the fiscal
26 year beginning July 1, 1997, is limited to no more than the
27 product of the total tax dollars levied in the fiscal year
28 beginning July 1, 1996, and the percent change, computed to
29 two decimal places, in the price index for government
30 purchases by type for state and local governments computed for
31 the third quarter of calendar year 1996 from that computed for
32 the third quarter of calendar year 1995. The increase in
33 taxes levied under this exception for the fiscal year
34 beginning July 1, 1998, is limited to no more than the product
35 of the total tax dollars levied in the fiscal year beginning

1 July 1, 1997, and the percent change, computed to two decimal
2 places, in the price index for government purchases by type
3 for state and local governments computed for the third quarter
4 of calendar year 1997 from that computed for the third quarter
5 of calendar year 1996.

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

19 Application of this exception shall require an original
20 publication of the budget and a public hearing and a second
21 publication and a second hearing both in the manner and form
22 prescribed by the director of the department of management,
23 notwithstanding the provisions of section 331.434. The
24 publications and hearings prescribed in this paragraph shall
25 be held and the budget certified no later than March 15. The
26 taxes levied for counties whose budgets are certified after
27 March 15, 1997, shall be frozen at the fiscal year beginning
28 July 1, 1996, level, and the taxes levied for counties whose
29 budgets are certified after March 15, 1998, shall be frozen at
30 the fiscal year beginning July 1, 1997, level.

31 3. APPEAL PROCEDURES. In lieu of the procedures in
32 sections 24.48 and 331.426, which procedures do not apply for
33 taxes payable in the fiscal years beginning July 1, 1997, and
34 July 1, 1998, if a county needs to raise property tax dollars
35 from a tax levy in excess of the limitations imposed by

1 subsection 1, the following procedures apply:

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

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

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

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

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

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

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

32 d. Within seven days of receipt of the decision of the
33 state appeal board, the county shall adopt and certify its
34 budget under section 331.434, which budget may be protested as
35 provided in section 331.436. The budget shall not contain an

1 amount of property tax dollars in excess of the amount
2 approved by the state appeal board.

3 4. Rate adjustment by county auditor. In addition to the
4 requirement of the county auditor in section 444.3 to
5 establish a rate of tax which does not exceed the rate
6 authorized by law, the county auditor shall also adjust the
7 rate if the amount of property tax dollars to be raised is in
8 excess of the amount specified in subsection 1, as may be
9 adjusted pursuant to subsection 3.

10 Sec. 21. NEW SECTION. 444.25C PROPERTY TAX LIMITATION
11 FOR FISCAL YEAR 2000.

12 1. COUNTY LIMITATION. The maximum amount of property tax
13 dollars which may be certified by a county for taxes payable
14 in the fiscal year beginning July 1, 1999, shall not exceed
15 the amount of property tax dollars certified by the county for
16 taxes payable in the fiscal year beginning July 1, 1998, minus
17 the difference between the amount by which the property tax
18 relief payment to be received by the county in the fiscal year
19 beginning July 1, 1999, exceeds the amount of the property tax
20 relief payment received by the county in the fiscal year
21 beginning July 1, 1998, pursuant to section 331.438A,
22 subsection 2, for each of the levies for the following, except
23 for the levies on the increase in taxable valuation due to new
24 construction, additions or improvements to existing
25 structures, remodeling of existing structures for which a
26 building permit is required, annexation, and phasing out of
27 tax exemptions, and on the increase in valuation of taxable
28 property as a result of a comprehensive revaluation by a
29 private appraiser under a contract entered into prior to
30 January 1, 1992, or as a result of a comprehensive revaluation
31 directed or authorized by the conference board prior to
32 January 1, 1992, with documentation of the contract,
33 authorization, or directive on the revaluation provided to the
34 director of revenue and finance, if the levies are equal to or
35 less than the levies for the previous year, levies on that

1 portion of the taxable property located in an urban renewal
2 project the tax revenues from which are no longer divided as
3 provided in section 403.19, subsection 2, or as otherwise
4 provided in this section:

5 a. General county services under section 331.422,
6 subsection 1.

7 b. Rural county services under section 331.422, subsection
8 2.

9 c. Other taxes under section 331.422, subsection 4.

10 2. EXCEPTIONS. The limitations provided in subsection 1
11 do not apply to the levies made for the following:

12 a. Debt service to be deposited into the debt service fund
13 pursuant to section 331.430.

14 b. Taxes approved by a vote of the people which are
15 payable during the fiscal year beginning July 1, 1999, or July
16 1, 2000.

17 c. Hospitals pursuant to chapters 37, 347, and 347A.

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

21 e. Unusual need for additional moneys to finance existing
22 programs which would provide substantial benefit to county
23 residents or compelling need to finance new programs which
24 would provide substantial benefit to county residents. The
25 increase in taxes levied under this exception for the fiscal
26 year beginning July 1, 1999, is limited to no more than the
27 product of the total tax dollars levied in the fiscal year
28 beginning July 1, 1998, and the percent change, computed to
29 two decimal places, in the price index for government
30 purchases by type for state and local governments computed for
31 the third quarter of calendar year 1998 from that computed for
32 the third quarter of calendar year 1997.

33 For purposes of this paragraph, the price index for
34 government purchases by type for state and local governments
35 is defined by the bureau of economic analysis of the United

1 States department of commerce and published in table 7.11 of
2 the national income and products accounts. For the fiscal
3 year beginning July 1, 1999, the price index used shall be the
4 revision published in the November 1998 of the United States
5 department of commerce publication, "survey of current
6 business". For purposes of this paragraph, tax dollars levied
7 in the fiscal year beginning July 1, 1998, shall not include
8 funds levied for paragraphs "a", "b", and "c" of this
9 subsection.

10 Application of this exception shall require an original
11 publication of the budget and a public hearing and a second
12 publication and a second hearing both in the manner and form
13 prescribed by the director of the department of management,
14 notwithstanding the provisions of section 331.434. The
15 publications and hearings prescribed in this paragraph shall
16 be held and the budget certified no later than March 15. The
17 taxes levied for counties whose budgets are certified after
18 March 15, 1999, shall be frozen at the fiscal year beginning
19 July 1, 1998, level.

20 3. APPEAL PROCEDURES. In lieu of the procedures in
21 sections 24.48 and 331.426, which procedures do not apply for
22 taxes payable in the fiscal year beginning July 1, 1999, if a
23 county needs to raise property tax dollars from a tax levy in
24 excess of the limitations imposed by subsection 1, the
25 following procedures apply:

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

35 b. Additional costs incurred by the county due to any of

1 the following circumstances shall be the basis for justifying
2 the excess in property tax dollars:

3 (1) Natural disaster or other life-threatening
4 emergencies.

5 (2) Unusual need for additional moneys to finance existing
6 programs which would provide substantial benefit to county
7 residents or compelling need to finance new programs which
8 would provide substantial benefit to county residents.

9 (3) Need for additional moneys for health care, treatment,
10 and facilities pursuant to section 331.424, subsection 1,
11 paragraphs "a" and "b".

12 (4) Judgments, settlements, and related costs arising out
13 of civil claims against the county and its officers,
14 employees, and agents, as defined in chapter 670.

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

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

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

34 Sec. 22. Section 444.27, Code 1995, is amended to read as
35 follows:

1 444.27 SECTIONS VOID.

2 1. For purposes of section 444.25, sections 24.48 and
3 331.426 are void for the fiscal years beginning July 1, 1993,
4 and July 1, 1994. For purposes of section 444.25A, sections
5 24.48 and 331.426 are void for the fiscal years beginning July
6 1, 1995, and July 1, 1996.

7 2. For purposes of sections 444.25B and 444.25C, sections
8 24.48 and 331.426 are void for the fiscal years beginning July
9 1, 1997, July 1, 1998, and July 1, 1999.

10 Sec. 23. Section 445.23, Code 1995, is amended to read as
11 follows:

12 445.23 STATEMENT OF TAXES DUE.

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

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

25 a. Homestead credit under chapter 425.

26 b. Military service credit under chapter 426A.

27 c. Extraordinary credit under chapter 425.

28 d. Mental health, mental retardation, and developmental
29 disabilities property tax relief under section 331.438A.

30 e. Farm tax credit under chapter 426.

31 Sec. 24. REPEAL. 1994 Iowa Acts, chapter 1163, section 8,
32 is repealed.

33 Sec. 25. DEPARTMENT OF HUMAN SERVICES -- ICFMR

34 REQUIREMENT. The department of human services shall consult
35 with the department of inspections and appeals, the Iowa state

1 association of counties, and the Iowa association of
2 rehabilitation and residential facilities in adopting
3 administrative rules identifying optimum staffing ratios for
4 intermediate care facilities for the mentally retarded
5 (ICFMR). The administrative rules shall be implemented on or
6 before January 1, 1996.

7 Sec. 26. INTERIM COMMITTEE CREATED. The legislative
8 council is requested to establish an interim committee
9 comprised of members of the general assembly with the charge
10 of developing a system to regulate and contain county
11 expenditures for mental health, mental retardation, and
12 developmental disabilities services and to develop a formula
13 for distribution of property tax relief moneys to counties
14 under section 331.438A, subsection 2. In addition, the
15 committee should consider proposals from counties and other
16 interested persons for a distribution formula factor which
17 rewards or provides incentives for economy and efficiency in
18 providing mental health, mental retardation, and developmental
19 disabilities services; and a mechanism for a county to appeal
20 to the state if it is believed the county is unfairly treated
21 under an established funding formula. The committee should be
22 directed to report to the governor and the general assembly
23 prior to the 1996 legislative session.

24 Sec. 27. FUNDING OF SESSION LAW REQUIREMENTS. If section 3
25 of this division of this Act is enacted on or before March 31,
26 1995, the requirements of 1994 Iowa Acts, chapter 1163,
27 section 8, subsection 1, to enact an appropriation to fully
28 fund the provisions of section 249A.12, subsection 4, shall be
29 considered to be met and the repeals contained in 1994 Iowa
30 Acts, chapter 1163, section 8, subsection 1, shall be void.

31 Sec. 28. EFFECTIVE DATES.

32 1. Sections 3, 4, 5, 6, and 7 of this division of this Act
33 take effect July 1, 1996.

34 2. Sections 8, 9, 10, 17, and 19 of this division of this
35 Act take effect January 1, 1996, and are applicable to taxes

1 paid in the fiscal year beginning July 1, 1996, and succeeding
2 fiscal years.

3 3. The remainder of this division of this Act, being
4 deemed of immediate importance, takes effect upon enactment.

5 DIVISION II

6 SUBCHAPTER S CORPORATIONS

7 Sec. 29. Section 422.5, subsection 1, paragraph j, Code
8 1995, is amended by adding the following new unnumbered
9 paragraph:

10 NEW UNNUMBERED PARAGRAPH. The tax imposed upon the taxable
11 income of a resident shareholder in a corporation which has in
12 effect for the tax year an election under subchapter S of the
13 Internal Revenue Code and carries on business within and
14 without the state shall be computed by reducing the amount
15 determined pursuant to paragraphs "a" through "i" by the
16 amounts of nonrefundable credits under this division and by
17 multiplying this resulting amount by a fraction of which the
18 resident's net income allocated to Iowa, as determined in
19 section 422.8, subsection 2, paragraph "b", is the numerator
20 and the resident's total net income computed under section
21 422.7 is the denominator. This paragraph also applies to
22 individuals who are residents of Iowa for less than the entire
23 tax year.

24 Sec. 30. Section 422.5, subsection 1, paragraph k,
25 unnumbered paragraph 4, Code 1995, is amended to read as
26 follows:

27 In the case of a resident, including a resident estate or
28 trust, the state's apportioned share of the state alternative
29 minimum tax is one hundred percent of the state alternative
30 minimum tax computed in this subsection. In the case of a
31 resident or part year resident shareholder in a corporation
32 which has in effect for the tax year an election under
33 subchapter S of the Internal Revenue Code and carries on
34 business within and without the state, a nonresident,
35 including a nonresident estate or trust, or an individual,

1 estate, or trust that is domiciled in the state for less than
2 the entire tax year, the state's apportioned share of the
3 state alternative minimum tax is the amount of tax computed
4 under this subsection, reduced by the applicable credits in
5 sections 422.10 through 422.12 and this result multiplied by a
6 fraction with a numerator of the sum of state net income
7 allocated to Iowa as determined in section 422.8, subsection
8 2, paragraph "a" or "b" as applicable, plus tax preference
9 items, adjustments, and losses under subparagraph (1)
10 attributable to Iowa and with a denominator of the sum of
11 total net income computed under section 422.7 plus all tax
12 preference items, adjustments, and losses under subparagraph
13 (1). In computing this fraction, those items excludable under
14 subparagraph (1) shall not be used in computing the tax
15 preference items. Married taxpayers electing to file separate
16 returns or separately on a combined return must allocate the
17 minimum tax computed in this subsection in the proportion that
18 each spouse's respective preference items, adjustments, and
19 losses under subparagraph (1) bear to the combined preference
20 items, adjustments, and losses under subparagraph (1) of both
21 spouses.

22 Sec. 31. Section 422.8, subsection 2, Code 1995, is
23 amended to read as follows:

24 2. a. Nonresident's net income allocated to Iowa is the
25 net income, or portion thereof, which is derived from a
26 business, trade, profession, or occupation carried on within
27 this state or income from any property, trust, estate, or
28 other source within Iowa. However, income derived from a
29 business, trade, profession, or occupation carried on within
30 this state and income from any property, trust, estate, or
31 other source within Iowa shall not include distributions from
32 pensions, including defined benefit or defined contribution
33 plans, annuities, individual retirement accounts, and deferred
34 compensation plans or any earnings attributable thereto so
35 long as the distribution is directly related to an

1 individual's documented retirement and received while the
2 individual is a nonresident of this state. If a business,
3 trade, profession, or occupation is carried on partly within
4 and partly without the state, only the portion of the net
5 income which is fairly and equitably attributable to that part
6 of the business, trade, profession, or occupation carried on
7 within the state is allocated to Iowa for purposes of section
8 422.5, subsection 1, paragraph "j", and section 422.13 and
9 income from any property, trust, estate, or other source
10 partly within and partly without the state is allocated to
11 Iowa in the same manner, except that annuities, interest on
12 bank deposits and interest-bearing obligations, and dividends
13 are allocated to Iowa only to the extent to which they are
14 derived from a business, trade, profession, or occupation
15 carried on within the state.

16 b. A resident's income allocable to Iowa is the income
17 determined under section 422.7 reduced by items of income and
18 expenses from a subchapter S corporation which pass directly
19 to the shareholders under provisions of the Internal Revenue
20 Code and increased by the greater of the following:

21 (1) The net income or loss of the corporation which is
22 fairly and equitably attributable to this state under section
23 422.33, subsections 2 and 3.

24 (2) The taxpayer's pro rata share of an amount deemed
25 distributed to shareholders which when added to the salaries,
26 wages, or other compensation for services performed by all
27 shareholders will equal ten percent of the net income of the
28 corporation computed in accordance with section 422.35 and
29 considering items of income and expense which pass directly to
30 the shareholders under provisions of the Internal Revenue Code
31 before deduction of shareholder's salaries, wages, or other
32 compensation for services performed.

33 (3) Any cash or the value of any property distributions
34 made to the extent they are paid from income upon which Iowa
35 income tax has not been paid as determined under rules of the

1 director.

2 Sec. 32. Section 422.8, Code 1995, is amended by adding
3 the following new subsection:

4 NEW SUBSECTION. 6. If the resident or part year resident
5 is a shareholder of a corporation which has in effect an
6 election under subchapter S of the Internal Revenue Code,
7 subsections 1 and 3 do not apply to any income taxes paid to
8 another state or foreign country on the income from the
9 corporation which has in effect an election under subchapter S
10 of the Internal Revenue Code.

11 Sec. 33. This division of this Act, being deemed of
12 immediate importance, takes effect upon enactment and applies
13 retroactively to January 1, 1995, for tax years beginning on
14 or after that date.

15 DIVISION III

16 MACHINERY AND EQUIPMENT

17 EXEMPTION AND REPLACEMENT FUNDS

18 Sec. 34. Section 427B.17, Code 1995, is amended by
19 striking the section and inserting in lieu thereof the
20 following:

21 427B.17 PROPERTY SUBJECT TO SPECIAL VALUATION.

22 1. Property defined in section 427A.1, subsection 1,
23 paragraphs "e" and "j", shall be valued by the local assessor
24 as follows:

25 a. For the assessment year beginning January 1, 1995, at
26 twenty-six percent of the net acquisition cost.

27 b. For the assessment year beginning January 1, 1996, at
28 twenty-two percent of the net acquisition cost.

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

31 d. For the assessment year beginning January 1, 1998, at
32 fourteen percent of the net acquisition cost.

33 e. For the assessment year beginning January 1, 1999, at
34 ten percent of the net acquisition cost.

35 f. For the assessment year beginning January 1, 2000, at

1 six percent of the net acquisition cost.

2 g. For the assessment year beginning January 1, 2001, and
3 all subsequent assessment years, at zero percent of the net
4 acquisition cost.

5 2. For purposes of this section:

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

10 Any electric power generating plant which operated during
11 the preceding assessment year at a net capacity factor of more
12 than twenty percent, shall not receive the benefits of this
13 section. For purposes of this section, "electric power
14 generating plant" means any name plate rated electric power
15 generating plant, in which electric energy is produced from
16 other forms of energy, including all taxable land, buildings,
17 and equipment used in the production of such energy. "Net
18 capacity factor" means net actual generation divided by the
19 product of net maximum capacity times the number of hours the
20 unit was in the active state during the assessment year. Upon
21 commissioning, a unit is in the active state until it is de-
22 commissioned. "Net actual generation" means net electrical
23 megawatt hours produced by the unit during the preceding
24 assessment year. "Net maximum capacity" means the capacity
25 the unit can sustain over a specified period when not
26 restricted by ambient conditions or equipment deratings, minus
27 the losses associated with station service or auxiliary loads.

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

32 c. "Related person" means a person who owns or controls
33 the taxpayer's business and another business entity from which
34 property is acquired or leased or to which property is sold or
35 leased. Business entities are owned or controlled by the same

1 person if the same person directly or indirectly owns or
2 controls fifty percent or more of the assets or any class of
3 stock or who directly or indirectly has an interest of fifty
4 percent or more in the ownership or profits.

5 d. "Net acquisition cost" means the acquired cost of the
6 property, including all foundations and installation cost less
7 any excess cost adjustment.

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

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

1 advances, bonds, or other indebtedness are refinanced or
2 refunded after June 30, 1995.

3 5. For the purpose of dividing taxes under section 260E.4
4 or 260F.4, the employer's or business's valuation of property
5 defined in section 427A.1, subsection 1, paragraphs "e" and
6 "j", and used to fund a new jobs training project which
7 project's first written agreement providing for a division of
8 taxes as provided in section 403.19, is approved on or before
9 June 30, 1995, shall be limited to thirty percent of the net
10 acquisition cost of the property. An employer's or business's
11 taxable property used to fund a new jobs training project
12 shall not be valued pursuant to subsection 1 until the
13 assessment year following the calendar year in which the
14 certificates or other funding obligations have been retired or
15 escrowed. The taxpayer's valuation for such property shall
16 then be the valuation specified in subsection 1 for the
17 applicable assessment year. If the certificates issued, or
18 other funding obligations incurred, between January 1, 1982,
19 and June 30, 1995, are refinanced or refunded after June 30,
20 1995, the valuation of such property shall then be the
21 valuation specified in subsection 1 for the applicable
22 assessment year beginning with the assessment year following
23 the calendar year in which those certificates or other funding
24 obligations are refinanced or refunded after June 30, 1995.

25 Sec. 35. NEW SECTION. 427B.18 ASSESSOR AND COUNTY
26 AUDITOR DUTIES.

27 1. On or before July 1 of each year, the assessor shall
28 determine the taxpayer's valuation of the property specified
29 in section 427B.17 for that year and the valuation of the
30 property if the property were valued, for assessment purposes,
31 at thirty percent of net acquisition cost and shall report the
32 valuations to the county auditor.

33 2. On or before July 1, 1996, and on or before July 1 of
34 each subsequent year, the county auditor shall prepare a
35 statement listing for each taxing district in the county:

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

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

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

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

17 Sec. 36. NEW SECTION. 427B.19 REPLACEMENT.

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

22 1. For the fiscal year beginning July 1, 1996, ninety
23 percent.

24 2. For the fiscal year beginning July 1, 1997, seventy-
25 five percent.

26 3. For the fiscal year beginning July 1, 1998, sixty
27 percent.

28 4. For the fiscal year beginning July 1, 1999, forty-five
29 percent.

30 5. For the fiscal year beginning July 1, 2000, thirty
31 percent.

32 6. For the fiscal year beginning July 1, 2001, twenty
33 percent.

34 7. For the fiscal year beginning July 1, 2002, twenty
35 percent.

1 8. For the fiscal year beginning July 1, 2003, twenty
2 percent.

3 9. For the fiscal year beginning July 1, 2004, fifteen
4 percent.

5 10. For the fiscal year beginning July 1, 2005, ten
6 percent.

7 Sec. 37. NEW SECTION. 427B.19A FUND CREATED.

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

14 2. Each county treasurer shall be paid from the fund
15 created in this section the amount calculated pursuant to
16 section 427B.19. The payment shall be made in two equal
17 installments on or before September 30 and March 30 of each
18 year. The county treasurer shall apportion the payment in the
19 manner provided in section 445.57.

20 3. If an amount appropriated in section 427B.19B for a
21 fiscal year is insufficient to pay all claims according to the
22 replacement schedule in section 427B.19, the director shall
23 prorate the disbursements from the fund to the county
24 treasurers and shall notify the county auditors of the pro
25 rata percentage on or before August 1. If an amount
26 appropriated in section 427B.19B for a fiscal year is in
27 excess of the amount necessary to pay all claims according to
28 the replacement schedule in section 427B.19, the director
29 shall prorate the disbursements from the fund to the county
30 treasurers, notwithstanding the amount calculated pursuant to
31 section 427B.19, and shall notify the county auditors of the
32 pro rata percentage on or before August 1.

33 4. The replacement amount paid to each school district
34 shall be regarded as property tax for the purposes of the
35 school foundation property tax levy in section 257.3 and the

1 additional property tax levy in section 257.4. The department
2 of management shall annually make the adjustments necessary to
3 implement this subsection.

4 Sec. 38. NEW SECTION. 427B.19B APPROPRIATION.

5 There is appropriated in each of the following fiscal years
6 from the general fund of the state to the industrial
7 machinery, equipment and computers property tax replacement
8 fund the following amounts:

9 1. For the fiscal year beginning July 1, 1996, eight
10 million, one hundred thousand dollars.

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

13 3. For the fiscal year beginning July 1, 1998, twenty-one
14 million, one hundred thousand dollars.

15 4. For the fiscal year beginning July 1, 1999, twenty-
16 three million, four hundred thousand dollars.

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

19 6. For the fiscal year beginning July 1, 2001, eighteen
20 million, one hundred thousand dollars.

21 7. For the fiscal year beginning July 1, 2002, twenty-four
22 million dollars.

23 8. For the fiscal year beginning July 1, 2003, twenty-five
24 million, six hundred thousand dollars.

25 9. For the fiscal year beginning July 1, 2004, twenty
26 million, four hundred thousand dollars.

27 10. For the fiscal year beginning July 1, 2005, fourteen
28 million, five hundred thousand dollars.

29 Sec. 39. NEW SECTION. 427B.19C PHASEOUT OF TAX.

30 Effective on July 1, 2002, all property taxes on property
31 defined in section 427A.1, subsection 1, paragraphs "e" and
32 "j", are repealed. For assessment years beginning on or after
33 January 1, 2005, such property shall not be listed or
34 assessed. This section shall prevail over all inconsistent
35 statutes.

1 Sec. 40. NEW SECTION. 427B.19D GUARANTEE OF STATE
2 REPLACEMENT FUNDS.

3 If for any reason an appropriation specified in section
4 427B.19B is not made or the appropriation made is less than
5 that specified in section 427B.19B for the applicable fiscal
6 year, the director of revenue and finance shall compute for
7 each county the difference between the total of all
8 replacement claims for taxing districts within the county and
9 the amount paid to the county treasurer for disbursement to
10 the taxing districts in the county. The department shall
11 divide that difference by the consolidated tax levy rate in
12 each county computed for the fiscal year in which the
13 specified appropriation should have been made and shall
14 certify the amount of taxable value necessary to raise the
15 difference at that tax rate. The department shall notify the
16 local assessor of such amount of taxable value. The assessor,
17 for the assessment year beginning January 1 preceding the
18 fiscal year for which the specified appropriation was not
19 made, shall reassess all taxable property described in section
20 427B.17 in the county at a percentage of net acquisition cost
21 which will yield such taxable value and the property shall be
22 assessed and taxed in such manner for taxes due and payable in
23 the following fiscal year in addition to being assessed and
24 taxed in the applicable manner under section 427B.17.

25 Property tax dollar amounts certified pursuant to this section
26 shall not be considered property tax dollars certified for
27 purposes of the property tax limitation in chapter 444.

28 Sec. 41. NEW SECTION. 427B.19E INDUSTRIAL MACHINERY,
29 EQUIPMENT AND COMPUTERS RELIEF FUND.

30 1. The industrial machinery, equipment and computers
31 relief fund is created. There is appropriated annually from
32 the general fund of the state to the department of revenue and
33 finance to be credited to the relief fund, the following
34 amounts:

35 a. For the fiscal year beginning July 1, 1996, one

1 million, nine hundred thousand dollars.

2 b. For the fiscal year beginning July 1, 1997, one
3 million, eight hundred thousand dollars.

4 c. For the fiscal year beginning July 1, 1998, one
5 million, nine hundred thousand dollars.

6 Moneys in the fund at the end of a fiscal year shall not
7 revert to the general fund of the state, notwithstanding
8 section 8.33.

9 2. a. The purpose of the industrial machinery, equipment
10 and computers relief fund is to provide funds to those taxing
11 districts in which an increase in property tax revenue has not
12 been realized as a result of the elimination of the property
13 tax on property assessed pursuant to section 427B.17.
14 Beginning with the fiscal year beginning July 1, 1996, a
15 taxing district may apply for funds under this section by
16 filing an application with the director of the department of
17 management not later than March 1 preceding the fiscal year in
18 which the funds will be distributed. The state appeal board
19 shall approve, disapprove, or reduce the amount of funds
20 requested by the taxing district.

21 b. On forms provided by the department of management, the
22 taxing district shall request an amount not exceeding the
23 product of the decrease in assessed valuation for the fiscal
24 year for which the application is filed compared to the
25 assessed valuation in the previous fiscal year, as determined
26 pursuant to subsection 3, and the property tax rate applied in
27 the previous fiscal year, less any property tax replacement
28 funds received pursuant to section 427B.19A in the previous
29 fiscal year. The taxing district shall also submit with the
30 application the district's plan to improve its future budget
31 position.

32 c. Claims approved by the state appeal board shall be paid
33 to the taxing district by October 1 following submission of
34 the application for funds.

35 3. To be eligible to receive funds under this section, a

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

11 4. If the amount appropriated in this section is
12 insufficient to pay all applications approved, the director of
13 revenue and finance shall prorate the disbursements from the
14 relief fund and shall report the amount of the shortfall to
15 the director of the department of management. By January 1 of
16 the following year, the director of the department of
17 management shall submit to the general assembly a plan for the
18 funding of approved applications that were not fully funded in
19 that fiscal year.

20 5. Amounts received pursuant to this section shall not be
21 considered property tax dollars certified for purposes of the
22 property tax limitation in chapter 444.

23 6. The department of revenue and finance and the
24 department of management shall adopt rules necessary to
25 implement this section.

26 DIVISION IV

27 INCOME TAX

28 Sec. 42. Section 422.7, Code 1995, is amended by adding
29 the following new subsection:

30 NEW SUBSECTION. 33. For a person who is disabled, or is
31 fifty-five years of age or older, or is the surviving spouse
32 of an individual or a survivor having an insurable interest in
33 an individual who would have qualified for the exemption under
34 this subsection for the tax year, subtract, to the extent
35 included, the total amount of a governmental or other pension,

1 retirement pay, annuity, or other similar periodic payment
2 made under a plan maintained or contributed to by an employer,
3 or maintained or contributed to by a self-employed person as
4 an employer, up to a maximum of three thousand dollars for a
5 person who files a separate state income tax return, and up to
6 a maximum of six thousand dollars for a husband and wife who
7 file a joint state income tax return. However, a surviving
8 spouse who is not disabled or fifty-five years of age or older
9 can only exclude the amount of annuities or other similar
10 periodic payments received as a result of the death of the
11 other spouse.

12 Sec. 43. Section 422.12, subsection 1, paragraph c, Code
13 1995, is amended to read as follows:

14 c. For each dependent, an additional ~~fifteen~~ sixty
15 dollars. As used in this section, the term "dependent" has
16 the same meaning as provided by the Internal Revenue Code.

17 Sec. 44. APPLICABILITY. This division of this Act applies
18 retroactively to January 1, 1995, for tax years beginning on
19 or after that date.

20 DIVISION V

21 CASH RESERVE AND SPECIAL FUNDS

22 Sec. 45. Section 8.56, subsection 1, Code 1995, is amended
23 to read as follows:

24 1. A cash reserve fund is created in the state treasury.
25 The cash reserve fund shall be separate from the general fund
26 of the state and shall not be considered part of the general
27 fund of the state except in determining the cash position of
28 the state as provided in subsection 3. The moneys in the cash
29 reserve fund are not subject to section 8.33 and shall not be
30 transferred, used, obligated, appropriated, or otherwise
31 encumbered except as provided in this section.

32 Notwithstanding section 12C.7, subsection 2, interest or
33 earnings on moneys deposited in the cash reserve fund shall be
34 credited to the rebuild Iowa economic-emergency-fund
35 infrastructure fund created in section 8.57. Moneys in the

1 cash reserve fund may be used for cash flow purposes provided
2 that any moneys so allocated are returned to the cash reserve
3 fund by the end of each fiscal year. However, the fund shall
4 be considered a special account for the purposes of section
5 8.53.

6 Sec. 46. Section 8.56, subsection 4, paragraph b, Code
7 1995, is amended to read as follows:

8 b. In addition to the requirements of paragraph "a", an
9 appropriation shall not be made from the cash reserve fund
10 ~~which would cause the fund's balance to be less than three~~
11 ~~percent of the adjusted revenue estimate for the year for~~
12 ~~which the appropriation is made~~ unless the bill or joint
13 resolution making the appropriation is approved by vote of at
14 least three-fifths of the members of both chambers of the
15 general assembly and is signed by the governor.

16 Sec. 47. Section 8.57, subsection 1, paragraph a, Code
17 1995, is amended by striking the paragraph and inserting in
18 lieu thereof the following:

19 a. The cash reserve goal percentage for fiscal years
20 beginning on or after July 1, 1995, is five percent of the
21 adjusted revenue estimate. For each fiscal year beginning on
22 or after July 1, 1995, in which the appropriation of the
23 surplus existing in the general fund of the state at the
24 conclusion of the prior fiscal year pursuant to paragraph "b"
25 was not sufficient for the cash reserve fund to reach the cash
26 reserve goal percentage for the current fiscal year, there is
27 appropriated from the general fund of the state an amount to
28 be determined as follows:

29 (1) If the balance of the cash reserve fund in the current
30 fiscal year is not more than four percent of the adjusted
31 revenue estimate for the current fiscal year, the amount of
32 the appropriation under this lettered paragraph is one percent
33 of the adjusted revenue estimate for the current fiscal year.

34 (2) If the balance of the cash reserve fund in the current
35 fiscal year is more than four percent but less than five

1 percent of the adjusted revenue estimate for that fiscal year,
2 the amount of the appropriation under this lettered paragraph
3 is the amount necessary for the cash reserve fund to reach
4 five percent of the adjusted revenue estimate for the current
5 fiscal year.

6 (3) The moneys appropriated under this lettered paragraph
7 shall be credited in equal and proportionate amounts in each
8 quarter of the current fiscal year.

9 Sec. 48. Section 8.57, subsection 1, paragraph b, Code
10 1995, is amended to read as follows:

11 ~~b. Commencing June 30, 1993, the~~ The surplus existing in
12 the general fund of the state at the conclusion of the fiscal
13 year is appropriated for distribution in the succeeding fiscal
14 year as provided in this section subsections 2 and 3. Moneys
15 credited to the cash reserve fund from the appropriation made
16 in this paragraph shall not exceed the amount necessary for
17 the cash reserve fund to reach the cash reserve goal
18 percentage for the succeeding fiscal year. As used in this
19 paragraph, "surplus" means the excess of revenues and other
20 financing sources over expenditures and other financing uses
21 for the general fund of the state in a fiscal year.

22 Sec. 49. Section 8.57, subsection 5, Code 1995, is amended
23 to read as follows:

24 5. a. A rebuild Iowa infrastructure ~~account~~ fund is
25 created under the authority of the department of management.
26 Moneys The fund shall consist of appropriations made to the
27 fund and transfers of interest, earnings, and moneys from
28 other funds as provided by law. The fund shall be separate
29 from the general fund of the state and the balance in the fund
30 shall not be considered part of the balance of the general
31 fund of the state. However, the fund shall be considered a
32 special account for the purposes of section 8.53, relating to
33 generally accepted accounting principles.

34 b. Notwithstanding section 8.33, moneys in the
35 infrastructure fund which remain unencumbered or unobligated

1 at the end of a fiscal year shall not revert to any fund but
 2 shall remain available for infrastructure expenditures in the
 3 succeeding fiscal year. Notwithstanding section 12C.7,
 4 subsection 2, interest or earnings on moneys in the
 5 infrastructure fund shall be credited to the infrastructure
 6 fund.

7 c. Moneys in the account fund in a fiscal year shall be
 8 used as directed by the general assembly for public
 9 infrastructure-related expenditures.

10 d. The general assembly may provide that all or part of
 11 the moneys deposited in the GAAP deficit reduction account
 12 created in this section shall be transferred to the
 13 infrastructure account fund in lieu of appropriation of the
 14 moneys to the Iowa economic emergency fund.

15 Sec. 50. TRANSFER TO INFRASTRUCTURE FUND. Moneys in the
 16 Iowa economic emergency fund, created in section 8.55, at the
 17 conclusion of the fiscal year beginning July 1, 1994, shall be
 18 transferred to the rebuild Iowa infrastructure account.

19 Sec. 51. EFFECTIVE DATE. This division of this Act, being
 20 deemed of immediate importance, takes effect upon enactment.

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HSB 250

Houser, Chair
Millage
Murphy

APPROPRIATIONS

Succeeded By

HOUSE FILE 22
SF / HF

BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON MILLAGE)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act making an appropriation to the department of human
2 services for medical assistance for certain minors with mental
3 retardation, and providing applicability and effective date
4 provisions.

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

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1 Section 1. MEDICAL ASSISTANCE COSTS FOR SERVICES TO MINORS
2 WITH MENTAL RETARDATION. There is appropriated from the
3 general fund of the state to the department of human services
4 for the fiscal year beginning July 1, 1995, and ending June
5 30, 1996, the following amount, or so much thereof as is
6 necessary, to be used for the purposes designated:

7 For the nonfederal share of the costs of services provided
8 to minors with mental retardation under medical assistance in
9 accordance with the provisions of section 249A.12, subsection
10 4:

11 \$ 6,600,000

12 Sec. 2. FUNDING OF SESSION LAW REQUIREMENTS. If section 1
13 of this Act is enacted on or before March 31, 1995, the
14 requirements of 1994 Iowa Acts, chapter 1163, section 8,
15 subsection 1, to enact an appropriation to fully fund the
16 provisions of section 249A.12, subsection 4, shall be
17 considered to be met and the repeals contained in 1994 Iowa
18 Acts, chapter 1163, section 8, subsection 1, shall be void.

19 Sec. 3. EFFECTIVE DATE. Section 2 of this Act, being
20 deemed of immediate importance, takes effect upon enactment.

21 EXPLANATION

22 This bill makes a 1995-1996 fiscal year appropriation to
23 the department of human services for the nonfederal share of
24 the costs of services provided to minors with mental
25 retardation under the medical assistance program under section
26 249A.12, subsection 4.

27 The services for minors referred to in section 249A.12,
28 subsection 4, are intermediate care facility for the mentally
29 retarded services and home and community-based waivers for
30 persons with mental retardation services. Section 249A.12
31 further provides that these costs are not to be billed to
32 counties.

33 House File 2430 (1994 Iowa Acts, chapter 1163) includes a
34 contingent repeal provision in the event an appropriation is
35 not enacted by the Seventy-sixth General Assembly, 1995

1 Session, to fully fund the provisions of section 249A.12,
2 subsection 4. According to the repeal provision, if the
3 appropriation is not enacted, the extension of the property
4 tax limitation for the 1995-1996 and 1996-1997 fiscal years
5 contained in House File 2430 is repealed effective April 1,
6 1995.

7 Section 2 of the bill provides that if the appropriation
8 provision of the bill is enacted by March 31, 1995, the
9 contingent repeal of the property tax limitation extension is
10 void. Section 2 takes effect upon enactment.

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