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Calendar to approp.
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SENATE FILE **204**
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 149)

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

A BILL FOR

1 An Act relating to the allowed growth factor adjustment for
2 county mental health, mental retardation, and developmental
3 disabilities services, making appropriations, and providing an
4 effective date.

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

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S.F. 204

1 Section 1. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND
2 DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT.

3 There is appropriated from the general fund of the state to
4 the department of human services for the fiscal biennium
5 beginning July 1, 1997, and ending June 30, 1999, the
6 following amounts, or so much thereof as is necessary, to be
7 used for the purpose designated:

8 For distribution to counties of the county mental health,
9 mental retardation, and developmental disabilities allowed
10 growth factor adjustment, in accordance with section 331.438,
11 subsection 2, and section 331.439, subsection 3, as amended by
12 this Act:

13 1997-98 FY	\$ 6,163,211
14 1998-99 FY	\$ 12,504,538

15 For the fiscal year beginning July 1, 1997, the county
16 mental health, mental retardation, and developmental
17 disabilities allowed growth factor adjustment shall be 2.89
18 percent, and for the fiscal year beginning July 1, 1998, the
19 county mental health, mental retardation, and developmental
20 disabilities allowed growth factor adjustment shall be 2.89
21 percent.

22 Sec. 2. Section 331.424A, subsection 4, Code 1997, is
23 amended to read as follows:

24 4. For the fiscal year beginning July 1, 1996, and for
25 each subsequent fiscal year, the county shall certify a levy
26 for payment of services. For each fiscal year, county
27 revenues from taxes imposed by the county credited to the
28 services fund shall not exceed an amount equal to the amount
29 of base year expenditures for services as defined in section
30 331.438, less the amount of property tax relief to be received
31 pursuant to section 426B.2, ~~subsections 1 and 3~~, in the fiscal
32 year for which the budget is certified. The county auditor
33 and the board of supervisors shall reduce the amount of the
34 levy certified for the services fund by the amount of property
35 tax relief to be received. A levy certified under this

1 section is not subject to the appeal provisions of sections
2 331.426 and 444.25B or to any other provision in law
3 authorizing a county to exceed, increase, or appeal a property
4 tax levy limit.

5 Sec. 3. Section 331.438, subsection 2, Code 1997, is
6 amended to read as follows:

7 ~~2.--Except as modified based upon the actual amount of the~~
8 ~~appropriation for purposes of state payment under section~~
9 ~~331.439, the amount of the state payment for a fiscal year~~
10 ~~shall be calculated by applying the inflation factor~~
11 ~~adjustment established in accordance with section 331.439,~~
12 ~~subsection 3, for that fiscal year to the amount of county~~
13 ~~expenditures for qualified services in the previous fiscal~~
14 ~~year.--A state payment is the state funding a county receives~~
15 ~~pursuant to section 426B.2, subsection 2.--Any state funding~~
16 ~~received by a county for property tax relief in accordance~~
17 ~~with section 426B.2, subsections 1 and 3, is not a state~~
18 ~~payment and shall not be included in the state payment~~
19 ~~calculation made pursuant to this subsection.~~

20 2. a. A state payment to a county for a fiscal year shall
21 consist of the sum of the state funding the county is eligible
22 to receive from the property tax relief fund in accordance
23 with section 426B.2 plus the county's portion of state funds
24 appropriated for the allowed growth factor adjustment
25 established by the general assembly under section 331.439,
26 subsection 3.

27 b. A county's portion of the allowed growth factor
28 adjustment appropriation for a fiscal year shall be determined
29 in accordance with the following formula:

30 (1) One-half based upon the county's proportion of the
31 state's general population.

32 (2) One-half based upon the county's proportion of the sum
33 of the following for the fiscal year which commenced two years
34 prior to the beginning date of the fiscal year in which the
35 allowed growth factor adjustment moneys are distributed:

1 (a) The total net expenditure amount for qualified mental
2 health, mental retardation, and developmental disabilities
3 services for all counties as reported pursuant to section
4 331.439, subsection 1, paragraph "a".

5 (b) The total of property tax relief payments distributed
6 to counties in accordance with section 426B.2.

7 c. The department of human services shall provide for
8 payment of the amount due a county for the county's allowed
9 growth factor adjustment determined in accordance with this
10 subsection. The director of human services shall authorize
11 warrants payable to the county treasurer for the amounts due
12 and the warrants shall be mailed in January of each year. The
13 county treasurer shall credit the amount of the warrant to the
14 county's services fund created under section 331.424A.

15 Sec. 4. Section 331.439, subsection 3, Code 1997, is
16 amended to read as follows:

17 3. a. For the fiscal year beginning July 1, 1996, and
18 succeeding fiscal years, the county's mental health, mental
19 retardation, and developmental disabilities service
20 expenditures for a fiscal year are limited to a fixed budget
21 amount. The fixed budget amount shall be the amount
22 identified in the county's management plan and budget for the
23 fiscal year. The county shall be authorized an allowed growth
24 factor adjustment as established by ~~the general assembly~~
25 statute for services paid from the county's services fund
26 under section 331.424A which is in accordance with the
27 county's management plan and budget, implemented pursuant to
28 this section. The statute establishing the allowed growth
29 factor adjustment shall establish the adjustment for the
30 fiscal year which commences two years from the beginning date
31 of the fiscal year in progress at the time the statute is
32 enacted.

33 b. Based upon information contained in county management
34 plans and budgets, the state-county management committee shall
35 recommend an allowed growth factor adjustment to the governor

1 by November 15 for the succeeding fiscal year which commences
2 two years from the beginning date of the fiscal year in
3 progress at the time the recommendation is made. The allowed
4 growth factor adjustment shall address costs associated with
5 new consumers of service, service cost inflation, and
6 investments for economy and efficiency. The governor shall
7 consider the committee's recommendation in developing the
8 governor's recommendation for an allowed growth factor
9 adjustment for inclusion-in such fiscal year. The governor's
10 recommendation shall be submitted at the time the governor's
11 proposed budget for the succeeding fiscal year is submitted in
12 accordance with chapter 8.

13 c. The amount of the appropriation required to fund the
14 allowed growth factor adjustment for a fiscal year shall be
15 calculated by applying the adjustment established by statute
16 for that fiscal year to the sum of the following:

17 (1) The total amount of base year expenditures for all
18 counties.

19 (2) The total amount of the appropriations for allowed
20 growth factor adjustments made to all counties in all of the
21 fiscal years prior to that fiscal year.

22 Sec. 5. Section 426B.2, Code 1997, is amended to read as
23 follows:

24 426B.2 PROPERTY TAX RELIEF FUND DISTRIBUTIONS.

25 ~~Moneys-in-the-property-tax-relief-fund-shall-be-utilized-in~~
26 ~~each-fiscal-year-as-follows-in-the-order-listed:~~

27 1. ~~The-first-sixty-one-million-dollars-plus-the-amount~~
28 ~~paid-pursuant-to-subsection-3-in-the-previous-fiscal-year-in~~
29 ~~the-property-tax-relief-fund-shall-be-distributed-to-counties~~
30 ~~under-this-subsection.~~ The moneys in the property tax relief
31 fund available to counties for a fiscal year shall be
32 distributed as provided in this section. A county's
33 proportion of the moneys shall be equivalent to the sum of the
34 following three factors:

35 a. One-third based upon the county's proportion of the

1 state's general population.

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

5 c. One-third based upon the county's proportion of all
6 counties' base year expenditures, as defined in section
7 331.438, Code 1995, and reported to the state on October 15,
8 1994.

9 Moneys provided to a county for property tax relief in a
10 fiscal year in accordance with this subsection shall not be
11 less than the amount provided for property tax relief in the
12 previous fiscal year.

13 ~~2. Payment of moneys to eligible counties of the state
14 payment in accordance with the provisions of sections 331.438
15 and 331.439.~~

16 ~~3. 2. For the fiscal year beginning July 1, 1996, and
17 succeeding fiscal years, the department of human services
18 shall estimate the amount of moneys required for the state
19 payment pursuant to subsection 2. Moneys remaining in the
20 property tax relief fund following the payment made pursuant
21 to subsection 1 and the estimated amount of the state payment
22 pursuant to subsection 2 shall be paid for property tax relief
23 in the same manner as provided in subsection 1 to counties
24 eligible for state payment under subsection 2. These payments
25 The distributions under subsection 1 shall continue to be made
26 until the combined amount of the payments distributions made
27 under this subsection and subsection 1 are equal to fifty
28 percent of the total of all counties' base year expenditures
29 as defined in section 331.438. The amount of moneys paid to a
30 county pursuant to this subsection shall be added in
31 subsequent fiscal years to the amount of moneys paid under
32 subsection 1.~~

33 ~~4. Moneys remaining in the property tax relief fund
34 following the payments made pursuant to subsections 1, 2, and
35 3 shall be transferred to the homestead credit fund created in~~

1 ~~section-425-1.--This-transfer-shall-continue-until-the~~
2 ~~homestead-credit-is-fully-funded.~~

3 5- 3. The department of human services shall notify the
4 director of revenue and finance of the amounts due a county in
5 accordance with the provisions of this section. The director
6 of revenue and finance shall draw warrants on the property tax
7 relief fund, payable to the county treasurer in the amount due
8 to a county in accordance with subsections subsection 1 and-3
9 and mail the warrants to the county auditors in September and
10 March of each year. ~~Warrants-for-the-state-payment-in~~
11 ~~accordance-with-subsection-2-shall-be-mailed-in-January-of~~
12 ~~each-year.~~

13 Sec. 6. Section 426B.3, Code 1997, is amended to read as
14 follows:

15 426B.3 NOTIFICATION OF RELIEF FUND PAYMENT.

16 1. The county auditor shall reduce the certified budget
17 amount received from the board of supervisors for the
18 succeeding fiscal year for the county mental health, mental
19 retardation, and developmental disabilities services fund
20 created in section 331.424A by an amount equal to the amount
21 the county will receive from the property tax relief fund
22 pursuant to section 426B.2, ~~subsections-1-and-3,~~ for the
23 succeeding fiscal year and the auditor shall determine the
24 rate of taxation necessary to raise the reduced amount. On
25 the tax list, the county auditor shall compute the amount of
26 taxes due and payable on each parcel before and after the
27 amount received from the property tax relief fund is used to
28 reduce the county budget. The director of revenue and finance
29 shall notify the county auditor of each county of the amount
30 of moneys the county will receive from the property tax relief
31 fund pursuant to section 426B.2, ~~subsections-1-and-3,~~ for the
32 succeeding fiscal year.

33 2. The amount of property tax dollars reduced on each
34 parcel as a result of the moneys received from the property
35 tax relief fund pursuant to section 426B.2, ~~subsections-1-and~~

1 37 shall be noted on each tax statement prepared by the county
2 treasurer pursuant to section 445.23.

3 Sec. 7. EFFECTIVE DATE. This Act, being deemed of
4 immediate importance, takes effect upon enactment.

5 EXPLANATION

6 This bill relates to the allowed growth factor adjustment
7 for county mental health, mental retardation, and
8 developmental disabilities services.

9 The bill includes appropriations of moneys to the
10 department of human services for fiscal years 1997-1998 and
11 1998-1999 for distribution of allowed growth factor adjustment
12 payments to counties as provided in the bill. The adjustment
13 is for increased costs to provide mental health, mental
14 retardation, and developmental disabilities (MH/MR/DD)
15 services.

16 The bill amends Code sections 331.438 and 331.439 to
17 provide that the allowed growth factor adjustment for counties
18 is to be included in the amount of state payment to counties
19 along with the property tax relief fund payment to counties.
20 Under current law a county cannot receive a state payment
21 unless the county is in compliance with various planning
22 provisions administered by the department of human services
23 under section 331.439. The allowed growth factor
24 appropriation is to be distributed to counties by applying a
25 formula based upon a county's proportion of all counties' net
26 expenditures for MH/MR/DD services and of property tax relief
27 payments to counties, both in the fiscal year which began two
28 years prior to the fiscal year in which the payments are to be
29 distributed. Moneys received by a county from the
30 appropriation are to be deposited in the county's MH/MR/DD
31 services fund.

32 Code section 331.439 is amended to require the
33 recommendations for the allowed growth factor adjustment to be
34 made by the state-county management committee and the governor
35 to apply to the fiscal year which commences two years after

1 the beginning date of the fiscal year in progress at the time
2 of the recommendation. The general assembly is to establish
3 the allowed growth factor adjustment by statute.

4 Code section 331.439 is also amended to describe a method
5 for calculating the amount of the appropriation needed to fund
6 the adjustment amount established in statute by the general
7 assembly.

8 Current law provides for funding of the growth factor from
9 the property tax relief fund in Code chapter 426B. The bill
10 strikes this requirement and instead provides for an
11 appropriation from the general fund of the state. Code
12 chapter 426B also is amended to strike provisions that when
13 payments from the property tax relief fund are equal to 50
14 percent of county base year expenditures for MH/MR/DD
15 services, any remaining moneys will be transferred for payment
16 of the homestead credit.

17 The bill includes conforming amendments to Code sections
18 331.424A and 426B.3.

19 The bill takes effect upon enactment.

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Rittner, chair
Tinsman
Freeman
Flynn
Halverson

SSB 149

Appropriations

Succeeded By
SF/HF 204

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON McLAREN)

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

A BILL FOR

1 An Act relating to the allowed growth factor adjustment for
2 county mental health, mental retardation, and developmental
3 disabilities services, making appropriations, and providing an
4 effective date.

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

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1 Section 1. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND
2 DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT.

3 There is appropriated from the general fund of the state to
4 the department of human services for the fiscal biennium
5 beginning July 1, 1997, and ending June 30, 1999, the
6 following amounts, or so much thereof as is necessary, to be
7 used for the purpose designated:

8 For distribution to counties of the county mental health,
9 mental retardation, and developmental disabilities allowed
10 growth factor adjustment, in accordance with section 331.438,
11 subsection 2, and section 331.439, subsection 3, as amended by
12 this Act:

13 1997-98 FY	\$ 6,163,211
14 1998-99 FY	\$ 12,504,538

15 For the fiscal year beginning July 1, 1997, the county
16 mental health, mental retardation, and developmental
17 disabilities allowed growth factor adjustment shall be 2.89
18 percent, and for the fiscal year beginning July 1, 1998, the
19 county mental health, mental retardation, and developmental
20 disabilities allowed growth factor adjustment shall be 2.89
21 percent.

22 Sec. 2. Section 331.424A, subsection 4, Code 1997, is
23 amended to read as follows:

24 4. For the fiscal year beginning July 1, 1996, and for
25 each subsequent fiscal year, the county shall certify a levy
26 for payment of services. For each fiscal year, county
27 revenues from taxes imposed by the county credited to the
28 services fund shall not exceed an amount equal to the amount
29 of base year expenditures for services as defined in section
30 331.438, less the amount of property tax relief to be received
31 pursuant to section 426B.2, subsections 2 and 3, in the fiscal
32 year for which the budget is certified. The county auditor
33 and the board of supervisors shall reduce the amount of the
34 levy certified for the services fund by the amount of property
35 tax relief to be received. A levy certified under this

1 section is not subject to the appeal provisions of sections
2 331.426 and 444.25B or to any other provision in law
3 authorizing a county to exceed, increase, or appeal a property
4 tax levy limit.

5 Sec. 3. Section 331.438, subsection 2, Code 1997, is
6 amended to read as follows:

7 ~~2.--Except-as-modified-based-upon-the-actual-amount-of-the~~
8 ~~appropriation-for-purposes-of-state-payment-under-section~~
9 ~~331.439,-the-amount-of-the-state-payment-for-a-fiscal-year~~
10 ~~shall-be-calculated-by-applying-the-inflation-factor~~
11 ~~adjustment-established-in-accordance-with-section-331.439,~~
12 ~~subsection-3,-for-that-fiscal-year-to-the-amount-of-county~~
13 ~~expenditures-for-qualified-services-in-the-previous-fiscal~~
14 ~~year.--A-state-payment-is-the-state-funding-a-county-receives~~
15 ~~pursuant-to-section-426B.2,-subsection-2.--Any-state-funding~~
16 ~~received-by-a-county-for-property-tax-relief-in-accordance~~
17 ~~with-section-426B.2,-subsections-1-and-3,-is-not-a-state~~
18 ~~payment-and-shall-not-be-included-in-the-state-payment~~
19 ~~calculation-made-pursuant-to-this-subsection.~~

20 2. a. A state payment to a county for a fiscal year shall
21 consist of the sum of the state funding the county is eligible
22 to receive from the property tax relief fund in accordance
23 with section 426B.2 plus the county's portion of state funds
24 appropriated for the allowed growth factor adjustment
25 established by the general assembly under section 331.439,
26 subsection 3.

27 b. A county's portion of the allowed growth factor
28 adjustment appropriation for a fiscal year shall be determined
29 in accordance with the following formula:

30 (1) One-half based upon the county's proportion of the
31 state's general population.

32 (2) One-half based upon the county's proportion of the sum
33 of the following for the fiscal year which commenced two years
34 prior to the beginning date of the fiscal year in which the
35 allowed growth factor adjustment moneys are distributed:

1 (a) The total net expenditure amount for qualified mental
2 health, mental retardation, and developmental disabilities
3 services for all counties as reported pursuant to section
4 331.439, subsection 1, paragraph "a".

5 (b) The total of property tax relief payments distributed
6 to counties in accordance with section 426B.2.

7 c. The department of human services shall provide for
8 payment of the amount due a county for the county's allowed
9 growth factor adjustment determined in accordance with this
10 subsection. The director of human services shall authorize
11 warrants payable to the county treasurer for the amounts due
12 and the warrants shall be mailed in January of each year. The
13 county treasurer shall credit the amount of the warrant to the
14 county's services fund created under section 331.424A.

15 Sec. 4. Section 331.439, subsection 3, Code 1997, is
16 amended to read as follows:

17 3. a. For the fiscal year beginning July 1, 1996, and
18 succeeding fiscal years, the county's mental health, mental
19 retardation, and developmental disabilities service
20 expenditures for a fiscal year are limited to a fixed budget
21 amount. The fixed budget amount shall be the amount
22 identified in the county's management plan and budget for the
23 fiscal year. The county shall be authorized an allowed growth
24 factor adjustment as established by the ~~general assembly~~
25 statute for services paid from the county's services fund
26 under section 331.424A which is in accordance with the
27 county's management plan and budget, implemented pursuant to
28 this section. The statute establishing the allowed growth
29 factor adjustment shall establish the adjustment for the
30 fiscal year which commences two years from the beginning date
31 of the fiscal year in progress at the time the statute is
32 enacted.

33 b. Based upon information contained in county management
34 plans and budgets, the state-county management committee shall
35 recommend an allowed growth factor adjustment to the governor

1 by November 15 for the succeeding fiscal year which commences
2 two years from the beginning date of the fiscal year in
3 progress at the time the recommendation is made. The allowed
4 growth factor adjustment shall address costs associated with
5 new consumers of service, service cost inflation, and
6 investments for economy and efficiency. The governor shall
7 consider the committee's recommendation in developing the
8 governor's recommendation for an allowed growth factor
9 adjustment for ~~inclusion-in~~ such fiscal year. The governor's
10 recommendation shall be submitted at the time the governor's
11 proposed budget for the succeeding fiscal year is submitted in
12 accordance with chapter 8.

13 c. The amount of the appropriation required to fund the
14 allowed growth factor adjustment for a fiscal year shall be
15 calculated by applying the adjustment established by statute
16 for that fiscal year to the sum of the following:

17 (1) The total amount of base year expenditures for all
18 counties.

19 (2) The total amount of the appropriations for allowed
20 growth factor adjustments made to all counties in all of the
21 fiscal years prior to that fiscal year.

22 Sec. 5. Section 426B.2, Code 1997, is amended to read as
23 follows:

24 426B.2 PROPERTY TAX RELIEF FUND DISTRIBUTIONS.

25 ~~Moneys-in-the-property-tax-relief-fund-shall-be-utilized-in~~
26 ~~each-fiscal-year-as-follows-in-the-order-listed:~~

27 ~~1. The-first-sixty-one-million-dollars-plus-the-amount~~
28 ~~paid-pursuant-to-subsection-3-in-the-previous-fiscal-year-in~~
29 ~~the-property-tax-relief-fund-shall-be-distributed-to-counties~~
30 ~~under-this-subsection. The moneys in the property tax relief~~
31 ~~fund available to counties for a fiscal year shall be~~
32 ~~distributed as provided in this section. A county's~~
33 ~~proportion of the moneys shall be equivalent to the sum of the~~
34 ~~following three factors:~~

35 a. One-third based upon the county's proportion of the

1 state's general population.

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

5 c. One-third based upon the county's proportion of all
6 counties' base year expenditures, as defined in section
7 331.438, Code 1995, and reported to the state on October 15,
8 1994.

9 Moneys provided to a county for property tax relief in a
10 fiscal year in accordance with this subsection shall not be
11 less than the amount provided for property tax relief in the
12 previous fiscal year.

13 ~~2. Payment of moneys to eligible counties of the state
14 payment in accordance with the provisions of sections 331.438
15 and 331.439.~~

16 ~~3. 2. For the fiscal year beginning July 1, 1996, and
17 succeeding fiscal years, the department of human services
18 shall estimate the amount of moneys required for the state
19 payment pursuant to subsection 2. Moneys remaining in the
20 property tax relief fund following the payment made pursuant
21 to subsection 1 and the estimated amount of the state payment
22 pursuant to subsection 2 shall be paid for property tax relief
23 in the same manner as provided in subsection 1 to counties
24 eligible for state payment under subsection 2. These payments
25 The distributions under subsection 1 shall continue to be made
26 until the combined amount of the payments distributions made
27 under this subsection and subsection 1 are equal to fifty
28 percent of the total of all counties' base year expenditures
29 as defined in section 331.438. ~~The amount of moneys paid to a
30 county pursuant to this subsection shall be added in
31 subsequent fiscal years to the amount of moneys paid under
32 subsection 1.~~~~

33 ~~4. Moneys remaining in the property tax relief fund
34 following the payments made pursuant to subsections 1, 2, and
35 3 shall be transferred to the homestead credit fund created in~~

1 ~~section 425.1. This transfer shall continue until the~~
2 ~~homestead credit is fully funded.~~

3 5. 3. The department of human services shall notify the
4 director of revenue and finance of the amounts due a county in
5 accordance with the provisions of this section. The director
6 of revenue and finance shall draw warrants on the property tax
7 relief fund, payable to the county treasurer in the amount due
8 to a county in accordance with subsections subsection 1 and 3
9 and mail the warrants to the county auditors in September and
10 March of each year. ~~Warrants for the state payment in~~
11 ~~accordance with subsection 2 shall be mailed in January of~~
12 ~~each year.~~

13 Sec. 6. Section 426B.3, Code 1997, is amended to read as
14 follows:

15 426B.3 NOTIFICATION OF RELIEF FUND PAYMENT.

16 1. The county auditor shall reduce the certified budget
17 amount received from the board of supervisors for the
18 succeeding fiscal year for the county mental health, mental
19 retardation, and developmental disabilities services fund
20 created in section 331.424A by an amount equal to the amount
21 the county will receive from the property tax relief fund
22 pursuant to section 426B.2, ~~subsections 1 and 3~~, for the
23 succeeding fiscal year and the auditor shall determine the
24 rate of taxation necessary to raise the reduced amount. On
25 the tax list, the county auditor shall compute the amount of
26 taxes due and payable on each parcel before and after the
27 amount received from the property tax relief fund is used to
28 reduce the county budget. The director of revenue and finance
29 shall notify the county auditor of each county of the amount
30 of moneys the county will receive from the property tax relief
31 fund pursuant to section 426B.2, ~~subsections 1 and 3~~, for the
32 succeeding fiscal year.

33 2. The amount of property tax dollars reduced on each
34 parcel as a result of the moneys received from the property
35 tax relief fund pursuant to section 426B.2, ~~subsections 1 and~~

1 37 shall be noted on each tax statement prepared by the county
2 treasurer pursuant to section 445.23.

3 Sec. 7. EFFECTIVE DATE. This Act, being deemed of
4 immediate importance, takes effect upon enactment.

5 EXPLANATION

6 This bill relates to the allowed growth factor adjustment
7 for county mental health, mental retardation, and
8 developmental disabilities services.

9 The bill includes appropriations of moneys to the
10 department of human services for fiscal years 1997-1998 and
11 1998-1999 for distribution of allowed growth factor adjustment
12 payments to counties as provided in the bill. The adjustment
13 is for increased costs to provide mental health, mental
14 retardation, and developmental disabilities (MH/MR/DD)
15 services.

16 The bill amends Code sections 331.438 and 331.439 to
17 provide that the allowed growth factor adjustment for counties
18 is to be included in the amount of state payment to counties
19 along with the property tax relief fund payment to counties.
20 Under current law a county cannot receive a state payment
21 unless the county is in compliance with various planning
22 provisions administered by the department of human services
23 under section 331.439. The allowed growth factor
24 appropriation is to be distributed to counties by applying a
25 formula based upon a county's proportion of all counties' net
26 expenditures for MH/MR/DD services and of property tax relief
27 payments to counties, both in the fiscal year which began two
28 years prior to the fiscal year in which the payments are to be
29 distributed. Moneys received by a county from the
30 appropriation are to be deposited in the county's MH/MR/DD
31 services fund.

32 Code section 331.439 is amended to require the
33 recommendations for the allowed growth factor adjustment to be
34 made by the state-county management committee and the governor
35 to apply to the fiscal year which commences two years after

1 the beginning date of the fiscal year in progress at the time
2 of the recommendation. The general assembly is to establish
3 the allowed growth factor adjustment by statute.

4 Code section 331.439 is also amended to describe a method
5 for calculating the amount of the appropriation needed to fund
6 the adjustment amount established in statute by the general
7 assembly.

8 Current law provides for funding of the growth factor from
9 the property tax relief fund in Code chapter 426B. The bill
10 strikes this requirement and instead provides for an
11 appropriation from the general fund of the state. Code
12 chapter 426B also is amended to strike provisions that when
13 payments from the property tax relief fund are equal to 50
14 percent of county base year expenditures for MH/MR/DD
15 services, any remaining moneys will be transferred for payment
16 of the homestead credit.

17 The bill includes conforming amendments to Code sections
18 331.424A and 426B.3.

19 The bill takes effect upon enactment.

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