

FILED

LOCAL GOVERNMENT

SENATE FILE 2272

BY KIBBIE

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
 Approved \_\_\_\_\_

A BILL FOR

1 An Act authorizing a county to make an interfund transfer of  
 2 county general fund revenues to the county's mental health,  
 3 mental retardation, and developmental disabilities services  
 4 fund under certain circumstances and providing an effective  
 5 date.

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

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S.F. 2272

1 Section 1. Section 331.424A, subsection 5, Code Supplement  
2 1997, is amended to read as follows:

3 5. Appropriations specifically authorized to be made from  
4 the mental health, mental retardation, and developmental  
5 disabilities services fund shall not be made from any other  
6 fund of the county. A transfer from the county general fund  
7 to the services fund made pursuant to section 331.432,  
8 subsection 3, shall not be considered to be an appropriation.  
9 Any moneys transferred are available for expenditure in  
10 addition to other moneys deposited in the services fund and  
11 shall be expended in accordance with this section.

12 Sec. 2. Section 331.432, Code 1997, is amended to read as  
13 follows:

14 331.432 INTERFUND TRANSFERS.

15 1. It is unlawful to make permanent transfers of money  
16 between the general fund and the rural services fund.

17 2. Moneys credited to the secondary road fund for the  
18 construction and maintenance of secondary roads shall not be  
19 transferred.

20 3. If the revenues available for expenditure from the  
21 county's mental health, mental retardation, and developmental  
22 disabilities services fund for a fiscal year are determined to  
23 be insufficient to pay for the services payable from the fund  
24 for the fiscal year, the board of supervisors may authorize  
25 the permanent transfer from the county general fund to the  
26 services fund of not more than one percent of the amount of  
27 revenue to be credited to the general fund for that fiscal  
28 year. Prior to the transfer, the board of supervisors must  
29 adopt a resolution stating the facts as to the need for the  
30 transfer, the transfer date, and the amount to be transferred.  
31 If the need for the transfer occurred after certification of  
32 the county's budget and expenditure of the moneys would  
33 require an increased appropriation from the services fund, the  
34 appropriation is subject to the provisions of section 331.434,  
35 subsection 6. If expenditure of the transferred moneys would

1 require amendment of the county's approved county management  
2 plan under section 331.439, the county shall submit an  
3 amendment to the approved management plan as provided in  
4 section 331.439.

5 4. Other transfers, including transfers from the debt  
6 service fund made in accordance with section 331.430, and  
7 transfers from the general or rural services fund to the  
8 secondary road fund in accordance with section 331.429,  
9 subsection 1, paragraphs "a" and "b", are not effective until  
10 authorized by resolution of the board. The transfer of  
11 inactive funds is subject to section 24.21.

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

14 EXPLANATION

15 This bill authorizes a county to make an interfund transfer  
16 of county general fund revenues to the county's mental health,  
17 mental retardation, and developmental disabilities services  
18 fund under certain circumstances.

19 The bill amends Code section 331.424A, relating to the  
20 services fund, to provide that moneys transferred as provided  
21 in the bill are not to be considered to be an appropriation  
22 from another county fund. Transferred moneys are to be used  
23 as additional services fund moneys.

24 The bill amends Code section 331.432, relating to county  
25 interfund transfers. The transfer is authorized in the event  
26 the revenues available for expenditure from the county's  
27 services fund for a fiscal year will be insufficient to pay  
28 for the services payable from the fund. The transfer amount  
29 is limited to 1 percent of general fund revenues. The county  
30 board of supervisors must authorize the transfer in a  
31 resolution stating the need for the transfer, transfer date,  
32 and transfer amount.

33 In the event the need for the moneys to be transferred  
34 arises after certification of the county's budget, the county  
35 board of supervisors must appropriate the moneys in accordance

1 with requirements for passage of resolutions and holding a  
2 public hearing. If expenditure of the moneys requires a  
3 change in the county's management plan, the amendment is  
4 subject to the requirements of Code section 331.439 which  
5 includes submission to the director of human services 60 days  
6 prior to making the changes.

7 The bill takes effect upon enactment.

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SENATE FILE 2272  
FISCAL NOTE

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A fiscal note for Senate File 2272 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 2272 authorizes counties to transfer up to 1.0% of county general fund revenues to the counties' mental health/mental retardation/developmental disabilities services funds under certain circumstances, and provides for a process for the county board of supervisors to authorize the transfer, state the reason for, date, and amount of the transfer, requires an amendment to county management plans in certain cases, and is effective upon enactment.

ASSUMPTIONS

1. Levies to obtain county general fund revenues are no longer limited, although levies to obtain county mental health fund revenues are limited.
2. Counties are allowed to transfer up to 1.0% of total county general fund revenues for the fiscal year. The transfer may be a permanent transfer.
3. County general fund revenues and county mental health/mental retardation/developmental disabilities revenues consist of property tax revenues.
4. The distribution of mental health allowed growth between counties may be changed due to increased mental health expenditures in counties which participate in a transfer of general funds to the mental health/mental retardation/developmental disabilities services fund, but there is no change in State General Fund appropriations as a result of the transfer.
5. The Bill does not specify any criteria for the county board of supervisors to apply in determining need. The Bill also does not require that a county proposing a transfer authorize the maximum allowable mental health levy in the county prior to proposing a transfer.

FISCAL IMPACT

The fiscal impact of Senate File 2272 is zero for the State General Fund. However, the effect of transferring county general funds into county mental health/mental retardation/developmental disabilities services funds would potentially increase property taxes to backfill the county general fund after the transfer.

SOURCES

Department of Human Services

(LSB 3987XS, MMB)

FILED FEBRUARY 25, 1998

BY DENNIS PROUTY, FISCAL DIRECTOR