

# Senate Study Bill 149

## Bill Text

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1 1 Section 1. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND  
1 2 DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT.  
1 3 There is appropriated from the general fund of the state to  
1 4 the department of human services for the fiscal biennium  
1 5 beginning July 1, 1997, and ending June 30, 1999, the  
1 6 following amounts, or so much thereof as is necessary, to be  
1 7 used for the purpose designated:  
1 8 For distribution to counties of the county mental health,  
1 9 mental retardation, and developmental disabilities allowed  
1 10 growth factor adjustment, in accordance with section 331.438,  
1 11 subsection 2, and section 331.439, subsection 3, as amended by  
1 12 this Act:  
1 13 1997-98 FY ..... \$ 6,163,211  
1 14 1998-99 FY ..... \$ 12,504,538  
1 15 For the fiscal year beginning July 1, 1997, the county  
1 16 mental health, mental retardation, and developmental  
1 17 disabilities allowed growth factor adjustment shall be 2.89  
1 18 percent, and for the fiscal year beginning July 1, 1998, the  
1 19 county mental health, mental retardation, and developmental  
1 20 disabilities allowed growth factor adjustment shall be 2.89  
1 21 percent.  
1 22 Sec. 2. Section [331.424A](#), subsection 4, Code 1997, is  
1 23 amended to read as follows:  
1 24 4. For the fiscal year beginning July 1, 1996, and for  
1 25 each subsequent fiscal year, the county shall certify a levy  
1 26 for payment of services. For each fiscal year, county  
1 27 revenues from taxes imposed by the county credited to the  
1 28 services fund shall not exceed an amount equal to the amount  
1 29 of base year expenditures for services as defined in section  
1 30 331.438, less the amount of property tax relief to be received  
1 31 pursuant to section 426B.2,

~~subsections 1 and 3,  
- in the fiscal~~

1 32 year for which the budget is certified. The county auditor  
1 33 and the board of supervisors shall reduce the amount of the  
1 34 levy certified for the services fund by the amount of property  
1 35 tax relief to be received. A levy certified under this  
2 1 section is not subject to the appeal provisions of sections  
2 2 331.426 and 444.25B or to any other provision in law  
2 3 authorizing a county to exceed, increase, or appeal a property  
2 4 tax levy limit.

2 5 Sec. 3. Section [331.438](#), subsection 2, Code 1997, is  
2 6 amended to read as follows:  
2 7

~~2. Except as modified based upon the actual amount of the~~

~~-~~  
2 8

~~appropriation for purposes of state payment under section~~

~~-~~  
2 9

~~331.439, the amount of the state payment for a fiscal year~~  
~~-~~

2 10

~~shall be calculated by applying the inflation factor~~

2 11

~~adjustment established in accordance with section 331.439,~~

2 12

~~subsection 3, for that fiscal year to the amount of county~~

2 13

~~expenditures for qualified services in the previous fiscal~~

2 14

~~year. A state payment is the state funding a county receives~~

2 15

~~pursuant to section 426B.2, subsection 2. Any state funding~~

2 16

~~received by a county for property tax relief in accordance~~

2 17

~~with section 426B.2, subsections 1 and 3, is not a state~~

2 18

~~payment and shall not be included in the state payment~~

2 19

~~calculation made pursuant to this subsection.~~

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

2 27 b. A county's portion of the allowed growth factor  
2 28 adjustment appropriation for a fiscal year shall be determined  
2 29 in accordance with the following formula:

2 30 (1) One-half based upon the county's proportion of the  
2 31 state's general population.

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

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

3 5 (b) The total of property tax relief payments distributed  
3 6 to counties in accordance with section 426B.2.

3 7 c. The department of human services shall provide for  
3 8 payment of the amount due a county for the county's allowed  
3 9 growth factor adjustment determined in accordance with this  
3 10 subsection. The director of human services shall authorize  
3 11 warrants payable to the county treasurer for the amounts due

3 12 and the warrants shall be mailed in January of each year. The  
3 13 county treasurer shall credit the amount of the warrant to the  
3 14 county's services fund created under section 331.424A.

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

3 17 3. a. For the fiscal year beginning July 1, 1996, and  
3 18 succeeding fiscal years, the county's mental health, mental  
3 19 retardation, and developmental disabilities service  
3 20 expenditures for a fiscal year are limited to a fixed budget  
3 21 amount. The fixed budget amount shall be the amount  
3 22 identified in the county's management plan and budget for the  
3 23 fiscal year. The county shall be authorized an allowed growth  
3 24 factor adjustment as established by

~~the general assembly~~

3 25 statute for services paid from the county's services fund  
3 26 under section 331.424A which is in accordance with the  
3 27 county's management plan and budget, implemented pursuant to  
3 28 this section. The statute establishing the allowed growth  
3 29 factor adjustment shall establish the adjustment for the  
3 30 fiscal year which commences two years from the beginning date  
3 31 of the fiscal year in progress at the time the statute is  
3 32 enacted.

3 33 b. Based upon information contained in county management  
3 34 plans and budgets, the state-county management committee shall  
3 35 recommend an allowed growth factor adjustment to the governor  
4 1 by November 15 for the

~~succeeding~~

~~fiscal year which commences~~

4 2 two years from the beginning date of the fiscal year in  
4 3 progress at the time the recommendation is made. The allowed  
4 4 growth factor adjustment shall address costs associated with  
4 5 new consumers of service, service cost inflation, and  
4 6 investments for economy and efficiency. The governor shall  
4 7 consider the committee's recommendation in developing the  
4 8 governor's recommendation for an allowed growth factor  
4 9 adjustment for

~~inclusion in~~

~~such fiscal year. The governor's~~

4 10 recommendation shall be submitted at the time the governor's  
4 11 proposed budget for the succeeding fiscal year is submitted in  
4 12 accordance with chapter 8.

4 13 c. The amount of the appropriation required to fund the  
4 14 allowed growth factor adjustment for a fiscal year shall be  
4 15 calculated by applying the adjustment established by statute  
4 16 for that fiscal year to the sum of the following:

4 17 (1) The total amount of base year expenditures for all  
4 18 counties.

4 19 (2) The total amount of the appropriations for allowed  
4 20 growth factor adjustments made to all counties in all of the  
4 21 fiscal years prior to that fiscal year.

4 22 Sec. 5. Section 426B.2, Code 1997, is amended to read as  
4 23 follows:

4 24 426B.2 PROPERTY TAX RELIEF FUND DISTRIBUTIONS.

4 25

~~Moneys in the property tax relief fund shall be utilized in~~

4 26

~~each fiscal year as follows in the order listed:~~

4 27 1.

~~The first sixty one million dollars plus the amount~~

4 28

~~paid pursuant to subsection 3 in the previous fiscal year in~~

4 29

~~the property tax relief fund shall be distributed to counties~~

4 30

~~under this subsection.~~

~~The moneys in the property tax relief~~

4 31 ~~fund available to counties for a fiscal year shall be~~

4 32 ~~distributed as provided in this section. A county's~~

4 33 ~~proportion of the moneys shall be equivalent to the sum of the~~

4 34 ~~following three factors:~~

4 35 a. ~~One-third based upon the county's proportion of the~~

5 1 ~~state's general population.~~

5 2 b. ~~One-third based upon the county's proportion of the~~

5 3 ~~state's total taxable property valuation assessed for taxes~~

5 4 ~~payable in the previous fiscal year.~~

5 5 c. ~~One-third based upon the county's proportion of all~~

5 6 ~~counties' base year expenditures, as defined in section~~

5 7 ~~331.438~~

~~, Code 1995, and reported to the state on October 15,~~

5 8

~~1994~~

5 9 ~~Moneys provided to a county for property tax relief in a~~

5 10 ~~fiscal year in accordance with this subsection shall not be~~

5 11 ~~less than the amount provided for property tax relief in the~~

5 12 ~~previous fiscal year.~~

5 13

~~2. Payment of moneys to eligible counties of the state~~

5 14

~~payment in accordance with the provisions of sections 331.438~~

5 15

~~and 331.439.~~

5 16

~~3.~~

~~2.~~

~~For the fiscal year beginning July 1, 1996, and~~

5 17

~~succeeding fiscal years, the department of human services~~

5 18

~~shall estimate the amount of moneys required for the state~~

5 19

~~payment pursuant to subsection 2. Moneys remaining in the~~

~~-~~  
5 20

~~property tax relief fund following the payment made pursuant~~

~~-~~  
5 21

~~to subsection 1 and the estimated amount of the state payment~~

~~-~~  
5 22

~~pursuant to subsection 2 shall be paid for property tax relief~~

~~-~~  
5 23

~~in the same manner as provided in subsection 1 to counties~~

~~-~~  
5 24

~~eligible for state payment under subsection 2. These payments~~

~~-~~  
5 25 The distributions under subsection 1 shall continue to be made

5 26 until the combined amount of the

~~payments~~

~~-~~ distributions made

5 27 under

~~this subsection and~~

~~-~~ subsection 1 are equal to fifty

5 28 percent of the total of all counties' base year expenditures

5 29 as defined in section 331.438.

~~The amount of moneys paid to a~~

~~-~~  
5 30

~~county pursuant to this subsection shall be added in~~

~~-~~  
5 31

~~subsequent fiscal years to the amount of moneys paid under~~

~~-~~  
5 32

~~subsection 1.~~

~~-~~  
5 33

~~4. Moneys remaining in the property tax relief fund~~

~~-~~  
5 34

~~following the payments made pursuant to subsections 1, 2, and~~

~~-~~  
5 35

~~3 shall be transferred to the homestead credit fund created in~~

~~-~~  
6 1

~~section 425.1. This transfer shall continue until the~~

~~-~~  
6 2

~~homestead credit is fully funded.~~

~~-~~

~~5.~~

~~3.~~ The department of human services shall notify the  
6 4 director of revenue and finance of the amounts due a county in  
6 5 accordance with the provisions of this section. The director  
6 6 of revenue and finance shall draw warrants on the property tax  
6 7 relief fund, payable to the county treasurer in the amount due  
6 8 to a county in accordance with

~~subsections~~

~~subsection 1~~

~~and 3~~

~~and~~  
6 9 and mail the warrants to the county auditors in September and  
6 10 March of each year.

~~Warrants for the state payment in~~

~~6 11~~

~~accordance with subsection 2 shall be mailed in January of~~

~~6 12~~

~~each year.~~

~~6 13~~ Sec. 6. Section [426B.3](#), Code 1997, is amended to read as  
6 14 follows:

6 15 426B.3 NOTIFICATION OF RELIEF FUND PAYMENT.

6 16 1. The county auditor shall reduce the certified budget  
6 17 amount received from the board of supervisors for the  
6 18 succeeding fiscal year for the county mental health, mental  
6 19 retardation, and developmental disabilities services fund  
6 20 created in section 331.424A by an amount equal to the amount  
6 21 the county will receive from the property tax relief fund  
6 22 pursuant to section 426B.2,

~~subsections 1 and 3,~~

~~for the~~

6 23 succeeding fiscal year and the auditor shall determine the  
6 24 rate of taxation necessary to raise the reduced amount. On  
6 25 the tax list, the county auditor shall compute the amount of  
6 26 taxes due and payable on each parcel before and after the  
6 27 amount received from the property tax relief fund is used to  
6 28 reduce the county budget. The director of revenue and finance  
6 29 shall notify the county auditor of each county of the amount  
6 30 of moneys the county will receive from the property tax relief  
6 31 fund pursuant to section 426B.2,

~~subsections 1 and 3,~~

~~for the~~

6 32 succeeding fiscal year.  
6 33 2. The amount of property tax dollars reduced on each  
6 34 parcel as a result of the moneys received from the property  
6 35 tax relief fund pursuant to section 426B.2,

~~subsections 1 and~~

~~7 1~~

~~3,~~

~~shall be noted on each tax statement prepared by the county~~  
7 2 treasurer pursuant to section 445.23.

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

EXPLANATION

7 5  
7 6 This bill relates to the allowed growth factor adjustment  
7 7 for county mental health, mental retardation, and  
7 8 developmental disabilities services.  
7 9 The bill includes appropriations of moneys to the  
7 10 department of human services for fiscal years 1997-1998 and  
7 11 1998-1999 for distribution of allowed growth factor adjustment  
7 12 payments to counties as provided in the bill. The adjustment  
7 13 is for increased costs to provide mental health, mental  
7 14 retardation, and developmental disabilities (MH/MR/DD)  
7 15 services.  
7 16 The bill amends Code sections 331.438 and 331.439 to  
7 17 provide that the allowed growth factor adjustment for counties  
7 18 is to be included in the amount of state payment to counties  
7 19 along with the property tax relief fund payment to counties.  
7 20 Under current law a county cannot receive a state payment  
7 21 unless the county is in compliance with various planning  
7 22 provisions administered by the department of human services  
7 23 under section 331.439. The allowed growth factor  
7 24 appropriation is to be distributed to counties by applying a  
7 25 formula based upon a county's proportion of all counties' net  
7 26 expenditures for MH/MR/DD services and of property tax relief  
7 27 payments to counties, both in the fiscal year which began two  
7 28 years prior to the fiscal year in which the payments are to be  
7 29 distributed. Moneys received by a county from the  
7 30 appropriation are to be deposited in the county's MH/MR/DD  
7 31 services fund.  
7 32 Code section 331.439 is amended to require the  
7 33 recommendations for the allowed growth factor adjustment to be  
7 34 made by the state-county management committee and the governor  
7 35 to apply to the fiscal year which commences two years after  
8 1 the beginning date of the fiscal year in progress at the time  
8 2 of the recommendation. The general assembly is to establish  
8 3 the allowed growth factor adjustment by statute.  
8 4 Code section 331.439 is also amended to describe a method  
8 5 for calculating the amount of the appropriation needed to fund  
8 6 the adjustment amount established in statute by the general  
8 7 assembly.  
8 8 Current law provides for funding of the growth factor from  
8 9 the property tax relief fund in Code chapter 426B. The bill  
8 10 strikes this requirement and instead provides for an  
8 11 appropriation from the general fund of the state. Code  
8 12 chapter 426B also is amended to strike provisions that when  
8 13 payments from the property tax relief fund are equal to 50  
8 14 percent of county base year expenditures for MH/MR/DD  
8 15 services, any remaining moneys will be transferred for payment  
8 16 of the homestead credit.  
8 17 The bill includes conforming amendments to Code sections  
8 18 331.424A and 426B.3.  
8 19 The bill takes effect upon enactment.  
8 20 LSB 1592SC 77  
8 21 jp/cf/24