

JAN 24 2006

HUMAN RESOURCES

HOUSE FILE 2106
BY CARROLL

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the allowed growth factor adjustment funding
2 for county mental health, mental retardation, and
3 developmental disabilities services funds and including
4 effective date and retroactive applicability provisions.

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

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HF 2106

1 Section 1. Section 331.438, subsection 2, Code Supplement
2 2005, is amended by adding the following new paragraph:

3 NEW PARAGRAPH. d. Unless otherwise provided by law, in
4 order to be included in any distribution formula for the
5 allowed growth factor adjustment and to receive an allowed
6 growth factor adjustment payment, a county must levy seventy
7 percent or more of the maximum amount allowed for the county's
8 services fund for taxes due and payable in the fiscal year for
9 which the allowed growth factor adjustment is payable.

10 Sec. 2. WARRANT MAILING DATE. Notwithstanding section
11 331.438, subsection 2, paragraph "c", if this Act is enacted
12 on or after January 23, 2006, the warrants for the allowed
13 growth adjustment payments to counties for the fiscal year
14 beginning July 1, 2005, shall not be mailed by January 31,
15 2006, but instead shall be mailed no later than ten calendar
16 days following the date of enactment of this Act.

17 Sec. 3. 2004 Iowa Acts, chapter 1175, section 173,
18 subsection 4, paragraph c, as enacted by 2005 Iowa Acts,
19 chapter 175, section 52, is amended to read as follows:

20 c. For an ending balance percentage of 10 or more but less
21 than 25 percent, a withholding factor of 25 28.043 percent.
22 However, for a county with an ending balance percentage of 10
23 or more but less than 15 percent that meets the eligibility
24 requirements for a distribution from the per capita
25 expenditure target pool under section 426B.5 for the fiscal
26 year beginning July 1, 2005, the withholding factor shall be
27 14.643 percent.

28 Sec. 4. EFFECTIVE DATE -- RETROACTIVE APPLICABILITY. This
29 Act, being deemed of immediate importance, takes effect upon
30 enactment and is retroactively applicable to July 1, 2005, and
31 is applicable on and after that date.

32 EXPLANATION

33 This bill revises the distribution provisions for the
34 allowed growth factor adjustment funding for county mental
35 health, mental retardation, and developmental disabilities

1 (MH/MR/DD) services funds under Code section 331.424A.

2 Code section 331.438, relating to the allowed growth factor
3 adjustment funding, planning, and payment of the funding, is
4 amended. The amendment provides that a county cannot be
5 included in any distribution formula for the allowed growth
6 factor adjustment or receive a payment unless the county
7 levies at least 70 percent of the maximum amount allowed for
8 the county's services fund in the year in which the allowed
9 growth adjustment is payable.

10 The bill includes contingent language in the event the
11 enactment date of the bill is on or after January 23, 2006.
12 In that event, instead of applying the requirement in Code
13 section 331.438 that the warrants for allowed growth
14 adjustment payment to counties must be mailed in January, the
15 bill requires the warrants to be mailed no later than 10
16 calendar days following the enactment date of the bill.

17 The bill amends the session law providing the distribution
18 formula for the FY 2005-2006 allowed growth factor adjustment.
19 Existing law provides that if a county has an ending balance
20 percentage in the county MH/MR/DD services fund at the close
21 of FY 2004-2005 that is more than 10 percent but less than 25
22 percent of the county's gross expenditures from the services
23 fund in that fiscal year, the amount of the allowed growth
24 factor adjustment payment to that county for FY 2005-2006 is
25 reduced by a withholding factor of 25 percent. The bill
26 changes that withholding factor to 28.043 percent. Existing
27 law provides the department of human services with authority
28 to adjust the withholding percentage in order for the overall
29 withholding amount to be achieved. The bill also provides
30 that if a county had an ending balance percentage of more than
31 10 but less than 15 percent and qualified for a distribution
32 from the per capita expenditure target pool for FY 2005-2006,
33 the withholding factor is 14.643 percent.

34 The bill takes effect upon enactment, is retroactively
35 applicable to July 1, 2005, and is applicable on and after

S.F. _____ H.F. 2106

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