Senate Study Bill 1303

SENATE FILE ______
BY (PROPOSED COMMITTEE ON WAYS AND MEANS BILL BY CHAIRPERSON BOLKCOM)

Passed Senate, Date ____________ Passed House, Date ____________
Vote: Ayes ______ Nays _______ Vote: Ayes ______ Nays ________
Approved ____________________________

A BILL FOR

An Act relating to county mental health, mental retardation, and developmental disabilities services funds, levy authority for such funds, and the state allowed growth factor adjustment funding for such services, and providing effective and applicability date provisions.
BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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Section 1. Section 331.424A, subsection 4, Code 2009, is amended to read as follows:

4. For the fiscal year beginning July 1, 1996, and for each subsequent fiscal year, the county shall certify a levy for payment of services. For each fiscal year, county revenues from taxes imposed by the county credited to the services fund shall not exceed an amount equal to the amount of base year expenditures for services as defined in section 331.438, less the amount of property tax relief anticipated to be received pursuant to section 426B.2, in the fiscal year for which the budget is certified. The county auditor and the board of supervisors shall reduce the amount of the levy certified for the services fund by the amount of property tax relief to be received. A levy certified under this section is not subject to the appeal provisions of section 331.426 or to any other provision in law authorizing a county to exceed, increase, or appeal a property tax levy limit.

Sec. 2. Section 331.424A, Code 2009, is amended by adding the following new subsections:

NEW SUBSECTION. 4A. a. If there is an appropriation reduction after the county budget and levy amounts for the services fund are certified and before June 15 of the calendar year in which the certification was made and such reduction causes the property tax relief amount to be less than the amount stated in the certified budget, the county may take one or both of the following actions, provided that any action taken does not exceed the amount of the deficiency resulting from the appropriation reduction:

(1) Transfer moneys from other funds of the county to the county's services fund, notwithstanding section 331.432.

(2) Recertify the county's services fund levy in accordance with subsection 4B.

b. If there is an appropriation reduction after the county budget and levy amounts for the services fund are certified and such reduction causes the appropriations addressed in the distribution formulas associated with the allowed growth factor adjustment factor for the budget year to be less than anticipated and the county's share of the appropriations is less than the amounts stated in the certified budget, the county may transfer moneys from other funds of the county to the county's services fund. The amount transferred shall not exceed the amount of the deficiency resulting from the appropriations reduction.

NEW SUBSECTION. 4B. If the board of supervisors elects to proceed under subsection 4A, paragraph "a", subparagraph (2), the board shall amend the county's certified budget for the services fund in accordance with all of the following:

a. The amended budget shall be certified before June 15.

b. Not less than twenty days before June 15, and not less than ten days before the date set for the hearing under paragraph "c", the board shall file the amended budget with the auditor. The auditor shall make available a sufficient number of copies of the amended budget to meet the requests of taxpayers and organizations and have them available for distribution at the courthouse or other places designated by the board.

c. The board shall set a time and place for a public hearing on the amended budget before the final certification date and shall publish notice of the hearing not less than ten nor more than twenty days prior to the hearing in the county newspapers selected under chapter 349. A summary of the proposed budget amendment, in the form prescribed by the director of the department of management, shall be included in the notice. Proof of publication shall be filed with and preserved by the auditor. A levy is not valid unless and until the notice is published and filed.

d. At the hearing, a resident or taxpayer of the county may present to the board objections to or arguments in favor of any part of the amendment to the budget.

e. After the hearing, the board shall adopt by resolution the amended budget and certificate of taxes for the next fiscal year and shall direct the auditor to properly certify and file the budget and certificate of taxes as adopted. An amended budget and certificate of taxes adopted for the following fiscal year in accordance with this subsection becomes effective on the first day of that year. Notwithstanding sections 331.435 and 331.436, a budget amendment adopted in accordance with this section is not subject to protest to the state appeal board.

Sec. 3. Section 426B.5, subsection 1, paragraph d, subparagraph (1), subparagraph division (a), Code 2009, is amended to read as follows:

(a) The county is levying the maximum amount allowed for the county's mental health, mental retardation, and developmental disabilities services fund under section 331.424A for the fiscal year in which the funding is distributed. If the county certified the maximum levy amount allowed for the county's services fund but there is an appropriation reduction after the levy was certified that causes the property tax relief amount for the county to be less than the amount stated in the certified budget, the county shall be deemed to have complied with this subparagraph division whether or not the county recertifies the services fund levy or takes other action to address the reduction in anticipated funding as authorized in section 331.424A.

Sec. 4. Section 426B.5, subsection 2, paragraph e, subparagraph (2), Code 2009, is amended to read as follows:

(2) The county levied the maximum amount allowed for the county's services fund under section 331.424A for the fiscal year of application for risk pool assistance. If the county certified the maximum levy amount allowed for the county's services fund but there is an appropriation reduction after the levy was certified that causes the property tax relief amount for the county to be less than the amount stated in the certified budget, the county shall be deemed to have complied with this subparagraph whether or not the county recertifies the services fund levy or takes other action to address the reduction in anticipated funding as authorized in section 331.424A.

Sec. 5. EFFECTIVE AND APPLICABILITY DATES. This Act, being deemed of immediate importance, takes effect upon enactment and applies to budgets and levies certified for county mental health, mental retardation, and developmental disabilities services funds under section 331.424A commencing with the budgets and levies certified for the fiscal year beginning July 1, 2009, and subsequent fiscal years.

EXPLANATION

This bill relates to county mental health, mental retardation, and developmental disabilities services funds, the levy authority for such funds, and the state allowed growth factor adjustment funding for such services.

Under current law, in Code section 331.424A, a county's certified levy for the county's services fund is required to be reduced by the county to reflect the amount to be received by the county from the property tax relief fund.

If after the budget and levy are certified for the services fund by March 15, and before June 15 when the department of management certifies the county's taxes back, the property tax relief appropriations are reduced, resulting in the relief fund moneys being less than stated in the certified budget, the bill authorizes the county to take one or both of the following actions: recertify the services fund budget or transfer moneys from other county funds. Any action taken cannot exceed the amount of the deficiency caused by the appropriation reduction. The recertification procedure is specified in the bill.

The bill also provides a contingent authorization if the appropriations addressed in the distribution formulas associated with the allowed growth factor adjustment factor are reduced from the amounts stated in the county's certified budget. In recent fiscal years, these appropriations have been the appropriation made for the mental health and developmental disabilities community services fund created in Code section 225C.7 and for the allowed growth factor adjustment funding addressed in Code sections 331.439 and 426B.5. The allowed growth factor adjustment appropriation is made during a fiscal year which is two fiscal years ahead of the fiscal year to which the adjustment applies. The bill allows a county to transfer moneys from other county funds to the extent of the reduction in the amount associated with the allowed growth distribution formulas that was stated in the county's certified budget for the services fund.

The bill also amends provisions in Code section 426B.5 to require a county to levy the maximum amount authorized for the county services fund in order to qualify for funding from the allowed growth funding pool or risk pool of the property tax relief fund. The bill provides that if the county certified the maximum levy amount allowed for the county's services fund but there is an appropriation reduction after the levy was certified that causes the property tax relief amount for the county to be less than that stated in the county budget, the county is deemed to have complied with the requirement whether or not the county recertifies the services fund levy or takes other action to address the reduction in anticipated funding as authorized by the bill.

The bill takes effect upon enactment and is applicable commencing with the services fund budget and levies certified for fiscal year 2009=2010 and subsequent fiscal years.

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