

(13) A housing unit or complex for the elderly or handicapped, or of a

(14) A fair or exposition held in the state, other than the Iowa state fair, which is a member of the association of Iowa fairs, or of a

(15) A sports facility, or

(16) A facility for an organization described in section 501(c)(3) of the Internal Revenue Code which is exempt from federal income tax under section 501(a) of the Internal Revenue Code.

Sec. 2. Section 419.2, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 9. To issue revenue bonds for the purpose of retiring any existing indebtedness on a facility for an organization described in section 501(c)(3) of the Internal Revenue Code which is exempt from federal income tax under section 501(a) of the Internal Revenue Code, to secure payment of the bonds as provided in this chapter, and to enter into agreements with others with respect to these bonds for the payments and upon the terms and conditions as the governing body may deem advisable in accordance with the provisions of this chapter. The retiring of any existing indebtedness on a facility for an organization described in section 501(c)(3) of the Internal Revenue Code is a "project" for the purposes of this chapter.

Sec. 3. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 5, 1994

CHAPTER 1163

COUNTY PROPERTY TAXES AND MENTAL HEALTH FINANCING

H.F. 2430

†**AN ACT** relating to the limitation on county expenditures for mental health, mental retardation, and developmental disabilities services funded by property taxes and the provision of those services, extending the limitation on the amount of property tax dollars that a county may collect from designated property tax levies, providing for other properly related matters, and providing effective and applicability date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 249A.12, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 3. a. Effective July 1, 1995, the state shall be responsible for all of the nonfederal share of the costs of intermediate care facility for the mentally retarded services provided under medical assistance to minors. Notwithstanding subsection 2 and contrary provisions of section 222.73, effective July 1, 1995, a county is not required to reimburse the department and shall not be billed for the nonfederal share of the costs of such services provided to minors.

b. Effective July 1, 1995, the state shall be responsible for all of the nonfederal share of medical assistance home and community-based waivers for persons with mental retardation services provided to minors and a county is not required to reimburse the department and shall not be billed for the nonfederal share of the costs of the services.

Sec. 2. Section 331.438, Code 1993, is amended by striking the section and inserting in lieu thereof the following:

331.438 COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES SERVICES EXPENDITURES.

1. For the purposes of this section and section 331.439, unless the context otherwise requires:

a. "Base year expenditures" means the actual expenditures made by a county for qualified mental health, mental retardation, and developmental disabilities services provided in the fiscal year beginning July 1, 1993, and ending June 30, 1994.

†Estimate of additional local revenue expenditures required by state mandate on file with the Secretary of State

b. "State payment" means the payment made by the state to a county determined to be eligible for the payment in accordance with section 331.439. Except as modified based upon the actual amount of the appropriation for purposes of state payment under section 331.439, the amount of the state payment for a fiscal year shall be calculated as fifty percent of the amount by which the county's qualified expenditures during the immediately preceding fiscal year were in excess of the amount of the county's base year expenditures.

2. The state payment shall not include any expenditures for services that were provided but not reported in the county's base year expenditures or for any expenditures which were not included in the county management plan submitted by the county in accordance with section 331.439. A county's eligibility for state payment is subject to the provisions of section 331.439.

3. a. A state-county management committee is created in the department of human services to make recommendations for joint state and county planning, implementing, and funding of mental health, mental retardation, and developmental disabilities services, including but not limited to developing and implementing fiscal and accountability controls, establishing management plans, and ensuring that eligible persons have access to appropriate and cost-effective services.

b. The management committee shall consist of not more than nine members representing the state and counties. An equal number of the not more than nine members shall be appointed by the director of human services and the Iowa state association of counties and one additional member shall be jointly appointed by both entities. In addition, the committee shall also include one member nominated by service providers and one member nominated by service advocates and consumers, with both members appointed by the governor. In addition, the committee shall include four members of the general assembly with one each designated by the majority leader and minority leader of the senate and the speaker and minority leader of the house of representatives. A legislative member serves in an ex officio, nonvoting capacity and is eligible for per diem and expenses as provided in section 2.10. A member who is not a legislator shall have expenses and other costs paid by the state or the county entity that the member represents. The committee shall establish terms for its members, elect officers, adopt operating procedures, and meet as deemed necessary by the committee.

c. The management committee shall do all of the following:

(1) Identify characteristics of the service system, including amounts expended, equity of funding among counties, funding sources, provider types, service availability, and equity of service availability among counties and among persons served.

(2) Assess the accuracy and uniformity of record keeping and reporting in the service system.

(3) Identify for each county the factors associated with inflationary growth of the service system.

(4) Identify opportunities for containing service system growth.

(5) Make recommendations for revising service system administrative rules.

(6) Consider provisions for counties to implement a single point of accountability to plan, budget, and monitor county expenditures for the service system. The provisions shall provide options for counties to implement the single point in collaboration with other counties.

(7) Develop criteria for annual county mental health, mental retardation, and developmental disabilities plans.

(8) Make recommendations to the council on human services for administrative rules identifying qualified mental health, mental retardation, and developmental disabilities service expenditures for purposes of state payment pursuant to subsection 1.

(9) Make recommendations to the council on human services for administrative rules for the county single entry point and clinical assessment processes required under section 331.440 and other rules necessary for the implementation of county management plans and expenditure reports required for state payment pursuant to section 331.439.

(10) Make recommendations to improve the programs and cost effectiveness of state and county contracting processes and procedures, including strategies for negotiations relating to managed care.

(11) Provide input when appropriate, to the director of human services in any decision involving administrative rules which were initially recommended by the management committee.

(12) Identify the fiscal impact of existing or proposed legislation and administrative rules on state and county expenditures.

(13) No later than January 1, annually, submit a report to the governor, the general assembly, and the department of human services concerning the management committee's activities and findings.

(14) On or before December 1, 1994, submit to the governor and general assembly a methodology for the state and counties to move toward the goal of an equal partnership in the funding of mental health, mental retardation, and developmental disabilities services. The committee consideration of methodology options shall include an expenditure per consumer basis.

Sec. 3. NEW SECTION. 331.439 ELIGIBILITY FOR STATE PAYMENT.

The state payment to eligible counties under this section shall be made in January of the fiscal year for which the appropriation for the state payment is made. A county is eligible for state payment as defined in section 331.438 for the fiscal year beginning July 1, 1996, and for subsequent fiscal years if the director of human services determines for a specific fiscal year that all of the following conditions are met:

1. The county accurately reported by October 15 the county's expenditures for the previous fiscal year on forms prescribed by the department of human services.

2. The county has implemented a single entry point process in accordance with the rules adopted pursuant to section 331.440.

3. The county developed and implemented a county management plan for the county's mental health, mental retardation, and developmental disabilities services. The plan shall comply with the administrative rules adopted for this purpose by the council on human services and is subject to the approval of the director of human services in consultation with the state-county management committee created in section 331.438. The plan shall include a description of the county's single point of entry and clinical assessment process in accordance with the rules adopted pursuant to section 331.440 and a description of the county's service management provision for mental health, mental retardation, and developmental disabilities services. The plan shall have the following two parts:

a. For mental health service management, the county must contract with a state-approved managed mental health care contractor or describe the method the county will use to achieve a comparable system of managed care which assures cost-effective delivery of services. For the fiscal year beginning July 1, 1995, this part of the plan shall be submitted to the department of human services by March 1, 1995. For subsequent fiscal years, this part of the plan shall be submitted by the prior April 1.

b. For mental retardation and developmental disabilities service management, the county must describe efforts to investigate the development and implementation of a system of managed care which assures cost-effective delivery of services. For the fiscal year beginning July 1, 1995, this part of the plan shall be submitted to the department of human services by March 1, 1995. For subsequent fiscal years, this part of the plan shall be submitted by the prior April 1.

4. Changes to the approved plan are submitted sixty days prior to the proposed change and are not to be implemented prior to the director of human services' approval.

The director's approval of a county's mental health, mental retardation, and developmental disabilities services management plan shall not be construed to constitute certification of the county's budget.

Sec. 4. NEW SECTION. 331.440 MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES SERVICES — SINGLE ENTRY POINT PROCESS.

1. a. For the purposes of this section, unless the context otherwise requires, "single entry point process" means a single entry point process established by a county or consortium of counties for the delivery of mental health, mental retardation, and developmental disabilities services which are paid for in whole or in part by county funds. The single entry point process

may include but is not limited to reviewing a person's eligibility for services, determining the appropriateness of the type, level, and duration of services, and performing periodic review of the person's continuing eligibility and need for services. Any recommendations developed concerning a person's plan of services shall be consistent with the person's unique strengths, circumstances, priorities, concerns, abilities, and capabilities. For those services funded under the medical assistance program, the single entry point process shall be used to assure that the person is aware of the appropriate service options available to the person.

b. The single entry point process may include a clinical assessment process to identify a person's service needs and to make recommendations regarding the person's plan for services. The clinical assessment process shall utilize qualified mental health professionals and qualified mental retardation professionals.

2. The department of human services shall seek federal approval as necessary for the single entry point and clinical assessment processes to be eligible for federal financial participation under medical assistance. A county may implement the single entry point process as part of a consortium of counties and may implement the process beginning with the fiscal year ending June 30, 1995.

3. The council on human services shall consider the recommendations of the state-county management committee established in section 331.438 in adopting rules outlining standards and requirements for implementation of the single entry point and clinical assessment processes on the date required by subsection 2. The rules shall permit counties options in implementing the process based upon a county's consumer population and available service delivery system.

Sec. 5. NEW SECTION. 444.25A PROPERTY TAX LIMITATIONS FOR 1996 AND 1997 FISCAL YEARS.

1. **COUNTY LIMITATION.** The maximum amount of property tax dollars which may be certified by a county for taxes payable in the fiscal year beginning July 1, 1995, shall not exceed the amount of property tax dollars certified by the county for taxes payable in the fiscal year beginning July 1, 1994, and the maximum amount of property tax dollars which may be certified by a county for taxes payable in the fiscal year beginning July 1, 1996, shall not exceed the amount of property tax dollars certified by the county for taxes payable in the fiscal year beginning July 1, 1995, for each of the levies for the following, except for the levies on the increase in taxable valuation due to new construction, additions or improvements to existing structures, remodeling of existing structures for which a building permit is required, annexation, and phasing out of tax exemptions, and on the increase in valuation of taxable property as a result of a comprehensive revaluation by a private appraiser under a contract entered into prior to January 1, 1992, or as a result of a comprehensive revaluation directed or authorized by the conference board prior to January 1, 1992, with documentation of the contract, authorization, or directive on the revaluation provided to the director of revenue and finance, if the levies are equal to or less than the levies for the previous year, levies on that portion of the taxable property located in an urban renewal project the tax revenues from which are no longer divided as provided in section 403.19, subsection 2, or as otherwise provided in this section:

- a. General county services under section 331.422, subsection 1.
- b. Rural county services under section 331.422, subsection 2.
- c. Other taxes under section 331.422, subsection 4.

2. **EXCEPTIONS.** The limitations provided in subsection 1 do not apply to the levies made for the following:

- a. Debt service to be deposited into the debt service fund pursuant to section 331.430.
- b. Taxes approved by a vote of the people which are payable during the fiscal year beginning July 1, 1995, or July 1, 1996.
- c. Hospitals pursuant to chapters 37, 347, and 347A.
- d. Emergency management to be deposited into the local emergency management fund and expended for development of hazardous substance teams pursuant to chapter 29C.

e. Unusual need for additional moneys to finance existing programs which would provide substantial benefit to county residents or compelling need to finance new programs which would provide substantial benefit to county residents. The increase in taxes levied under this exception for the fiscal year beginning July 1, 1995, is limited to no more than the product of the total tax dollars levied in the fiscal year beginning July 1, 1994, and the percent change, computed to two decimal places, in the price index for government purchases by type for state and local governments computed for the third quarter of calendar year 1994 from that computed for the third quarter of calendar year 1993. The increase in taxes levied under this exception for the fiscal year beginning July 1, 1996, is limited to no more than the product of the total tax dollars levied in the fiscal year beginning July 1, 1995, and the percent change, computed to two decimal places, in the price index for government purchases by type for state and local governments computed for the third quarter of calendar year 1995 from that computed for the third quarter of calendar year 1994.

For purposes of this paragraph, the price index for government purchases by type for state and local governments is defined by the bureau of economic analysis of the United States department of commerce and published in table 7.11 of the national income and products accounts. For the fiscal years beginning July 1, 1995, and July 1, 1996, the price index used shall be the revision published in the November 1994 and November 1995 issues, respectively, of the United States department of commerce publication, "survey of current business". For purposes of this paragraph, tax dollars levied in the fiscal years beginning July 1, 1994, and July 1, 1995, shall not include funds levied for paragraphs "a", "b", and "c" of this subsection.

Application of this exception shall require an original publication of the budget and a public hearing and a second publication and a second hearing both in the manner and form prescribed by the director of the department of management, notwithstanding the provisions of section 331.434. The publications and hearings prescribed in this paragraph shall be held and the budget certified no later than March 15. The taxes levied for counties whose budgets are certified after March 15, 1995, shall be frozen at the fiscal year beginning July 1, 1994, level, and the taxes levied for counties whose budgets are certified after March 15, 1996, shall be frozen at the fiscal year beginning July 1, 1995, level.

3. APPEAL PROCEDURES. In lieu of the procedures in sections 24.48 and 331.426, which procedures do not apply for taxes payable in the fiscal years beginning July 1, 1995, and July 1, 1996, if a county needs to raise property tax dollars from a tax levy in excess of the limitations imposed by subsection 1, the following procedures apply:

a. Not later than March 1, and after the publication and public hearing on the budget in the manner and form prescribed by the director of the department of management, notwithstanding section 331.434, the county shall petition the state appeal board for approval of a property tax increase in excess of the increase provided for in subsection 2, paragraph "e", on forms furnished by the director of the department of management. Applications received after March 1 shall be automatically ineligible for consideration by the board.

b. Additional costs incurred by the county due to any of the following circumstances shall be the basis for justifying the excess in property tax dollars:

(1) Natural disaster or other life-threatening emergencies.

(2) Unusual need for additional moneys to finance existing programs which would provide substantial benefit to county residents or compelling need to finance new programs which would provide substantial benefit to county residents.

(3) Need for additional moneys for health care, treatment and facilities, including mental health and mental retardation care and treatment pursuant to section 331.424, subsection 1, paragraphs "a" through "h".

(4) Judgments, settlements, and related costs arising out of civil claims against the county and its officers, employees, and agents, as defined in chapter 670.

c. The state appeal board shall approve, disapprove, or reduce the amount of excess property tax dollars requested. The board shall take into account the intent of this section to provide property tax relief. The decision of the board shall be rendered at a regular or special meeting of the board within twenty days of the board's receipt of an appeal.

d. Within seven days of receipt of the decision of the state appeal board, the county shall adopt and certify its budget under section 331.434, which budget may be protested as provided in section 331.436. The budget shall not contain an amount of property tax dollars in excess of the amount approved by the state appeal board.

4. RATE ADJUSTMENT BY COUNTY AUDITOR. In addition to the requirement of the county auditor in section 444.3 to establish a rate of tax which does not exceed the rate authorized by law, the county auditor shall also adjust the rate if the amount of property tax dollars to be raised is in excess of the amount specified in subsection 1, as may be adjusted pursuant to subsection 3.

Sec. 6. Section 444.26, Code 1993, is amended to read as follows:

444.26 PROPERTY TAX LEVY LIMITATIONS NOT AFFECTED.

Section Sections 444.25 and 444.25A shall not be construed as removing or otherwise affecting the property tax limitations otherwise provided by law for any tax levy of the political subdivision, except that, upon an appeal from the political subdivision, the state appeal board may approve a tax levy consistent with the provisions of section 24.48 or 331.426.

Sec. 7. Section 444.27, Code 1993, is amended to read as follows:

444.27 SECTIONS VOID.

Sections For purposes of section 444.25, sections 24.48 and 331.426 are void for the fiscal years beginning July 1, 1993, and July 1, 1994. For purposes of section 444.25A, sections 24.48 and 331.426 are void for the fiscal years beginning July 1, 1995, and July 1, 1996.

Sec. 8. REPEAL.

1. If an appropriation is not enacted by the Seventy-sixth General Assembly, 1995 regular session, to fully fund the provisions of section 1 of this Act, section 444.25A and the amendments to sections 444.26 and 444.27, as enacted by this Act, are repealed effective April 1, 1995. If the repeals provided in this subsection take effect, notwithstanding section 24.17, for the fiscal year beginning July 1, 1995, the budget of each county may be recertified in duplicate to the county auditor not later than April 15, 1995, and protests to the budget shall be filed not later than April 25, 1995.

2. If appropriations are not enacted by the Seventy-sixth General Assembly, 1996 Session, to fully fund the unmodified state payment calculation provisions of sections 331.438 and 331.439, as enacted in this Act, in fiscal year 1996-1997, section 444.25A and the amendments to sections 444.26 and 444.27, as enacted by this Act, are repealed effective April 1, 1996. If the repeals provided in this section take effect, notwithstanding section 24.17, for the fiscal year beginning July 1, 1996, the budget of each county may be recertified in duplicate to the county auditor not later than April 15, 1996, and protests to the budget shall be filed not later than April 25, 1996.

Approved May 5, 1994

CHAPTER 1164**DESTRUCTION OF TRANSPORTATION DEPARTMENT RECORDS***S.F. 2038*

AN ACT to provide for the destruction of state department of transportation records.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 321.12, Code 1993, is amended to read as follows:

321.12 OBSOLETE RECORDS DESTROYED.

The director may destroy any records of the department which have been maintained on file for three years which the director deems obsolete and of no further service in carrying out the powers and duties of the department. However, operating records relating to a person who has been issued a commercial driver's license shall be maintained on file in accordance with rules adopted by the department. Records concerning suspensions authorized under section 321.210, subsection 1, paragraph "g", and section 321.210A may be destroyed six months after the suspension is terminated and the requirements of section 321.191 have been satisfied. Records concerning suspensions and surrender of licenses or registrations required under section 321A.31 for failing to maintain proof of financial responsibility as defined in section 321A.1, may be destroyed six months after the requirements of sections 321.191 and 321A.29, have been satisfied.

Sec. 2. Section 321.12, Code 1993, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The director shall destroy any operating records pertaining to arrests or convictions for operating while intoxicated, in violation of section 321J.2, which are more than twelve years old. The twelve-year period shall commence with the date of the arrest or conviction for the offense, whichever first occurs. However, the director shall not destroy operating records which pertain to arrests or convictions for operating while intoxicated after the expiration of twelve years when the motor vehicle being operated was a commercial motor vehicle.

Approved May 10, 1994

CHAPTER 1165**STATE TAXES – MISCELLANEOUS PROVISIONS***S.F. 2057*

AN ACT relating to the procedures, requirements, liability, and penalties for the imposition and collection of state taxes, refund and credit claims, and state finances and providing effective and retroactive applicability date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 421.4, Code 1993, is amended to read as follows:

421.4 DEPUTIES.

The director may appoint deputy directors and may designate one or more of the deputies as acting director. A deputy designated to serve in the absence of the director has all of the powers possessed by the director. The director may employ certified public accountants, engineering and technical assistants, and other employees necessary to protect the interests of the state and any political subdivision. ~~All independent contracts and fees provided for in this section are subject to the approval of the governor.~~