

CHAPTER 198

MENTAL HEALTH AND DEVELOPMENTAL DISABILITY FUNDING — ALLOWED GROWTH FACTOR ADJUSTMENT

H.F. 255

AN ACT relating to the allowed growth factor adjustment for county mental health, mental retardation, and developmental disabilities services, making appropriations, and providing an effective date.

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

Section 1. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT. There is appropriated from the general fund of the state to the department of human services for the fiscal biennium beginning July 1, 1997, and ending June 30, 1999, the following amounts, or so much thereof as is necessary, to be used for the purpose designated:

For distribution to counties of the county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment, in accordance with section 331.438, subsection 2, and section 331.439, subsection 3, as amended by this Act:

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| 1997-98 FY | \$ | 6,163,211 |
| 1998-99 FY | \$ | 12,504,538 |

For the fiscal year beginning July 1, 1997, the county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment shall be 2.89 percent, and for the fiscal year beginning July 1, 1998, the county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment shall be 2.89 percent.

Sec. 2. Section 331.424A, subsection 4, Code 1997, 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 to be received pursuant to section 426B.2, ~~subsections 1 and 3,~~ 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 sections 331.426 and 444.25B or to any other provision in law authorizing a county to exceed, increase, or appeal a property tax levy limit.

Sec. 3. Section 331.438, subsection 2, Code 1997, is amended to read as follows:

~~2. 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 by applying the inflation factor adjustment established in accordance with section 331.439, subsection 3, for that fiscal year to the amount of county expenditures for qualified services in the previous fiscal year. A state payment is the state funding a county receives pursuant to section 426B.2, subsection 2. Any state funding received by a county for property tax relief in accordance with section 426B.2, subsections 1 and 3, is not a state payment and shall not be included in the state payment calculation made pursuant to this subsection.~~

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

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

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

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

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

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

c. The department of human services shall provide for payment of the amount due a county for the county's allowed growth factor adjustment determined in accordance with this subsection. The director of human services shall authorize warrants payable to the county treasurer for the amounts due and the warrants shall be mailed in January of each year. The county treasurer shall credit the amount of the warrant to the county's services fund created under section 331.424A.

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

3. a. For the fiscal year beginning July 1, 1996, and succeeding fiscal years, the county's mental health, mental retardation, and developmental disabilities service expenditures for a fiscal year are limited to a fixed budget amount. The fixed budget amount shall be the amount identified in the county's management plan and budget for the fiscal year. The county shall be authorized an allowed growth factor adjustment as established by ~~the general assembly statute~~ for services paid from the county's services fund under section 331.424A which is in accordance with the county's management plan and budget, implemented pursuant to this section. The statute establishing the allowed growth factor adjustment shall establish the adjustment for the fiscal year which commences two years from the beginning date of the fiscal year in progress at the time the statute is enacted.

b. Based upon information contained in county management plans and budgets, the state-county management committee shall recommend an allowed growth factor adjustment to the governor by November 15 for the ~~succeeding~~ fiscal year which commences two years from the beginning date of the fiscal year in progress at the time the recommendation is made. The allowed growth factor adjustment shall address costs associated with new consumers of service, service cost inflation, and investments for economy and efficiency. The governor shall consider the committee's recommendation in developing the governor's recommendation for an allowed growth factor adjustment for ~~inclusion in such fiscal year.~~ The governor's recommendation shall be submitted at the time the governor's proposed budget for the succeeding fiscal year is submitted in accordance with chapter 8.

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

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

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

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

426B.2 PROPERTY TAX RELIEF FUND DISTRIBUTIONS.

~~Moneys in the property tax relief fund shall be utilized in each fiscal year as follows in the order listed:~~

~~1. The first sixty-one million dollars plus the amount paid pursuant to subsection 3 in the previous fiscal year in the property tax relief fund shall be distributed to counties under this subsection.~~ The moneys in the property tax relief fund available to counties for a fiscal year shall be distributed as provided in this section. A county's proportion of the moneys shall be equivalent to the sum of the following three factors:

a. One-third based upon the county's proportion of the state's general population.

b. One-third based upon the county's proportion of the state's total taxable property valuation assessed for taxes payable in the previous fiscal year.

c. One-third based upon the county's proportion of all counties' base year expenditures, as defined in section 331.438, Code 1995, and reported to the state on October 15, 1994.

Moneys provided to a county for property tax relief in a fiscal year in accordance with this subsection shall not be less than the amount provided for property tax relief in the previous fiscal year.

~~2. Payment of moneys to eligible counties of the state payment in accordance with the provisions of sections 331.438 and 331.439.~~

~~3. 2. For the fiscal year beginning July 1, 1996, and succeeding fiscal years, the department of human services shall estimate the amount of moneys required for the state payment pursuant to subsection 2. Moneys remaining in the property tax relief fund following the payment made pursuant to subsection 1 and the estimated amount of the state payment pursuant to subsection 2 shall be paid for property tax relief in the same manner as provided in subsection 1 to counties eligible for state payment under subsection 2. These payments~~
The distributions under subsection 1 shall continue to be made until the combined amount of the ~~payments~~ distributions made under ~~this subsection and~~ subsection 1 are equal to fifty percent of the total of all counties' base year expenditures as defined in section 331.438. ~~The amount of moneys paid to a county pursuant to this subsection shall be added in subsequent fiscal years to the amount of moneys paid under subsection 1.~~

~~4. Moneys remaining in the property tax relief fund following the payments made pursuant to subsections 1, 2, and 3 shall be transferred to the homestead credit fund created in section 425.1. This transfer shall continue until the homestead credit is fully funded.~~

~~5. 3. The department of human services shall notify the director of revenue and finance of the amounts due a county in accordance with the provisions of this section. The director of revenue and finance shall draw warrants on the property tax relief fund, payable to the county treasurer in the amount due to a county in accordance with subsections subsection 1 and 3 and mail the warrants to the county auditors in September and March of each year. Warrants for the state payment in accordance with subsection 2 shall be mailed in January of each year.~~

Sec. 6. Section 426B.3, Code 1997, is amended to read as follows:

426B.3 NOTIFICATION OF RELIEF FUND PAYMENT.

1. The county auditor shall reduce the certified budget amount received from the board of supervisors for the succeeding fiscal year for the county mental health, mental retardation, and developmental disabilities services fund created in section 331.424A by an amount equal to the amount the county will receive from the property tax relief fund pursuant to section 426B.2, ~~subsections 1 and 3~~, for the succeeding fiscal year and the auditor shall determine the rate of taxation necessary to raise the reduced amount. On the tax list, the county auditor shall compute the amount of taxes due and payable on each parcel before and after the amount received from the property tax relief fund is used to reduce the county budget. The director of revenue and finance shall notify the county auditor of each county of the amount of moneys the county will receive from the property tax relief fund pursuant to section 426B.2, ~~subsections 1 and 3~~, for the succeeding fiscal year.

2. The amount of property tax dollars reduced on each parcel as a result of the moneys received from the property tax relief fund pursuant to section 426B.2, ~~subsections 1 and 3~~, shall be noted on each tax statement prepared by the county treasurer pursuant to section 445.23.

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

Approved February 27, 1997