

2019 GENERAL ASSEMBLY LEGISLATIVE BRIEFING

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URBAN COUNTY COALITION

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Urban County Coalition

Legislative Summary for 2019 General Assembly

(Included in this Legislative Summary binder is this overview, selected issues that are tabbed that reflect legislative priorities, tracking of bills that passed and newsletters from the currently, just completed legislative session)

For the third straight year, control of the Iowa General Assembly and Governor's office has been under one party -- Republican.

In the backdrop of lower state revenue collections and disastrous flooding both in western and eastern lowa, the session started under the shadow of a weak agricultural economy as a result of international trade tensions, weak farm prices and dropping land values.

The result was a cautious legislature and Governor in budget projections. The lowa House wound up about \$10 million above the Governor's budget and the lowa Senate was about \$40 million below the Governor's budget. In the end, the three sides agreed to spending levels about \$10 million below the Governor's original proposal.

Dominating the session were property taxes reform impacting IPERS and 411 and more bills targeting local control. However, strides were taken in mental health, both by establishing the children's mental health care system and making adjustments in the funds that can be reserved within the Mental Health System, giving more flexibility to local mental health regions.

Property Tax (SF 634) & IPERS

Despite reassurances that public retirement systems would not be touched by this General Assembly, its leadership, or signed by Governor Kim Reynolds, those statements were disregarded when the lowa House introduced what was supposed to be a property tax reform measure to bring more transparency to the process of setting property tax levies by local government.

But an amendment that was not filed until the full House Ways and Means

Committee met which moved both IPERS and Chapter 411 retirement programs for Public Safety Agencies into capped tax levies funds. These would have adversely affected local governments into either funding state mandated retirement contributions or funding operations for public safety services like police officers on the street or fire fighters in the fire hall. (HF 773)

While the property tax bill, in the final form (SF 634) eliminated a number of problems with HF 773, it adopted the 102% revenue limitation, requiring a supermajority of the county board to exceed

that amount. It maintained the freeze on the Mental Health levy, but moved the levies in the Supplemental Levy for retirement (IPERS) into the 102% limitation.

The publication requirement (another unfunded mandate) would require the county board to publish the "reason" for exceeding the limitation, which would force high lighting the costs of the retirement levy. The end result is that the IPERS levies, while mandated by state law, will be in competition with operational expenses.

Mental Health Funding (HF 692) & Children's Mental Health (HF690)

The General Assembly considered a number of mental health bills this session. There was great progress on several, but as always, the issue of sustainable funding was pushed down the road with short term funding solutions.

House File 691 is the mental health spend down bill requirement. This raised the fund balance limit from 20 percent to 40 percent, either reserved in the region's combined account or reserved among all of the separate county accounts overseen by the governing board, starting in fiscal year 2023.

The good news is that the 40% reserve allows regional boards to set aside both what is called obligated funds (contracted but not expended) and encumbered funds (estimated costs for services but prior to RFPs being issued). This a major win for the mental health regions.

Any unobligated and unencumbered funds are to be reserved in a county services fund for the next fiscal year, but not counted within the 40% reserve limitation.

Gov. Reynolds signed HF 691 on May 1.

Children's Mental Health Bill: HF 690

While the General Assembly passed and the Governor signed a high-profile

Children's Mental Health bill (HF 690) that set up a structure for delivering mental health services to children, the priority for Mental Health advocates for sustainable funding was not accomplished.

House File 690 establishes a Children's Behavioral Health System; a Children's Behavioral Health System State Board; eligibility requirements and core services; new duties of the Department of Human Services (DHS) Division of Mental Health and Disability Services; regional mental health services provided through the adult Mental Health and Disability Services (MH/DS) system; and regional governance.

The bill includes Crisis Residential, Mobile Crisis Response, Prescribing and

Medication Management, Therapy Services, Assessment for Eligibility and Inpatient Psychiatric Hospital. While there are planning groups, the MH regions are in charge of organizing the Children's system but there are small amounts of funds scattered throughout the state budget to start the program, but no substantial, sustainable funding was passed.

There was a small amount of funds re-allocated within the Education Budget Area Agency on Education for mental health services and a small amount within the

Department of Human Services, both of which would serve children's services. But there are no funds for the children's coordinators and only an increase of \$200,000 for the ACT team funding (further discussed in next section).

Department of Human Services Budget: HF 766

Less good news in the Health and Human Services Budget bill, House File 766, which was signed by Gov. Reynolds on May 3rd. ACT teams were initially funded close to \$1.1 million dollars as negotiations on the budget started.

When the dust from debate settled, however, the ACT team funding has been drastically reduced to \$211,332. Rates shall be adjusted to reflect an actual average per diem cost within the appropriation, per the budget bill.

Other highlights of the HHS budget Bill:

- —\$306K statewide hotline
- -\$50K youth suicide prevention
- —Public health \$40K study ACEs
- —\$2M medical residency programs
- -\$250K DMU training mental illness project
- -\$400K rural psychiatric residencies
- —\$150K workforce expansion mental health PAs or ARNPs
- —Public health Lobbying -prohibition of using funds distributed for lobbying
- —\$950K public health and DHS to integrate substance use treatment create an integrated managed care system
- —\$1.2M for waiting list for children's MH waiver
- —ACT team additional reimbursement of \$211,332
- DHS prohibited use of funds for lobbying
- —Graduated sanction, court-ordered, and group foster care services and funding workgroup

- —Co-occurring conditions enhanced delivery of services review
- MCO contract notifications to general assembly
- -Medicaid pre auth uniform process central portal

County Compensation Boards

This issue failed to gain traction this session. House File 117 would have created a county compensation board via appointment by a temporary compensation commission. The commission would have been comprised of a representative from each township trustee board or city council located in the county; five of those commissioners would be appointed to the compensation board. Our team was able to kill this bill in committee.

The companion bill, Senate Study Bill 1155, also came out of subcommittee, but failed to advance.

Prisoner's Medical Expense (HF 685)

The counties stayed on the sidelines with this issue this year, as the Sheriff's Association and the Hospital Association battled it out. Senate Study Bill 1074 was initially drafted to make the counties the payor of last resort for inmate medical care, with exceptions for federal inmates, inmates in a city jail, or inmates being detained from another state. The Senate version, however, failed to advance, and the House version (House Study Bill 137/House File 685) was amended to strike all provisions and establish a work group to study and review the current processes for payment of medical aid for county inmates. The work group stakeholders will be the sheriffs, ISAC, and the Iowa Hospital Association. HF 685 has been sent to Gov. Reynolds, but has not been signed as of May 8.

Land Acquisition

One of the more contentious bills this session was the land acquisition bill, Senate File 548 (formerly Senate Study Bill 1221). The bill repealed a tax credit which allows a person or corporation to use for a charitable conservation contribution to a qualified conservation organization (specifically, the lowa Natural Heritage Foundation).

Furthermore, the bill prohibited water pollution control projects from including the acquisition of real property for a future donation or sale to a political subdivision, the DNR, or the federal government. Those groups would also be prohibited from acquiring land owned by a private entity using the revolving loan funds from the Clean Water Act/Safe Drinking Water Act.

Gov. Reynolds enacted SF 548 on May 9.

Forest Reserve Tax Credit

The effort to repeal the Forest Reserve Tax Credit (Senate File 5) resulted in several subcommittee meetings but no action as a result of individuals and groups attending and protesting the bill.

It appeared that Farm Bureau was the only group supporting it, claiming that it resulted in property taxes being raised on non-credited property.

The bill is still alive for next year in committee.

Transporting Excessive Weights/Raw Forest Products

This bill underwent several redrafts as it passed committees before the Senate version (Senate File 629) was messaged to Gov. Reynolds. In essence, this bill will include divisible loads under certain permit requirements to operate at a maximum of 20,000 pounds per axle. It creates a statewide application system to issue permits for the operation of vehicles with an excessive weight. It also requires a bill of lading. This bill was sent to the Governor, but had yet to be signed as of May 8.

Unfunded Mandates: DHS Office Costs (SSB 1060)

The Urban County Coalition got some attention to one of its unfunded state mandates in the Senate State Government Committee with SSB 1060.

Senator Roby Smith formed a subcommittee of Senators Cournoyer and himself along with Senator Bisignano from Des Moines. They recommended committee passage, but it was never taken up in Senator Smith's committee for a vote.



2019 Legislative Priorities

The Urban County Coalition is a coalition of the five largest counties in eastern Iowa. We are committed to preserving local control and decision-making authority to give our constituents the greatest control and accountability over their governments. We believe that Thomas Jefferson was correct when he said, "The government closest to the people, serves the people best."

Commercial Property Tax Backfill - Counties consistently try to find efficiencies in how they spend taxpayer resources. From 2013 to 2016 the county budgets in the UCC have increased about 1.6%, while the state's budget during the same period has increased by 18%. The state made a commitment to backfill the revenue loss that was a result of the reduction in the commercial and industrial property tax rates. In addition, the changes in the multi residential rates took effect in FYI 7 (and is not backfilled) which will have an additional adverse effect on local revenues. We expect the State to make sure it continues to follow through on its promise to backfill the property tax loss.

Mental Health Funding_-We appreciate that the legislature followed through on the recommendation of SF 504 and appointed an interim study committee to address the issues of mental health funding. These issues are simply too important to wait until we have another funding crisis. While regions work through the process of complying with the directives of SF 504 and HF 2456, the legislature should keep its promise and discuss permanent funding solutions. In addition, we still strongly oppose any transfer of additional responsibilities from the state to regions without the commitment to provide additional resources. Without this commitment, the state would be placing an additional burden on local property taxes.

Children 's mental health programs- Regions understand that is does make sense to have one entity coordinating the spectrum of mental health care for lowans, but we strongly oppose any additional responsibilities for local governments without providing additional funding. Simply raising the current mental health levy cap puts an unjustifiable burden on local property tax payers. The state must be a reliable partner in funding any additional responsibilities placed on regions.

Additional Issues

Unfunded and Underfunded Mandates - We encourage the Legislature to act to reduce the instances of cost shifting identified and eliminate the burdens these place on property tax payers. The two areas that have the largest impact on local property taxes are colocation of state offices (DHS) and courthouse maintenance and security, but there are many others.

Housing State Offices at Local Taxpayer Expense — Currently some counties are forced to house a variety of state agencies (DHS and the Courts, for example) and receive little or no reimbursement from the State. In addition, counties are forced to pay for expenses such as postage and office supplies at local taxpayer's expense. We request that the State no longer require that counties subsidize the local office expenses of state agencies. We would encourage the legislature to pay particular attention to the document storage requirements of the Department of Human Services,

- Courthouse Security and expenses- Like the housing of state agencies, local taxpayers are bearing the entire burden of upgrading, modifying, or even replacing aging courthouses, There is a court expense added to virtually every criminal or civil action but none of this money goes to pay actual courthouse expenses, We would request that the state allocate a portion of these funds to counties for courthouse maintenance and security. This is also an area where the state imposes costs on local governments by not moving the agencies to a paperless document storage program like it has other state agencies.
- Paper Document Storage Publishing Costs Reduce publishing costs to local governments to publish meeting, and legal notices on-line and require only a summary to be published in local print outlets. Additionally, allow counties to publish in only one newspaper. We would also encourage the legislature to provide a more clear definition of proceedings.

EMS Services - We encourage the state to work with counties and municipalities to help find ways to expand emergency medical services and to expand it to essential service designation. Rural Iowans deserve the same access to emergency services that those in more urban areas enjoy. In many areas of our state it simply takes too long to respond to a medical emergency. Additionally, when emergency services are available, those responding often lack the necessary training to provide advanced lifesaving aid. Where you live in Iowa should not determine if you live.

Iowa Public Employees Retirement System: Iowa has one of the most solvent and well-funded public retirement systems in the United States. It has maintained that status with conservative investment policies and conservative growth projection. IPERS is an important and effective recruiting tool to help government agencies attract talented workers. We would encourage the legislature to carefully consider the long-term implications to that viability before any changes are made to the current system.

Water Quality - We support the funding of the Iowa Water and Land Legacy fund established by constitutional amendment. We would also ask the legislature to look closely at local partnerships that have been established and are having an effect. These efforts, including watershed management authorities, should be given the resources they need to make sure the work they are doing can continue. We believe that any additional solution that is considered should include a shared financial burden between both urban and rural partners.

Opioid Epidemic - The UCC recognizes the spread of opioid-related abuse and deaths, including abuse and deaths related to the use of heroin and abuse of prescription drugs, and the effects this abuse has on communities. The UCC encourages the General Assembly to seek additional measures that mitigate and curb the abuse of opioids and other injection-drugs. We appreciate the action the legislature took to enhance the Iowa Prescription Management, a key part of any strategy employed to reduce the use of the abuse of prescription drugs. The UCC thanks the Legislature for beginning to address the opioid crisis during the 2018 session. Though opioid-related deaths in Iowa are down, opioid abuse causes other impacts on Iowa families, including:

- An increase in accessing and using the family courts or DHS services as children are removed from homes where opioid abuse is present;
- An increase in accessing mental health services and trauma-informed care for children in families or homes where opioid abuse has been present;

The UCC continues to encourage the Legislature to adequately fund the drug courts.

Tax Credits: Tax credits play a major role in rebuilding communities. While we understand that these programs should be used judiciously, we believe that the current tax credit programs work (such as Historic Tax Credit, the Endow Iowa Tax Credit, and the Renewable Energy tax credits). Any policy that proposes to change the way these credits currently work should be carefully balanced against the economic/tourist value if implemented.

Tax Increment Financing: We understand that this is an important tool (and one of the few left) to local governments to encourage economic development. Should changes be considered, we ask that the legislature make counties more active partners in the use of TIFs.

Medicaid reimbursement to County owned facilities: Counties that still have county hospitals are not receiving the state set rate for RCF services. MOO's are paying the lower negotiated rate (80%). The counties in the UCC that are providing these services did not negotiate this rate and in the absence of a negotiated rate the MCO's should be required to pay the state rate. The current system of managed care has failed and the Legislature must address the issue by returning to the previous system or finding other sustainable options.

REAP - We encourage the Legislature and the Governor to fully fund the program at the \$20 million level.

Trail Funding - We believe that these funds should be focused on identifying and addressing the issues of trail connectivity across our state.

County Bonding - We believe that in matters of public finance, counties should be treated in the same manner as cities. We support allowing counties the same flexibility in bonding for certain projects that the cities currently enjoy. We also ask that the limit be raised to a consistent level with cities, currently five million dollars. In addition, the definitions of essential county purpose have not been updated to address new challenges faced by counties. We ask that the following categories be added to essential county purposes: disaster recovery, disaster mitigation, water quality initiatives and courthouse improvements and upgrades.

Emergency Management Agency Funding — The current funding formula does not adequately address the needs of the urban counties in Iowa. Eliminate the funding cap on urban counties. We also encourage the State to pass through 80% of the federal funding it receives to counties.

Early Voting—the UCC requests that the legislature return to an early voting period of 40 days rather the current 29 days.

Update State Noxious Weed Law - The threat of invasive plant species is a quickly growing problem across all of Iowa. The current Noxious Weed Law (Code of Iowa Chapter 317) addresses the control and seed production of mainly agricultural problematic species. But since the creation of Iowa's Noxious Weed Law in the 1920s, many other invasive plant species have spread across Iowa. Because these very problematic invasive plant species are not regulated within the Iowa Noxious Weed Law, there is little County Weed Commissioners can do to combat and manage these species. Legislative action and appropriate funding is critical to modernize and update the State Noxious Weed Law, including bringing together multiple partners and stakeholders such as Farm Bureau, Iowa Department of Natural Resources,

IDALS, Iowa Weed Commissioners Association and private landowners for input to more effectively and efficiently manage the threat of existing noxious weeds and invasive species.

Maintain jurisdiction of children in juvenile court - All children deserve to have their cases served in juvenile court systems, where they can have their individual needs and the specifics of their case considered. To achieve this (Code of Iowa 232.8) the law should be changed to ban the placement of children in adult jails and to remove "statutory exclusion" which automatically transfers children accused of certain offenses to adult court, thereby removing the discretion of juvenile court judges to evaluate on a case-by-case basis.



Fiscal Note



Fiscal Services Division

SF 634 – City and County Property Tax Revenue Limitation (LSB2777SV)

Analyst: Jeff Robinson (515.281.4614) jeff.robinson@legis.iowa.gov Fiscal Note

Version - New

Description

Senate File 634 relates to property tax. The Bill:

- Removes the existing property tax rate limits for city general funds, county general funds, and county rural funds.
- Creates a property tax revenue annual growth limitation for counties (separately for general services and rural services) and cities effective in FY 2021. Annual property tax revenue growth is initially equal to 0.0%. A city council or board of supervisors (governing body) is allowed to establish a higher revenue growth percent of up to 2.0% for a year by resolution. If additional requirements are met, including two-thirds approval of the governing body, the revenue growth may be as high as 3.0% for a year.
- For cities, funding for employee retirement and pension costs, debt service, and capital projects are excluded from the revenue limit calculation and may be funded separately through property tax revenue. In addition, several additional levies currently authorized under lowa Code section 384.12 are allowed but not included in the revenue limit.
- For counties, funding for employee retirement and pension costs, mental health and disability services, cemetery care, emergency services, debt service, and capital projects are excluded from the revenue limit calculation and may be funded separately through property tax revenue.
- In addition to the property tax growth of up to 3.0%, the property tax revenue budgets of cities and counties will be allowed to increase by the tax dollar impact of taxable value increases that are not the result of revaluation of existing property, such as new construction and annexation.
- Establishes a Property Tax Advisory Group to comprehensively analyze the existing property tax laws, rules, programs, and systems of lowa. The Group is to annually provide input, feedback, and recommendations to the Department of Revenue (DOR). The Group is to provide an annual report to the DOR and the General Assembly by January 1 of each of the next six years (January 1, 2020, through January 1, 2025).
- Modifies the eligibility for the Homestead Property Tax Credit for taxpayers who are aged 65 or older and have household income of less than 250.0% of the federal poverty level. The modification freezes the property tax amount due on qualified properties, with the State General Fund paying all property taxes due that are above the frozen amount.

 Requires county and city assessors to use the most recent state appraisal manual available within two years of it becoming available. Upon request, the DOR may allow an extension of up to two additional years to comply with this requirement.

Background — Property Tax Revenue Limitation

A discussion of the 18-year history of city and county property tax is presented in the <u>Fiscal Note</u> for <u>HF 773</u> (City and County Property Tax Limitation Bill) and that discussion is incorporated here by reference. The portions of the **Fiscal Note** for HF 773 that discuss city and county ending fund balances do not apply to this Bill, as this Bill does not limit city and county ending fund balances.

The statistics presented in the *Fiscal Note* for <u>HF 773</u> may be summarized as follows:

- Over the past 18 years, the average annual rate of growth for property tax revenue has been:
- Cities = 4.1%
- County general services = 4.2%
- County rural services = 3.7%
- Property tax revenue increases and decreases are due to two factors: changes in the tax base and changes to the tax rate. Over the past 18 years, the average annual rate of growth in tax rates equaled:
- Cities = 0.4%
- County general services = 0.8%
- County rural services = 0.8%
- Changes to the tax base may be summarized in two broad categories, namely the revaluation of
 existing property and nonrevaluation changes (for the most part this means new construction).
 The average annual change in nonrevaluation over the past 18 years equals:
- Cities = 2.4%
- County general services = 2.1%
- County rural services = 1.5%
- Revaluation changes to taxable value result from the revaluation of existing property, modified by Iowa's system of value rollbacks. The average annual change in rollbackmodified revaluation over the past 18 years equals:
- Cities = 1.3%
- County general services = 1.3%
- County rural services = 1.5%
- The rate of growth in revaluation was not consistent across the past 18 years.
- For the first eight years, revaluation was dominated by low and negative growth in agricultural
 taxable value, combined with low growth in taxable value of residential property. The low
 residential taxable value growth was due to the residential rollback's tie to the taxable value of
 agricultural property.
- The next 10 years witnessed a return to growth in taxable value of agricultural property, and that allowed residential taxable value to also increase.

• The increase in property tax rates over the past 18 years occurred during the initial eight years of slow growth in taxable value. Over the most recent 10 years, the average city and county general rates have fallen, and the average county rural rate is little changed.

Assumptions — Property Tax Freeze for Older Homeowners

Division III of the Bill creates an Elderly Property Tax Credit to offset increases in property tax levies of homesteads owned by persons who are at least 65 years of age and whose annual household income is not more than 250.0% of federal poverty guidelines. The new credit applies to claims filed on or after January 1, 2020, for assessment years beginning on or after January 1, 2019. The effect of the credit will be to ensure that the property tax payment of a qualified homeowner does not increase above a base year amount. The credit is funded by the

State General Fund through the Homestead Tax Credit appropriation.

Fiscal impact assumptions include:

- Based on U.S. Census Bureau data, there are 117,347 homes owned in Iowa by persons 65 years of age or older with household income less than 250.0% of federal poverty guidelines. This eligible homeowner total of 117,347 is assumed to increase 2.8% per year.
- Based on U.S. Census Bureau data, the average assessed value of homes owned by eligible homeowners is assumed to be \$127,039. With the residential rollback currently at 56.9180% of assessed value, the average taxable value, before credits, is \$72,279. Taxable value is assumed to increase 2.0% per year.
- The FY 2019 average statewide residential property tax rate is \$34.62 per \$1,000 of taxable value. This tax rate is assumed to be constant for all years.
- To account for homeowners who sell their home, lose eligibility due to excess income, or otherwise
 no longer qualify for the tax freeze, the number of calculated homeowners will decrease by 1.35%
 per year.
- The Homestead Tax Credit will be fully funded in all years.
- Some homeowners eligible for the tax freeze will also be eligible for the Elderly and Disabled Property Tax Credit. The DOR estimates that \$4.1 million in credits is already accounted for within the appropriation for the Elderly and Disabled Property Tax Credit. For this reason, the calculated fiscal impact is reduced \$4.1 million for each year.

Fiscal Impact

Property Tax Revenue Limitations

The Bill basically replaces revaluation and tax rate growth with a limit on property tax revenue.

The Bill allows county and city property tax revenue for general purposes to increase by up to 2.0% per year through a majority vote of the governing body. Over the past 18 years, city property tax revenue has increased, as a result of revaluation and rate increases, by an average of 1.7% per year. For county general and county rural property taxes, growth has averaged 2.1% and 2.3%, respectively. The

remainder of property tax revenue growth for cities and counties over the past 18 years has been the result of nonrevaluation changes, and that for the most part means new construction.

This historical review is based on statewide totals for cities and counties. That means the composite result of more than 900 cities and 99 counties. An analysis of individual cities and counties would be informative. However, time and data limitations do not allow for an analysis at the local government level. In addition, the Bill applies to the future and an historical analysis tells little about what will happen in the future.

If the coming years produce little in the way of property revaluation, the Bill will allow cities and counties to increase property tax revenue as long as local governments are willing to approve the property tax rate increases needed to raise the allowed revenue. This situation becomes more likely if agricultural taxable values fall and the agricultural tie once again reduces residential taxable revaluating growth to zero.

Or, the situation could return to an era of significant inflation like that of the late 1970s and early 1980s. If this were to occur, actual property values will rise more quickly, and the property tax revenue restrictions will result in lower property tax rates.

Property Tax Freeze for Older Homeowners

The new credit designed to freeze property tax payments for qualified older Iowa homeowners is projected to increase the General Fund standing unlimited appropriation for the Homestead Property Tax Credit by the following amounts:

- FY 2021 = \$1.7 million
- FY 2022 = \$7.5 million

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    FY 2023 = $13.4 million • FY 2024 = $19.2 million • FY 2025 = $24.9 million • FY 2026 = $30.8 million • FY 2027 = $36.3 million • FY 2028 = $41.7 million
    FY 2029 = $47.1 million • FY 2030 = $52.4 million
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Growth in the General Fund appropriation will continue in future years until the number of qualified homeowners begins to decline.

Other Considerations

The new Property Tax Advisory Group will result in additional administrative expenses for the DOR and likely for the Department of Management.

Mandating that assessors use the most recent state appraisal manual may create additional training and other costs for city and county assessors who do not currently utilize the most recent manual.

The Department of Management reports that the Bill will require the Department to develop a new system to accept and analyze data from counties that is not currently collected by the State. The Bill will also require the Department to make significant alterations to existing city and county online budget software. Based on an Office of the Chief Information Officer estimate for a new data collection system and Department of Management experience with resources needed to make considerable changes to form and function of budget forms, the Department estimates the system modifications will cost \$225,000 or more. Rulemaking and implementation would begin immediately upon adoption. The Department does not expect the Bill to require the addition of employees.

Sources

Department of Management property tax files

Department of Revenue property valuation reports

Fiscal Note for HF 773 (City and County Property Tax Limitation Bill)

Legislative Services Agency analysis

U.S. Census Bureau 2012-2016 American Community Survey

Regional Economic Models, Inc. (REMI)

U.S. Department of Health and Human Services

/s/ Holly M. Lyons

April 23, 2019

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

Senate File 634 - Enrolled

Senate File 634

AN ACT

RELATING TO LOCAL GOVERNMENT BUDGETS AND PROPERTY TAXATION

BY MODIFYING PROVISIONS GOVERNING THE ESTABLISHMENT AND APPROVAL OF COUNTY AND CITY BUDGETS, MODIFYING PROVISIONS RELATING TO THE STATE APPRAISAL MANUAL, AND INCLUDING APPLICABILITY PROVISIONS.

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

DIVISION I

COUNTY AND CITY PROPERTY TAX PUBLIC HEARING AND RESOLUTION Section 1. Section 24.17, unnumbered paragraph 1, Code 2019, is amended to read as follows:

The local budgets of the various political subdivisions shall be certified by the chairperson of the certifying board or levying board, as the case may be, in duplicate to the

county auditor not later than March 15 of each year on forms, and pursuant to instructions, prescribed by the department of management. However, if the political subdivision is a <u>county</u>

or a city, its budget shall be certified not later than March 21 of each year, and if the political subdivision is a school

district, as defined in section 257.2, its budget shall be certified not later than April 15 of each year.

Sec. 2. Section 24.27, Code 2019, is amended to read as follows:

24.27 Protest to budget.

Not later than March 25, or April 10 for a county or a

city, or April 25 if the municipality is a school district, a number of persons in any municipality equal to one-fourth of one percent of those voting for the office of governor, at the last general election in the municipality, but the number shall not be less than ten, and the number need not be more than one hundred persons, who are affected by any proposed budget, expenditure or tax levy, or by any item thereof, may appeal from any decision of the certifying board or the levying board by filing with the county auditor of the county in which the municipal corporation is located, a written protest setting

forth their objections to the budget, expenditure or tax levy, or to one or more items thereof, and the grounds for their objections. If a budget is certified after March 15, or March

31 in the case of a county or a city, or April 15 in the case of

a school district, all appeal time limits shall be extended to correspond to allowances for a timely filing. Upon the filing of a protest, the county auditor shall immediately prepare a true and complete copy of the written protest, together with the budget, proposed tax levy or expenditure to which objections are made, and shall transmit them forthwith to the state board, and shall also send a copy of the protest to the certifying board or to the levying board, as the case may be. Sec. 3. Section 24.48, subsection 4, Code 2019, is amended to read as follows:

- 4. a. The city finance committee shall have officially notified any city of its approval, modification or rejection of the city's appeal of the decision of the director of the department of management regarding a city's request for a suspension of the statutory property tax levy limitation prior to thirty-five days before March 15-31.

 b. The state appeals board shall have officially notified any county of its approval, modification or rejection of the county's request for a suspension of the statutory property tax levy limitation prior to thirty-five days before March 15.
 - Sec. 4. Section 76.2, subsection 1, paragraph b, Code 2019,

is amended to read as follows:

b. If the resolution is filed prior to April 1, or April 15,

if the political subdivision is a county or a city, or May 1, if

the political subdivision is a school district, the annual levy shall begin with the tax levy for collection commencing July 1 of that year. If the resolution is filed on or after April 1, or April 15, in the case of a county or a city, or May 1, in

the case of a school district, the annual levy shall begin with the tax levy for collection in the next succeeding fiscal year. However, the governing authority of a political subdivision may

adjust a levy of taxes made under this section for the purpose

of adjusting the annual levies and collections for property severed from the political subdivision, subject to the approval of the director of the department of management. Sec.

- 5. NEW SECTION. **331.433A Resolution establishing** maximum property tax dollars —— notice
- 1. For purposes of this section, unless the context otherwise requires:
- a. "Budget year" is the fiscal year beginning during the calendar year in which a budget is certified.
- b. "Current fiscal year" is the fiscal year ending during the calendar year in which a budget for the budget year is certified.
 - c. "Effective property tax rate" means the property tax rate per one thousand dollars of assessed value and is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for levy under the levies specified in subsection 2, paragraph "a" or "b", as applicable, divided by the total assessed value used to

calculate taxes for the budget year.

2. For budget years beginning on or after July 1, 2020, prior to filing the proposed budget with the auditor under section 331.434, subsection 2, the board shall adopt a resolution establishing the total maximum property tax dollars that may be certified for levy for general county services and the total maximum property tax dollars that may be certified services that includes the following, as applicable:

for levy for rural county

a. For general county services, the sum of the property

tax dollars levied under section 331.423, subsection 1,

section 331.424, subsection 1, and those amounts for general county services under section 331.426, but excluding additions approved at election under section 331.425.

b. For rural county services, the sum of the property tax dollars levied under section 331.423, subsection 2, section

331.424, subsection 2, and those amounts for rural county services under section 331.426, but excluding additions approved at election under section 331.425.

- 3. The maximum property tax dollars calculated and approved by resolution under this section includes those amounts received by the county as replacement taxes under chapter 437A or 437B.
- 4. *a*. The board shall set a time and place for a public hearing on the resolution before the date for adoption of the resolution 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. If the county

has an internet site, the notice shall also be posted and clearly identified on the county's internet site for public viewing beginning on the date of the newspaper publication.

Additionally, if the county maintains a social media account on one or more social media applications, the public hearing

notice or an electronic link to the public hearing notice shall be posted on each such account on the same day as the publication of the notice. All of the following shall be included in the notice:

- (1) The sum of the current fiscal year's actual property taxes certified for levy for general county services and the sum of the current fiscal year's actual property taxes for rural county services under the levies specified in subsection 2, paragraphs "a" and "b", and the current fiscal year's combined property tax levy rate for each such amount.
- (2) The effective tax rate for general county services and the effective tax rate for rural county services calculated using the sum of the current fiscal year's actual property county services and

the sum of the current fiscal year's actual property taxes certified for levy for rural county services under the

levies specified in subsection 2, paragraphs "a" and "b", as applicable.

- (3) The proposed maximum property tax dollars that may be certified for levy for general county services and certified for levy for rural county services under the levies specified in subsection 2, paragraphs "a" and "b", as applicable, for the budget year and the proposed corresponding combined property tax levy rate for each such amount.
 - (4) If the proposed maximum property tax dollars specified

under subparagraph (3) for either general county services or rural county services exceeds the current fiscal year's actual property tax dollars certified for levy for general county services or for rural county services as specified in subparagraph (1), a statement of the major reasons for the increase.

b. Proof of publication shall be filed with and preserved by the auditor. The department of management shall prescribe the form for the public hearing notice for use by counties and the form for the resolution to be adopted by the board under subsection 5. 5. a. At the public hearing, the board shall receive oral or written objections from any resident or property owner of the county. After all objections have been received and considered, the board may decrease, but not increase, the proposed maximum property tax dollar amounts for inclusion in the resolution and shall adopt the resolution and file the resolution with the auditor as required under section 331.434, subsection 3. b. If the sum of the maximum property tax dollars for the budget year specified in the resolution for either general county services or for rural county services under the levies specified in subsection 2, paragraphs "a" and "b", as

for general county services or

levies specified in subsection 2, paragraphs "a" and "b", as applicable, the board shall be required to adopt the resolution by a two-thirds majority of the membership of the board.

applicable, exceeds one hundred two percent of the sum of the

current fiscal year's actual property taxes certified for levy

c. If the county has an internet site, in addition to

rural county services under the

filing the resolution with the auditor under section 331.434, subsection 3, the adopted resolution shall be posted and clearly identified on the county's internet site for public viewing within ten days of approval by the board. The posted resolution for a budget year shall continue to be accessible for public viewing on the internet site along with resolutions posted for all subsequent budget years.

Sec. 6. Section 331.434, unnumbered paragraph 1, Code 2019, is amended to read as follows:

Annually, the board of each county, subject to section 331.403, subsection 4, sections 331.423 through 331.426, section 331.433A, and other applicable state law, shall prepare and adopt a budget, certify taxes, and provide appropriations as follows:

Sec. 7. Section 331.434, subsection 3, Code 2019, is amended to read as follows:

3. The Following, and not until adoption of the resolution under section 331.433A, the board shall set a time and

place for a public hearing on the 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 and a description of the procedure for budget under section 331.436, in the form

prescribed by the director of the department of management,
shall be included in the notice. Proof of publication of the
notice under this subsection 3 and a copy of the resolution
331.433A shall be filed with and

preserved by the auditor. A levy is not valid unless and until the notice is published and <u>the notice</u> and <u>resolution adopted</u>

<u>under section 331.433A are</u> filed. The department of management shall prescribe the form for the public hearing notice for use by counties.

Sec. 8. Section 331.434, subsection 5, paragraph a, Code 2019, is amended to read as follows:

a. After the hearing, the board shall adopt by resolution a 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. The board shall

not adopt a tax in excess of the estimate published <u>or the</u> applicable amounts specified in the resolution adopted under

section 331.433A, except a tax which is approved by a vote of the people, and a greater tax than that adopted shall not be levied or collected. A county budget and certificate of taxes adopted for the following fiscal year becomes effective on the first day of that year.

Sec. 9. Section 331.434, subsection 7, Code 2019, is amended to read as follows:

7. Taxes levied by a county whose budget is certified after March <u>15-31</u> shall be limited to the prior year's budget amount.

However, this penalty may be waived by the director of the department of management if the county demonstrates that the March <u>45-31</u> deadline was missed because of circumstances beyond the control of the county.

Sec. 10. Section 331.435, Code 2019, is amended to read as follows:

331.435 Budget amendment.

- 1. The board may amend the adopted county budget, subject to sections 331.423 through 331.426 and other applicable state law, to permit increases in any class of proposed expenditures contained in the budget summary published under section 331.434, subsection 3.
- 2. The board shall prepare and adopt a budget amendment in the same manner as the original budget, as provided in section
 331 434 but excluding the requirements for adoption of the resolution.
- 331.434, <u>but excluding the requirements for adoption of the</u> <u>resolution under section</u> <u>331.433A,</u> and the amendment is subject

to protest as provided in section 331.436, except that the director of the department of management may by rule provide that amendments of certain types or up to certain amounts may be made without public hearing and without being subject to protest. A county budget for the ensuing fiscal year shall be amended by May 31 to allow time for a protest hearing to be held and a decision rendered before June 30. An amendment of a budget after May 31 which is properly appealed but without adequate time for hearing and decision before June 30 is void. Sec. 11. Section 331.436, Code 2019, is amended to read as follows:

331.436 Protest.

Protests to the adopted budget must be made in accordance with sections 24.27 through 24.32 as if the county were the municipality under those sections except that the protest
must be filed no later than April 10 and the number of people necessary to file a protest under this section shall not be less than one hundred.

Sec. 12. Section 384.2, unnumbered paragraph 1, Code 2019, is amended to read as follows:

Except as otherwise provided for special charter cities, a city's fiscal year shall be as provided in section 24.2, subsection 3. All city property taxes must be certified by a city to the county auditor on or before the fifteenth day of March 31 of each year, unless otherwise provided by state law.

However, municipal utilities, if not supported by taxation or the proceeds of outstanding indebtedness payable from taxes may, with the council's consent, choose to operate on a fiscal year which is the calendar year. The receipt by the utility of payments from other governmental funds for public fire protection, street lighting, or

other public use of the utility's services shall not be deemed support by taxation.

After notice and hearing in the same manner as required for the

After notice and hearing in the same manner as required for the city's regular budget under section 384.16, the utility budget must be approved by resolution of the council not later than

twenty days prior to the beginning of the calendar year for which the budget applies.

- Sec. 13. <u>NEW SECTION</u>. **384.15A Resolution establishing** maximum property tax dollars —— notice —— hearing. 1. For purposes of this section, unless the context otherwise requires:
- a. "Budget year" is the fiscal year beginning during the calendar year in which a budget is certified.
- b. "Current fiscal year" is the fiscal year ending during the calendar year in which a budget for the budget year is certified.
 - c. "Effective property tax rate" means the property tax rate per one thousand dollars of assessed value and is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for levy under the levies specified in subsection 2 divided by the total assessed

value used to calculate taxes for the budget year.

2. For budget years beginning on or after July 1, 2020, prior to the period of time for distribution of the budget under section 384.16, subsection 2, the council shall adopt a resolution establishing the total maximum property tax dollars that may be certified for levy that includes taxes for city government purposes under section 384.1, for the city's trust and agency fund under section 384.6, subsection 1, for the

city's emergency fund under section 384.8, and for the levies authorized under section 384.12, subsections 8, 10, 11, 12, 13, 17, and 21, but excluding additions approved at election under section 384.12, subsection 19.

- 3. The maximum property tax dollars calculated and approved by resolution under this section includes those amounts received by the city as replacement taxes under chapter 437A or 437B.
- 4. a. The council shall set a time and place for a public hearing on the resolution before the date for adoption of the resolution and shall publish notice of the hearing not less than ten nor more than twenty days prior to the hearing in a newspaper published at least once weekly and having general circulation in the city. However, if the city has a population of two hundred or less, publication may be made by posting in three public places in the city. If the city has an internet

site, the notice shall also be posted and clearly identified on the city's internet site for public viewing beginning on

the date of the newspaper publication or public posting, as applicable. Additionally, if the city maintains a social media account on one or more social media applications, the public hearing notice or an electronic link to the public hearing notice shall be posted on each such account on the same day as the publication of the notice. All of the following shall be included in the notice:

(1) The sum of the current fiscal year's actual property taxes certified for levy under the levies specified in subsection 2 and the current fiscal year's combined property

tax levy rate for such amount that is applicable to taxable property in the city other than property used and assessed for agricultural or horticultural purposes.

- (2) The effective tax rate calculated using the sum of the current fiscal year's actual property taxes certified for levy under the levies specified in subsection 2, applicable to taxable property in the city other than property used and assessed for agricultural or horticultural purposes.
- (3) The sum of the proposed maximum property tax dollars that may be certified for levy for the budget year under the levies specified in subsection 2 and the proposed combined

property tax levy rate for such amount applicable to taxable property in the city other than property used and assessed for agricultural or horticultural purposes.

- (4) If the proposed maximum property tax dollars specified under subparagraph (3) exceeds the current fiscal year's actual property tax dollars certified for levy specified in subparagraph (1), a statement of the major reasons for the increase.
- b. Proof of publication shall be filed with and preserved
 by the county auditor. The department of management shall
 prescribe the form for the public hearing notice for use by cities and the form for the resolution to be adopted by the council under subsection 5.
- 5. a. At the public hearing, the council shall receive oral or written objections from any resident or property owner of the city. After all objections have been received and considered, the council may decrease, but not increase, the proposed maximum property tax dollar amount for inclusion in the resolution and shall adopt the resolution and file the resolution with the county auditor as required under section 384.16, subsection 3.
 - b. If the sum of the maximum property tax dollars for the budget year specified in the resolution under the levies specified in subsection 2 exceeds one hundred two percent of the sum of the current fiscal year's actual property taxes certified for levy under the levies specified in subsection 2, the council shall be required to adopt the resolution by a two-thirds majority of the membership of the council.

 c. If the city has an internet site, in addition to

filing the resolution with the auditor under section 384.16, subsection 3, the adopted resolution shall be posted and

clearly identified on the city's internet site for public
viewing within ten days of approval by the council. The posted
resolution for a budget year shall continue to be accessible for public viewing on the
internet site along with resolutions posted for all subsequent budget years.
Sec. 14. Section 384.16, unnumbered paragraph 1, Code 2019, is amended to read as follows:

Annually, a city that has satisfied the requirements of <u>section 384.15A and section 384.22, subsection 3</u>, shall prepare and adopt a budget, and shall certify taxes as follows: Sec. 15. Section 384.16, subsections 3, 5, and 6, Code 2019, are amended to read as follows:

3. The Following, and not until adoption of the resolution

under section 384.15A, the council shall set a time and place for public hearing on the budget before the final certification date and shall publish notice of the hearing not less than ten nor more than twenty days before the hearing in a newspaper published at least once weekly and having general circulation in the city. However, if the city has a population of two

hundred or less, publication may be made by posting in three public places in the city. A summary of the proposed budget

and a description of the procedure for protesting the city budget under section 384.19, in the form prescribed by the director of the department of management, shall be included in the notice. Proof of publication of the notice under this

subsection 3 and a copy of the resolution adopted under section

<u>384.15A</u> must be filed with the county auditor. The department of management shall prescribe the form for the public hearing notice for use by cities.

5. After the hearing, the council shall adopt by resolution a budget for at least the next fiscal year, and the clerk shall certify the necessary tax levy for the next fiscal year to the county auditor and the county board of supervisors.

The tax levy certified may be less than but not more than the amount estimated in the proposed budget submitted at

the final hearing <u>or the applicable amount specified in the resolution adopted under section</u> <u>384.15A</u>, unless an additional

tax levy is approved at a city election. Two copies each of the detailed budget as adopted and of the tax certificate must be transmitted to the county auditor, who shall complete the certificates and transmit a copy of each to the department of management.

6. Taxes levied by a city whose budget is certified after March <u>15-31</u> shall be limited to the prior year's budget amount.

However, this penalty may be waived by the director of the department of management if the city demonstrates that the March <u>15-31</u> deadline was missed because of circumstances beyond the control of the city.

Sec. 16. Section 384.17, Code 2019, is amended to read as follows:

384.17 Levy by county.

At the time required by law, the county board of supervisors shall levy the taxes necessary for each city fund for the following fiscal year. The levy must be as shown in the adopted city budget and as certified by the clerk, subject to any changes made after a protest hearing, and any additional tax rates approved at a city election. A city levy is not valid until proof of publication or posting of notice of a budget

hearing is-under section 384.16, subsection 3, and the notice and resolution adopted under section 384.15A are filed with the county auditor.

Sec. 17. APPLICABILITY. This division of this Act applies to city and county budgets and taxes for fiscal years beginning on or after July 1, 2020.

DIVISION II

STATE APPRAISAL MANUAL

Sec. 18. Section 421.17, subsection 17, Code 2019, is amended to read as follows:

17. To prepare and issue a state appraisal manual which each county and city assessor shall use in assessing and valuing all classes of property in the state. The appraisal manual shall be continuously revised and the manual and revisions shall be

issued to the county and city assessors in such form and manner

as prescribed by the director. Each county and city assessor shall use the most recently issued manual in assessing and valuing all classes of property in the state within two years of the publication date of the most recently issued manual. The department may grant an extension of up to two years to

a county or city assessor upon request and demo	nstration of substantial hardship by an
CHARLES SCHNEIDER	LINDA UPMEYER
President of the Senate	Speaker of the House
eighth General Assembly.	
	W. CHARLES SMITHSON
	Secretary of the Senate
Approved, 2019	
	KIM REYNOLDS
	Governor

House File 691 - Enrolled

House File 691

AN ACT

RELATING TO FUNDING OF COUNTY MENTAL HEALTH AND DISABILITY SERVICES BY MODIFYING PROVISIONS RELATING TO THE USE OF SPECIFIED EXCESS CASH FLOW FUNDS, AND INCLUDING EFFECTIVE DATE AND RETROACTIVE APPLICABILITY PROVISIONS.

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

Section 1. Section 331.391, subsection 4, Code 2019, is amended to read as follows:

4. *a*. If a region is meeting the financial obligations for implementation of its regional service system management plan for a fiscal year and residual funding is anticipated,

the regional administrator shall reserve an adequate amount of unobligated and unencumbered funds for cash flow of expenditure obligations in the next fiscal year.

b. For fiscal years beginning July 1, 2017, July 1, 2018, and July 1, 2019, that portion of each region's cash flow amount either reserved in the combined account or reserved among all separate county accounts under the control of the governing board that exceeds twenty-five percent of the gross expenditures from the combined account or from all separate county accounts under control of the governing board in the

fiscal year preceding the fiscal year in progress shall be used—in whole or in part to fund the payment of services provided—under the regional service system management plan under section 331.393.

Each region shall certify to the department of management on or before December 1, 2020-2022, and each December 1 thereafter, the amount of the region's cash flow amount in the combined account that is attributable to each county within the region based upon each county's proportionate amount of funding and contributions to the region or other methodology specified in the regional governance agreement or certify the cash flow amount for each separate county account that is under the control of the governing board at the conclusion of the most recently completed fiscal year.

d. (1) c. For fiscal years beginning on or after July

1, 2021 2023, for each region having a population of one

hundred thousand or over, the region's cash flow amount, either reserved in the region's combined account or reserved among all

<u>separate county accounts under the control of the governing</u> <u>board, shall not exceed twenty forty percent of the gross</u>

expenditures from the combined account or from all separate county accounts under control of the governing board for the fiscal year preceding the fiscal year in progress.

(2) For fiscal years beginning on or after July 1, 2021, for each region having a population of less than one hundred thousand, the region's cash flow amount shall not exceed twenty-five percent of the gross expenditures from the combined account or from all separate county accounts under control of

the governing board for the fiscal year preceding the fiscal year in progress.

- Sec. 2. Section 331.424A, subsection 1, paragraph b, Code 2019, is amended to read as follows:
 - b. "Cash flow reduction amount" means the amount calculated
 under subsection 4 and used to reduce a county budgeted amount under subsection 9 for fiscal years beginning on or after July 1, 2021-2023.
 - Sec. 3. Section 331.424A, subsection 4, Code 2019, is amended to read as follows:
 - 4. a. An amount of unobligated and unencumbered funds, as specified in the regional governance agreement entered into by the county under section 331.392, shall be reserved in the county services fund to address cash flow obligations in the next fiscal year, subject to the limitations of this subsection.
- b. For fiscal years beginning July 1, 2017, July 1, 2018, and July 1, 2019, that portion of each county's cash flow amount reserved in the county services fund that exceeds an amount equal to twenty-five percent of the gross expenditures from the county services fund in the fiscal year preceding the fiscal year in progress shall be used in whole or in part

to fund the county's financial obligations for the payment of services provided under the regional service system management plan under section 331.393.

<u>c. b.</u> Each county shall, as part of the financial report
 required under section 331.403, certify the county's cash flow amount in the county
 services fund at the conclusion of the most recently completed fiscal year.

d.c. For each fiscal year beginning on or after July

1, 2021-2023, of a county's cash flow amount maintained in the county services fund or of the region's cash flow amount attributable to the county under section 331.391, subsection

4, paragraph "ɛ" "b", an amount equal to the county's cash flow reduction amount shall be used to fund the county's financial

obligations for the payment of services provided under the regional service system management plan under section 331.393.

e.d. (1) For each fiscal year beginning on or after July

1, 2021 2023, each county's cash flow reduction amount shall be

determined as follows and shall result in a reduction of the county budgeted amount determined pursuant to subsection 9:

(1) For each county located in a region having a population of one hundred thousand or over, the county's cash flow

reduction amount equals equal to the sum of the county's cash

flow amount in the county services fund plus the most recent amount certified by the region for the county under section

331.391, subsection 4, paragraph "c" "b", minus twenty forty percent of the gross expenditures from the county services fund in the fiscal year preceding the fiscal year in progress. However, the cash flow reduction amount shall not be less than

zero and shall not exceed the county budgeted amount determined

under subsection 9 prior to any reduction resulting from the cash flow reduction amount.

(2) For each county located in a region having a population of less than one hundred thousand, the county's cash flow reduction amount equals the sum of the county's cash flow amount in the county services fund plus the most recent amount certified by the region for the county under section 331.391, subsection 4, paragraph "c", minus twenty-five percent of the gross expenditures budgeted from the county services fund for the fiscal year in progress. However, the cash flow reduction amount shall not be less than zero and shall not exceed the county budgeted amount determined under subsection 9 prior to any reduction resulting from the cash flow reduction amount. For the applicable fiscal years, each county's cash flow

reduction amount calculated pursuant to this paragraph shall result in a reduction of the county budgeted amount determined pursuant to subsection 9.

Sec. 4. Section 331.424A, subsection 9, Code 2019, is amended to read as follows:

9. a. For the fiscal year beginning July 1, 2017, and each subsequent fiscal year, the county budgeted amount determined for each county shall be the amount necessary to meet the county's financial obligations for the payment of services provided under the regional service system management plan approved pursuant to section 331.393, not to exceed an amount equal to the product of the regional per capita expenditure

target amount multiplied by the county's population, and, for

fiscal years beginning on or after July 1, 2021-2023, reduced by the amount of the county's cash flow reduction amount for the fiscal year calculated under subsection 4, if applicable.

b. If a county officially joins a different region, the county's budgeted amount shall be the amount necessary to meet the county's financial obligations for payment of services provided under the new region's regional service system management plan approved pursuant to section 331.393, not to exceed an amount equal to the product of the new region's regional per capita expenditure target amount multiplied by the county's population, and, for fiscal years beginning on or after July 1, 2021-2023, reduced by the amount of the county's cash flow reduction amount for the fiscal year calculated under subsection 4, if applicable.

Sec. 5. COUNTY BUDGET AMENDMENT AND RECERTIFICATION —— REGIONAL SERVICE SYSTEM MANAGEMENT PLAN AMENDMENT.

- To the extent necessary to implement the provisions
 of this Act, a county may amend that portion of the county's
 budget related to cash flow amounts in the county mental health and disability services
 fund for the fiscal year beginning July 1, 2018.
- 2. If this Act takes effect on or after March 15, 2019, notwithstanding section 24.17, for the fiscal year beginning
 July 1, 2019, a county may recertify the county's budget as necessary to implement the provisions of this Act. A budget recertified pursuant to this section must be recertified in duplicate to the county auditor not later than thirty

days after the effective date of this Act, and protests to the budget shall be filed not later than ten days after the county's budget is recertified.

3. To the extent necessary to implement the provisions of this division of this Act, a mental health and disability services region may amend the region's regional service system management plan or annual service and budget plan approved under section 331.393 for the fiscal year beginning July 1, 2018, or for the fiscal year beginning July 1, 2019.

Sec. 6. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes

Sec. 7. RETROACTIVE APPLICABILITY. This Act applies

effect upon enactment.

retroactively to July 1, 2	2018, for fiscal years b	eginning on	or after that date.	
LINDALIDMEVED		CUA	ADI EC CCUMEIDED	
LINDA UPMEYER		CHARLES SCHNEIDER		
Speaker of the House		President of the Senate		
I hereby certify that this eighth General Assembly.	s bill originated in the	House and is	known as House File 691, Eighty-	
		CARMINE BOAL		
		Chief C	Clerk of the House	
Approved	, 2019			
		KIM RE	YNOLDS	
		Govern	or	



Fiscal Note



Fiscal Services Division

HF 690 – Behavioral Health System, Children (LSB1827HVV.1)

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Kent Ohms (515.725.2200) kenneth.ohms@legis.iowa.gov Fiscal Note

Version - Final Action

Description

House File 690 establishes a Children's Behavioral Health System; a Children's Behavioral

Health System State Board; eligibility requirements and core services; new duties of the Department of Human Services (DHS) Division of Mental Health and Disability Services; regional mental health services provided through the adult Mental Health and Disability Services (MH/DS) system; and regional governance.

Background

In the FY 2019 Health and Human Services Appropriations Act (2018 lowa Acts, ch. 1165), the

General Assembly requested a copy of the <u>Strategic Plan for a Children's Behavioral Health System</u> required by the Governor's <u>Executive Order Number Two</u>, which created a Children's System State Board. The Strategic Plan included recommendations that could be acted on in the short and long term. The Strategic Plan envisioned a system that would be built upon the current adult MH/DS system and that could have combined or separate boards, depending on funding. Funding from the General Fund or property tax levies would determine the overall representation and voting membership of the regional boards. Services for children would begin with a behavioral health screening. The timing, responsibility, and location of the screenings would be determined through the administrative rules process. The System would also be built to incorporate a full array of behavioral health core services and supports for children and their families. The work of the State Board and its upcoming meeting schedule can be found here: dhs.iowa.gov/about/mhds-advisory-groups/childrens-system-state-board.

<u>Assumptions — Core Services</u>

Crisis Residential

There will be an average of 16 crisis residential beds in FY 2020 and an average of 62 beds in FY 2021.

- The MH/DS regions will be responsible for an average 20.0% of bed days that are vacant. Of the bed days that are filled, private insurance will cover 56.0% of children, Medicaid will cover 41.0% of children, and 3.0% of children will be uninsured and covered by the MH/DS regions.
- The per diem cost per bed is \$360.19.
- The Medicaid match rate is 60.88% federal and 39.12% State.

Mobile Crisis Response

- Based on information provided by the East Central Iowa MH/DS region, 0.2% of all children in the region use mobile crisis response per year. This estimate is extrapolated across all MH/DS regions.
- The cost per episode of care is \$1,231.
- The total number of children in Iowa is 731,947.
- Private insurance does not cover mobile crisis response services. Medicaid will cover 41.0% of children, 3.0% of children will be uninsured and covered by the MH/DS regions, and the remaining 56.0% of children will be covered by private insurance.
- The Medicaid match rate is 60.88% federal and 39.12% State.

Prescribing and Medication Management

- Only medication management for children with a serious emotional disturbance (SED) will be included.
- This service will likely be for children between 10 and 18 years of age.
- Both private insurance and Medicaid currently cover this service. The MH/DS regions will be responsible for uninsured children.
- There will be 503 uninsured children with an SED who will require this service and will receive eight half-hour visits annually at \$74 per visit.
- The MH/DS regions currently provide approximately \$6,093 per child total per year for this service.

Therapy

- Only therapy for children with an SED will be included.
- Both private insurance and Medicaid currently cover this service. The MH/DS regions will be responsible for uninsured children.
- There will be 503 uninsured children with an SED who will require this service and will receive 21 visits annually at \$74 per visit.
- The MH/DS regions currently provide approximately \$188,266 per year for this service.

Assessment for Eligibility

- Assessments will be available for children of all ages.
- Both private insurance and Medicaid currently cover this service. The MH/DS regions will be responsible for uninsured children.
- There will be 1,098 uninsured children who will require an assessment at \$112 per child.
- The MH/DS regions currently provide approximately \$2,286 per child total per year for this service.

Inpatient Psychiatric Hospital

- Access is available to children who have an SED and are uninsured.
- Most inpatient care is provided to children between 10 and 18 years of age.

- Both private insurance and Medicaid currently cover this service. The MH/DS regions will be responsible for uninsured children.
- The frequency of admissions is 0.63% of the general population.
- There will be approximately 63 uninsured children who will require inpatient psychiatric hospitalization. The reimbursement rate is \$914 per day, and the average length of stay is five days.
- The MH/DS regions currently provide approximately \$10,297 per year for this service.

<u>Assumptions — Regional Management</u>

- Each of the 14 MH/DS regions will hire 1.0 additional full-time equivalent (FTE) position to manage the new requirements of the Children's Behavioral Health System. The MH/DS regions will be responsible for the cost of the new FTE position.
- The average salary and benefits per FTE position is \$75,000 per year. This amount will increase by 2.0% in the second year.
- There will be an additional \$7,000 needed annually per region for support and travel costs.

Fiscal Impact

<u>House File 690</u> is estimated to cost the State \$423,000 in FY 2020 and \$1.3 million in FY 2021 due to the increased cost of Medicaid services. In addition, this Bill is estimated to cost the MH/DS regions \$3.3 million in FY 2020 and \$5.1 million in FY 2021. A detailed breakdown of the estimated cost of each service is listed in **Table 1**.

If private insurance does not cover the cost of crisis residential services as listed in the assumptions, the MH/DS regions will be responsible for an additional \$922,000 in FY 2020 and \$3.6 million in FY 2021.

Table 1 — Estimated Fiscal Impact of HF 690

	FY 2020		FY 2021				
	Total	Ме	dicaid	MHDS	Total	Medicaid	MHDS
Core Service Crisis Residential		State	e Share	Region		State Share	Region
	\$ 519,130	\$ 2	264,141	\$ 254,989	\$ 2,664,042	\$ 1,045,324	\$ 1,618,718
Mobile Crisis Response	743,736	1	158,969	584,766	1,250,828	267,357	983,471
Prescribing and Medication Management	291,683		0	291,683	291,683	0	291,683
Therapy	593,396		0	593,396	593,396	0	593,396
Assessment for Eligibility	120,681		0	120,681	120,681	0	120,681
Inpatient Psychiatric Hospital	277,613		0	277,613	277,613	0	277,613
Total Core Services	\$ 2,546,239	\$ 4	123,110	\$ 2,123,128	\$ 5,198,243	\$ 1,312,681	\$ 3,885,562
Regional Management							
Additional 14 Regional FTE Positions	\$ 1,050,000	\$	0	\$ 1,050,000	\$ 1,071,000	\$ 0	\$ 1,071,000
	98,000		0	98,000	98,000	0	98,000

Support and Travel Costs Total Regional Management	\$ 1,148,000	\$ 0	<u>\$ 1,148,000</u>	\$ 1,169,000	\$ 0	\$ 1,169,000
	\$ 3,694,239	\$ 423,110	\$ 3,271,128	\$ 6,367,243	\$ 1,312,681	\$ 5,054,562
Total House File 690						

Sources

Department of Human Services

LSA analysis and calculations

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

 $\mathsf{Doc}\,\mathsf{ID}\,1045524$

Health and Human Services Appropriations Bill House File 766

Last Action: Final Action April 27, 2019

An Act relating to appropriations for health and human services and veterans and including other related provisions and appropriations, providing penalties, and including effective date and retroactive and other applicability date provisions.

Fiscal Services Division Legislative Services Agency

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available online at www.legis.iowa.gov/publications/information/appropriation/BillAnalysis LSA Staff Contacts: Jess R. Benson (515.281.4611) Kent Ohms (515.725.2200)

1046415

HOUSE FILE 766

FUNDING SUMMARY

General Fund FY 2020: Appropriates a total of \$1,937.2 million from the General Fund and 4,606.5 full-time equivalent (FTE) positions to the Department on Aging (IDA); the Department of Public Health (DPH); the Department of Human Services (DHS); the Department of Veterans Affairs (IVA); and the Iowa Veterans Home (IVH). This is a decrease of \$34.9 million and an increase of 255.9 FTE positions compared to estimated net FY 2019.

General Fund Supplemental Appropriation for FY 2019: Provides a supplemental appropriation of \$150.3 million for the Medicaid Program in FY 2019.

Other Funds FY 2020: Appropriates a total of \$431.8 million from other funds. This is an increase of \$18.7 million compared to estimated net FY 2019.

Other Funds Supplemental Appropriations for FY 2019: Provides a net increase of \$251,000 in other fund appropriations for FY 2019. The changes include various adjustments to the Temporary Assistance for Needy Families (TANF) appropriations.

Standing Appropriations FY 2020: In addition to the appropriations in this Bill, the attached tracking includes the following standing appropriations that are automatically appropriated in statute:

- \$224,000 to the DPH for the Center for Congenital and Inherited Disorders Central Registry.
- . \$233,000 to the DHS for Child Abuse Prevention.
- \$1,400 to the DHS for the Commission of Inquiry.
- \$143,000 to the DHS for Nonresident Mental Illness Commitment.

NEW PROGRAMS, SERVICES, OR ACTIVITIES

Department of	Public	Health

Children's Behavioral Health Hotline: Allocates a total of \$338,000, which includes a transfer of \$32,000 from the DHS, and directs the DPH, in collaboration with the DHS, to expand the Your Life Iowa information referral service to include information on the Iowa Children's Behavioral Health System.

Psychiatric Residencies: Allocates \$400,000 to create and train four psychiatric residents per year to provide mental health services in underserved areas of the State.

Page 13, Line 28

Page 6, Line 18

Psychiatric Training: Allocates \$150,000 for psychiatric training for physician assistants and nurse

Page 13, Line 33

EXECUTIVE SUMMARY HOUSE FILE 766

HEALTH AND HUMAN SERVICES APPROPRIATIONS BILL

practitioners.

Department on Aging

Pre-Medicaid Pilot Project: Allocates \$250,000 to continue and expand a Pre-Medicaid Pilot Project that aims to keep individuals in the community and out of long-term care facilities following a musing facility

Page 4, Line 4

MAJOR INCREASES/DECREASES/TRANSFERS OF EXISTING PROGRAMS

Department on Aging: Appropriates a total of \$11.2 million from the General Fund and 27.0 FTE positions. This is a net increase of \$149,000 and 9.0 FTE positions compared to estimated net FY 2019.

Page 2. Line 1

Office of Long-Term Care Ombudsman: Appropriates a total of \$1.1 million from the General Fund and 16.0 FTE positions. This is no change in funding and an increase of 5.0 FTE positions compared to estimated net FY 2019.

Page 4, Line 15

Department of Public Health: Appropriates a total of \$55.5 million from the General Fund and 198.0 FTE positions. This is a net increase of \$620,000 and 2.5 FTE positions compared to estimated net FY 2019. The significant changes include:

Page 4, Line 28

- An increase of \$306,000 for the Addictive Disorders appropriation.
- A decrease of \$4,000 for the Healthy Children and Families appropriation.
- A decrease of \$305,000 for the Chronic Conditions appropriation.
- An increase of \$625,000 for the Community Capacity appropriation.
- A decrease of \$2,000 for the Public Protection appropriation.

Department of Veterans Affairs: Appropriates a total of \$11.4 million from the General Fund and 15.0 FTE positions. This is an increase of \$75,000 and 1.5 FTE positions compared to estimated net FY 2019.

Page 16, Line 28

Department of Human Services: Appropriates a total of \$1,858.0 million from the General Fund and 4,350.5 FTE positions. This is a net decrease of \$35.7 million and an increase of \$237.9 FTE positions compared to estimated net FY 2019. Significant changes include:

Page 18, Line 10

- A decrease of \$1,000 for the Family Investment Program (FIP) PROMISE JOBS appropriation.
 An increase of \$163,000 for the Child Support Recovery Unit appropriation.
- A decrease of \$60.8 million for the Medicaid appropriation. This comparison is after the \$150.3 million FY 2019 supplemental appropriation.

HOUSE FILE 766 EXECUTIVE SUMMARY

HEALTH AND HUMAN SERVICES APPROPRIATIONS BILL

- An increase of \$1.4 million for the Medical Contracts appropriation.

 A decrease of \$2.4 million for the State Supplementary Assistance appropriation.

 An increase of \$12.3 million for the State Children's Health Insurance Program appropriation.

 An increase of \$1.2 million for the State Training School at Eldora.

 An increase of \$4.1 million for the Child and Family Services appropriation.

 An increase of \$151,000 for the Adoption Subsidy appropriation.

 A combined increase of \$2.0 million for the two Mental Health Institute (MHI) appropriations.

 A combined decrease of \$1.3 million for the two State Resource Center appropriations.
- A combined decrease of \$1.3 million for the two State Resource Center appropriations.
 An increase of \$1.2 million for the Civil Commitment Unit for Sexual Offenders (CCUSO) appropriation.
- An increase of \$6.3 million for the Field Operations appropriation.

Page 18, Line 12
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Page 28, Line 9
Page 28, Line 18
Page 66, Line 17
Page 66, Line 28
Page 67, Line 5
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Department of Human Services

Group Foster Care Reallocation: Amends the allocation from the FY 2019 General Fund appropriation for Child and Family Services for Group Foster Care to expand the list of other permissible services to include family foster care, independent living, and family safety, risk, and permanency services.

Page 79, Line 30

EXECUTIVE SUMMARY HOUSE FILE 766

HEALTH AND HUMAN SERVICES APPROPRIATIONS BILL

withhold amount.

Shelter Care Allocation: Amends the allocation from the FY 2019 General Fund appropriation for Child Page 80, Line 9 and Family Services for shelter care and child welfare emergency services by removing the financial limitation. Other Funding for Child and Family Services: Amends the FY 2019 General Fund appropriation for Page 80, Line 19 Child and Family Services to specify that if other funding is available, the allocations of State funds in this Section may be substituted with the other funding source FY 2019 Non-Reversion: Provides non-reversion language for the appropriations to the Family Investment Page 116, Line 35 Program, State Resource Centers, Field Operations, General Administration, and State Supplementary Assistance to be used for technology needs and transfers to DHS facilities. STUDIES AND INTENT Department of Human Rights Transfer of Juvenile Justice Programs: Requires the Division of Criminal and Juvenile Justice Planning Page 67, Line 29 (CJJP) of the Department of Human Rights to convene a work group to review and develop a plan to transfer graduated sanctions and court-ordered services funding, and oversight of group foster care placements, from DHS to the Office of the State Court Administrator or other appropriate State entity by July 1, 2021. A report is due to the Governor and the General Assembly by December 15, 2019. Department of Human Services Request for Proposal (RFP) Outcomes: Requires the DHS to report to the chairpersons and making Page 64, Line 14 members of the Health and Human Services Appropriations Subcommittee, the Legislative Services Agency (LSA), and the Department of Management (DOM) by December 15, 2019, regarding the outcomes of any program or activity awarded through the RFP process. Contracted Services Prohibited Use of Funding: Requires the DHS to prohibit General Fund Page 64, Line 20 appropriations or allocations awarded be used for lobbying activities. Lobbyist does not include Executive Branch liaisons.

Page 71, Line 29

Managed Care Contracts Notification: Requires the DHS to notify the chairpersons and ranking members

of the Health and Human Services Appropriations Subcommittee, the LSA, and caucus staff within 30 days of execution or amendment of an MCO contract, and within 30 days of determining the incentive payment

EXECUTIVE SUMMARY
HEALTH AND HUMAN SERVICES APPROPRIATIONS BILL

HOUSE FILE 766

Medicaid Claiming: Requires the DHS and the IDA to continue to collaborate to develop a cost allocation plan requesting federal financial participation for the Aging and Disability Resource Center (ADRC) activities.	Page 72, Line 9
Uniform Medicaid Prior Authorization Process: Requires the DHS to adopt rules requiring both managed care and fee-for-service systems to utilize a uniform process for prior authorization requests under Medicaid beginning October 1, 2019.	Page 83, Line 9
Medicaid Prior Authorization Portal: Requires the DHS to review costs associated with expanding the Medicaid Management Information System to integrate a single statewide system to serve as a central portal for the submission of all prior authorization requests under Medicaid. The results of the study are to be submitted to the Governor and the General Assembly by March 31, 2020.	Page 83, Line 19
Medicaid for Lawfully Admitted Pregnant Women: Adds language requesting a waiver from the Center for Medicare and Medicaid Services (CMS) to provide Medicaid coverage for pregnant women lawfully admitted for permanent residence in the United States without waiting the five-year waiting period.	Page 97, Line 24
Medicaid MCO Contracts – Liquidated Damages: Requires the DHS to amend the Medicaid MCO contracts to include the assessment of liquidated damages for prior authorization and claims payment system issues that were reported by the MCO to the DHS as corrected but reoccurred within 60 days and assessment of liquidated damages for the failure of an MCO to complete provider credentialing or to accurately load provider rosters as required in the contract.	Page 98, Line 20
Community Adolescent Pregnancy Program: Prohibits funds for the Program from being awarded to an entity that facilitate abortions.	Page 103, Line 17
Department of Public Health	
Review of Allocations and Grants: Requires the DPH to work with stakeholders to develop a proposal for distributing funds in a manner more closely aligned with the DPH's stated priorities and goals. A report is due to the Governor and General Assembly by December 15, 2019.	Page 15, Line 32
RFP Outcomes: Requires the DPH to report to the chairpersons and ranking members of the Health and Human Services Appropriations Subcommittee, the LSA, and the DOM by January 1, 2020, regarding the outcomes of any program or activity awarded through the RFP process.	Page 16, Line 10
Contracted Services Prohibited Use of Funding: Requires the DPH to prohibit General Fund	Page 16, Line 17

EXECUTIVE SUMMARY HEALTH AND HUMAN SERVICES APPROPRIATIONS BILL HOUSE FILE 766

appropriations or allocations awarded to be used for lobbying activities. "Lobbyist" does not include Executive Branch liaisons:		
Enhanced Delivery of Services for Co-Occurring Conditions: Requires the DPH and the DHS to develop recommendations for the enhanced delivery of co-occurring conditions services. The Departments are required to submit a report including findings, a five-year plan, and other recommendations to the Governor and General Assembly by December 15, 2019.	Page 71, Line 13	
Distribution of Title X Federal Funds: Directs the DPH to distribute all grant funding received through Title X of the federal Public Health Services Act based on a prioritized schedule of applicants and specifies that funds cannot be distributed to an entity that facilitate abortions.	Page 99, Line 27	
Personal Responsibility Education Program: Prohibits the DPH from contracting for this Program with an entity that facilitate abortions.	Page 101, Line 33	
SIGNIFICANT CODE CHANGES		
Department of Human Rights		
Exemption from Required Accommodations or Services: Adds language to specify the Iowa Civil Rights Act of 1965 does not require any State or local government unit or tax-supported district to provide for sex reassignment surgery or any other cosmetic, reconstructive, or plastic surgery procedure related to transsexualism, hermaphroditism, gender identity disorder, or body dysmorphic disorder.	Page 98, Line 7	
Department of Human Services		
Hospital Health Care Access Assessment: Extends the repeal of the Hospital Health Care Access Assessment Program until the end of FY 2021.	Page 80, Line 34	
Polk County MHDS Funding: Allows Polk County to transfer funds from any other fund of the County to the County Mental Health and Disability Services (MHDS) Fund in FY 2020. Polk County is required to submit a report to the Governor and the General Assembly by September 1, 2020, detailing the transfer of funds.	Page 81, Line 5	
Hospital Health Care Access Trust Fund: Eliminates the Hospital Health Care Access Trust Fund Board.	Page 85, Line 13	

Page 91, Line 23

Council on Human Services: Eliminates the Child Support Advisory Committee and the Child Welfare Advisory Committee of the Council on Human Services.

EXECUTIVE SUMMARY
HEALTH AND HUMAN SERVICES APPROPRIATIONS BILL.

HOUSE FILE 766

Mental Health and Disability Services Commission: Eliminates the Property Tax Relief Fund Risk Pool,	Page 92, Line 3
Children's Mental Health Waiver Implementation Committee: Eliminates the Committee.	Page 92, Line 5
Medical Assistance Advisory Council (MAAC): Eliminates the Executive Committee of the MAAC Council and limits the voting membership of the Council to ten members.	Page 92, Line 7
Nursing Facility Quality of Care Rate Add-On Program: Creates a Nursing Facility Quality of Care Rate Add-On Program for Non-State Government-Owned Nursing Facilities to provide an add-on payment to nursing facilities for various activities. This Program is intended to be budget neutral to the State.	Page 105, Line 4
Preparation for Adult Living Program: Extends the eligibility for the Program to ages 21 and 22.	Page 114, Line 12
Department of Public Health	
Executive Directors of Licensing Boards: Modifies the appointment of the executive directors for the Board of Medicine, Board of Nursing, Dental Board, and Board of Pharmacy by establishing that the DPH Director will appoint and supervise these positions. Requires the four boards to advise the DPH Director on matters related to the executive directors.	Page 81, Line 19
Iowa Collaborative Safety Net Provider Network: Eliminates the network and makes conforming changes.	Page 85, Line 1
Advisory Committee to the Center for Rural Health and Primary Care: Eliminates the Advisory Committee and makes conforming changes.	Page 88, Line 13
Governmental Public Health Advisory Council: Eliminates the Council and makes conforming changes.	Page 88, Line 29
Patient-Centered Health Advisory Council: Eliminates the Council.	Page 88, Line 35
Office of State Medical Examiner: Combines the State Medical Examiner Advisory Council with the Interagency Coordinating Council.	Page 89, Line 2
Trauma System Advisory Council: Limits membership to seven members selected from a listing of organizations and provides transition provisions.	Page 90, Line 3

EXECUTIVE SUMMARY HOUSE FILE 766

HEALTH AND HUMAN SERVICES APPROPRIATIONS BILL

Page 90, Line 21 Teleconference Meetings: Requires the DPH to provide for teleconference options for any board. commission, committee, or council member to participate in official meetings. Page 90, Line 29 Payment of Compensation or Expenses: Eliminates the payment of compensation or expenses for public members of the following: · Plumbing and Mechanical Systems Board. · Child Death Review Team. · Health Facilities Council. · Emergency Management Services Advisory Council. · Early Childhood Iowa State Board. Health Data Collection and Use: Removes the Iowa Hospital Association (IHA) as the specified Page 99, Line 1 intermediary operating the Inpatient Outpatient Data System and permits the DPH to select a contractor through an RFP to act as the DPH's intermediary. The Memorandum of Understanding (MOU) with the IHA is continued until the contractor selected through an RFP process assumes the duties. EFFECTIVE DATE Department of Human Rights Specifies the provision related to exemptions from required accommodations or services is effective upon Page 98, Line 18 enactment. Department of Human Services Specifies the provision directing the State Court Administrator and the Division Administrator of the Child Page 66, Line 5 and Family Services Division of the DHS to determine the distribution of funds for the State expenses of court-ordered services for juveniles by June 15, 2019, takes effect upon enactment.

Page 73, Line 1

Page 80, Line 28

Page 81, Line 3

Specifies the provision transferring decategorization funds to Medicaid that would have previously reverted

Specifies the provision amending FY 2019 appropriations is effective upon enactment and retroactive to

Specifies the provision relating to the repeal of the Hospital Health Care Access Provider Assessment is

to the General Fund is effective upon enactment and retroactive to July 1, 2018.

effective upon enactment.

EXECUTIVE SUMMARY HEALTH AND HUMAN SERVICES APPROPRIATIONS BILL. HOUSE FILE 766

Specifies the provisions relating to Medicaid prior authorization takes effect upon enactment.	Page 83, Line 32
Specifies the provisions relating to the NSGO Nursing Facility Quality of Care Rate Add-on Program are effective upon enactment.	Page 113, Line 32
Specifies the changes to nonreversion of FY 2019 appropriations are effective upon enactment and retroactive to July 1, 2017.	Page 120, Line 29
Department of Public Health	
Specifies the provision related to sexual education programs and family planning services is effective upon enactment.	Page 105, Line 2

Page 121, Line 4

Specifies the delay of the repeal for Vaccine and Immunization Administration is effective upon enactment.

Senate File 548

AN ACT

RELATING TO THE ACQUISITION, DONATION, OR SALE OF REAL PROPERTY FOR SPECIFIED PURPOSES.

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

Section 1. Section 455B.291, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. "Private entity" means a corporation, limited liability company, trust, estate, partnership, association, or any other legal entity or a legal representative, agent, officer, employee, or assignee of such entity. "Private entity" does not include an individual, municipality, city utility as defined in section 362.2, public water supply system as defined in 455B.171, or a qualified entity as defined in section 384.84.

Sec. 2. Section 455B.291, subsection 9, paragraph a, Code 2019, is amended to read as follows:

a. (1) In the context of water pollution control facilities, the acquisition, construction, reconstruction, extension, equipping, improvement, or rehabilitation of any works and facilities useful for the collection, treatment, and disposal of sewage and industrial waste in a sanitary manner including treatment works as defined in section 212 of the Clean Water Act, or the implementation and development of management programs established under sections 319 and 320 of the Clean Water Act, including construction and undertaking of nonpoint source water pollution control projects and related

development activities authorized under those sections.

(2) On and after July 1, 2019, nonpoint source water

pollution control projects for purposes of subparagraph (1),

shall not include the acquisition of real property by a private entity for future donation or sale to a political subdivision, the department, or the federal government except as included in subparagraph (3).

(3) Subparagraph (2) does not apply to the acquisition of such future donation when the private entity acquires any of the following:

(a) Only that portion of land on which an edge-of-field

practice consistent with the lowa nutrient reduction strategy

<u>is installed to provide water quality benefits beyond the</u> <u>geographic footprint of the</u> practice.

(b) Any necessary setbacks to a portion of land included in subparagraph division (a) as authorized by the department.

Sec. 3. Section 455B.295, subsection 2, Code 2019, is amended to read as follows:

2. a. Each of the revolving loan funds shall include

sums appropriated to the revolving loan funds by the general

assembly, sums transferred by action of the governor under

section 455B.296, subsection 3, sums allocated to the state expressly for the purposes of establishing each of the

revolving loan funds under the Clean Water Act and the Safe

Drinking Water Act, all receipts by the revolving loan funds,

and any other sums designated for deposit to the revolving

loan funds from any public or private source. All moneys appropriated to and deposited in the revolving loan funds

are appropriated and shall be used for the sole purpose of

making loans to eligible entities to finance all or part of the

cost of projects, including sponsor projects under the water

resource restoration sponsor program established in section

appropriated to and deposited in the

water pollution control works revolving loan fund shall not be used to pay the nonfederal share of the cost of projects receiving grants under the Clean Water Act. <u>On and after</u> <u>July 1, 2019, moneys in the revolving loan funds shall not</u>

be used to finance, subsidize, or enable the acquisition of real property by a private entity except that moneys in the

455B.199. The moneys

acquisition of real property by a private entity tl	subsidize an
finance, subsidize, or acquire an	prior to July 1, 2019, or to
edge-of-field practice or setback included in sec	tion 455B.291 <u>,</u>
subsection 9, paragraph "a", subparagraph (3).	The moneys in
the revolving loan funds are not considered part	t of the general
fund of the state, are not subject to appropriation assembly, and in determining a	on for any other purpose by the general
general fund balance shall not be included in the	e general fund
of the state but shall remain in the revolving loa	n funds to
be used for their respective purposes. The revol	ving loan
funds are separate dedicated funds under the a	dministration and
control of the authority and subject to section 1	6.31. Moneys
on deposit in the revolving loan funds shall be in	nvested by the
<u>b. For purposes of this subsection, "edge-of-journal of buffer, wetland, or buffer.</u>	field practice" means a bioreactor, saturated
CHARLES SCHNEIDER	LINDA UPMEYER
CHARLES SCHNEIDER President of the Senate	LINDA UPMEYER Speaker of the House
President of the Senate	
President of the Senate I hereby certify that this bill originated in th	Speaker of the House
President of the Senate I hereby certify that this bill originated in th	Speaker of the House ne Senate and is known as Senate File 548, Eighty-
President of the Senate I hereby certify that this bill originated in th	Speaker of the House ne Senate and is known as Senate File 548, Eighty- ————— W. CHARLES SMITHSON
President of the Senate I hereby certify that this bill originated in the eighth General Assembly.	Speaker of the House ne Senate and is known as Senate File 548, Eighty- ————— W. CHARLES SMITHSON

Senate File 629

AN ACT

RELATING TO PERMITS FOR VEHICLES OF EXCESSIVE SIZE AND WEIGHT,
INCLUDING VEHICLES TRANSPORTING RAW FOREST PRODUCTS, AND PROVIDING FOR FEES.

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

Section 1. Section 321.463, subsection 3, Code 2019, is amended to read as follows:

3. Notwithstanding other provisions of this chapter to the contrary, indivisible loads operating under the permit requirements of sections 321E.7, 321E.8, 321E.9, and 321E.29A, and divisible loads operating under the permit requirements of section 321E.26, shall be allowed a maximum of twenty thousand pounds per axle.

Sec. 2. Section 321E.3, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 3. Notwithstanding any other provision of this chapter to the contrary, the department shall develop and implement a single statewide system to receive applications

for and issue permits authorized under this chapter that allow for the operation of vehicles of excessive size or weight on highways or streets under the jurisdiction of the state or local authorities. The department is authorized to determine, in consultation with the applicable local authorities, the network of highways and streets under the jurisdiction of local authorities, including the appropriate routes, on which vehicles issued permits under the system are authorized to operate. Permits issued under the system shall be issued by the department for a fee established by the department by rule, which fees shall be proportionate to the fees set forth in section 321E.14. The department shall allocate a portion of the fees collected under this subsection to local authorities having jurisdiction over highways or streets on which vehicles issued permits under the system are authorized to operate.

Sec. 3. Section 321E.7, subsection 1, paragraph e, Code 2019, is amended to read as follows:

e. Vehicles operating under a permit issued pursuant to section 321E.8, 321E.9, or 321E.9A, or 321E.26 may have a gross weight not to exceed forty-six thousand pounds on a single tandem axle of the truck tractor and a gross weight not to exceed forty-six thousand pounds on a single tandem axle of the trailer or semitrailer if each axle

Sec. 4. Section 321E.9, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 4. Containers for international shipment shall be considered an indivisible load for purposes of transportation under a permit issued pursuant to this section if all of the following conditions are met:

- a. The combination of vehicles transporting the container under the permit does not exceed the maximum dimensions specified in sections 321.454 through 321.457.
- b. The container is sealed for international shipment and is either in route for export to a foreign country or in route to the container's destination from a foreign country.
 - c. Documentation, such as a bill of lading or another
 similar document, is carried in the vehicle, in written
 or electronic form, that ties the container being moved to the container listed in the documentation using the unique

container number marked on the container. The documentation shall clearly state the foreign country of origin or destination, and shall be provided to a peace officer upon request.

d. The container's contents are exclusively raw forest

of each tandem group has at least four tires.

products as defined in section 321E.26.

Sec. 5. Section 321E.14, subsection 1, Code 2019, is amended by adding the following new paragraph:

NEW PARAGRAPH. j. One hundred seventy-five dollars for a permit issued pursuant to section 321E.26.

Sec. 6. NEW SECTION. **321E.26 Transportation of raw forest** products.

 The department may issue annual permits for the operation of a vehicle or combination of vehicles transporting divisible loads of raw forest products from fields to storage,

processing, or other commercial facilities. The combined gross weight or gross weight on any one axle or group of axles on a vehicle or combination of vehicles issued a permit under this section may exceed the maximum weights specified in section 321.463, if the gross weight on any one axle does not exceed the limitations specified in section 321E.7.

- 2. A vehicle or combination of vehicles for which a permit is issued under this section shall not exceed the maximum dimensions specified in sections 321.454 through 321.457.
- 3. A vehicle or combination of vehicles for which a permit is issued under this section shall not travel on any portion of the interstate highway system.
- 4. Notwithstanding section 321E.3 or any other provision of law to the contrary, a permit issued by the department pursuant

to this section is valid for the operation of a vehicle or combination of vehicles on a nonprimary highway if the local authority having jurisdiction over the nonprimary highway has approved the route within the local authority's jurisdiction used by the vehicle or combination of vehicles traveling under the permit.

5. For the purposes of this section, "raw forest products"
means logs, pilings, posts, poles, cordwood products, wood
chips, sawdust, pulpwood, intermediary lumber, fuel wood,
mulch, tree bark, and Christmas trees not altered by a manufacturing process off the
land, sawmill, or factory from which the products were taken.

Sec. 7. REPORT. The department shall submit a report
to the general assembly in electronic form on or before

December 31, 2021, regarding the status of the development and

implementation of the system required und this Act.	er section 321E.3, subsection 3, as enacted by
CHARLES SCHNEIDER	LINDA UPMEYER
President of the Senate	Speaker of the House
I hereby certify that this bill originated in the eighth General Assembly.	e Senate and is known as Senate File 629, Eighty- W. CHARLES SMITHSON
	Secretary of the Senate
Approved, 2019	
	KIM REYNOLDS
	Governor

Senate Study Bill 1060 - Introduced

SENATE	FILE	

BY (PROPOSED COMMITTEE ON STATE
GOVERNMENT BILL BY
CHAIRPERSON SMITH)

A BILL FOR

1 An Act relating to digitization of all records maintained at 2 department of human services local office locations.

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

- 1 Section 1. DEPARTMENT OF HUMAN SERVICES LOCAL OFFICE
- 2 RECORDS —— DIGITIZATION. The department of human services 3 shall implement a process to provide that by July 1, 2024,
- 4 all records maintained at department of human services local
- offices in each service area are digitized. The department
- 6 shall submit a progress report to the governor and the general 7 assembly annually by December 21, until full digitization is 8 achieved.

EXPLANATION

- 9 The inclusion of this explanation does not constitute agreement with 11 the explanation's substance by the members of the general assembly.
- This bill requires the department of human services (DHS) 13 to implement a process to provide that by July 1, 2024, all
- 14 records maintained at DHS local offices in each service area
- are digitized. The bill requires DHS to submit a progress 16 report to the governor and the general assembly annually by 17 December 21, until full digitization is achieved.

	Urban County Coalition 2019 Passed Bills		
Name	Title	Declared	Pass/Dead
	A bill for an act relating to institutions under the control of the department of human services, including providing for the transfer of dangerous persons with mental illness from a hospital for persons with mental illness to the lowa medical and classification center. (Formerly HSB 73.)	1	
HF 421		U	Passed
HF 423	A bill for an act relating to the suspension of Medicaid coverage for an inmate of a public institution. (Formerly HF 209.)	U	Passed
HF 487	A bill for an act related to installations of certain wireless telecommunications infrastructure in the state, and including effective date provisions. (Formerly HSB 155.) Effective 3-25-19.	U	Passed
HF 516	A bill for an act relating to voting membership on joint 911 service boards. (Formerly HSB 156.)	U	Passed
HF 537	A bill for an act relating to the imposition of certain fees on public utilities for the use of public rights-of-way. (Formerly HSB 32.)	A	Passed
HF 595	A bill for an act related to allowable annual salaries for deputy county auditors in charge of elections administration. (Formerly HSB 170.)	U	Passed
HF 685	A bill for an act relating to the payment of required medical aid provided to prisoners of county jails. (Formerly HSB 137.)	U	Passed
HF 689	A bill for an act relating to the removal of county veterans service officers. (Formerly HSB 229.)	U	Passed
HF 690	A bill for an act relating to mental health and disability services, including the establishment of a children's behavioral health system and a children's behavioral health system state board, and requiring certain children's behavioral health core services. (Formerly HSB 206.)	U	Passed
HF 691	A bill for an act relating to funding of county mental health and disability services by modifying provisions relating to the use of specified excess cash flow funds, and including effective date and retroactive applicability provisions. (Formerly HF 548.)	F	Passed
HF 692	A bill for an act relating to the tracking and counting of mailed absentee ballots. (Formerly HF 608.)	U	Passed
HF 701	A bill for an act relating to the continuance of lawful preexisting nonconforming uses by manufactured, modular, and mobile homes and site-built dwelling units. (Formerly HSB 100.) Effective 7-1-19.	A	Passed

	A bill for an act relating to appropriations for health and human services		
	and veterans and including other related provisions and appropriations,		
	providing penalties, and including effective date and retroactive and other		
HF 766	applicability date provisions. (Formerly HSB 253.)	U	Passed

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HF 767	A bill for an act relating to motor vehicle taxes and fees, including registration fees for certain electric vehicles, an excise tax on hydrogen used as special fuel, and an excise tax on electricity used as electric fuel, providing penalties, making penalties applicable, and including effective date provisions. (Formerly HF 725 and HSB 197.)	U	Passed
SF 208	A bill for an act increasing the maximum allowable length for stingersteered automobile transporters. (Formerly SSB 1048.) Effective 7-1-19.	U	Passed
SF 283	A bill for an act relating to conflicts of interest in certain government public contracts. (Formerly SSB 1094.)	U	Passed
SF 302	A bill for an act relating to motor vehicles operated by an automated driving system, and making penalties applicable. (Formerly SSB 1128.)	U	Passed
SF 447	A bill for an act relating to the power of cities to regulate certain building restrictions, and including effective date provisions. (Formerly SSB 1212.)	A	Passed
SF 548	A bill for an act relating to the acquisition, donation, or sale of real property for specified purposes. (Formerly SSB 1221.)	A	Passed
SF 555	A bill for an act relating to weight limitations for certain implements of husbandry. (Formerly SSB 1217.) Effective 7-1-19.	U	Passed
SF 570	A bill for an act providing for immunity from civil liability for licensed architects and professional engineers providing disaster emergency assistance under specified circumstances and including effective date provisions. (Formerly SF 68.)	U	Passed
SF 600	A bill for an act relating to transportation and other infrastructure- related appropriations to the department of transportation, including allocation and use of moneys from the road use tax fund and the primary road fund, and including effective date provisions. (Formerly SSB 1243.)	U	Passed
SF 629	A bill for an act relating to permits for vehicles of excessive size and weight, including vehicles transporting raw forest products, and providing for fees. (Formerly SSB 1045, SF 184.)	U	Passed

	A bill for an act relating to local government budgets and property taxation by modifying provisions governing the establishment and approval of county and city budgets, modifying provisions relating to the state appraisal manual, and including applicability provisions. (Formerly SSB 1260.)	A	Passed
	A bill for an act relating to abandoned structures and abatement of public		
SF 93	nuisances.	U	Passed

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Name Title Declared A bill for an act prohibiting mental health providers from engaging in sexual orientation change efforts with a patient of any age, and making penalties applicable.	Pass/Dead
sexual orientation change efforts with a patient of any age, and making	
100	Dead
A bill for an act providing for the regulation of wireless facility installations by cities and counties.	Dead
A bill for an act relating to the composition of county compensation boards.	Dead
HF 12 A bill for an act providing for the future repeal of certain tax credits.	Dead
A bill for an act relating to long-term services and supports and certain capitation rates under the Medicaid program, and including effective date provisions.	Dead
A bill for an act establishing an advisory committee to evaluate the use and value of the master matrix when approving a permit to construct a confinement feeding operation structure, and including effective date HF 141 U	Dead
A bill for an act providing for the regulation of wind energy conversion facility installations by counties.	Dead
A bill for an act providing a property tax exemption for land used to produce food within the limits of a city.	Dead
A bill for an act relating to access to and disclosure of information concerning mental health treatment or services involving a minor fourteen years of age or older who seeks treatment or services due to the minor's thoughts of causing injury to self or others.	Dead
A bill for an act relating to the suspension of Medicaid coverage for an inmate of a public institution. (See HF 423.)	Dead
A bill for an act relating to the provision of health care services via telehealth for the civil commitment unit for sexual offenders. (See HF 422.)	Dead
HF 216 A bill for an act concerning county supervisor representation plans. A	Dead
A bill for an act relating to clerks of court, including the number of counties in which a clerk may serve and residency requirements. HF 267 U	Dead
HF 279 A bill for an act abolishing county compensation boards.	Dead

	A bill for an act relating to Medicaid managed care for the long-term		
HF 308	services and supports population, and including effective date provisions.	U	Dead
	A bill for an act increasing the maximum allowable length for		
HF 342	stingersteered automobile transporters. (Formerly HSB 46.)	U	Dead

	A bill for an act relating to water quality and soil conservation efforts, including election requirements and powers and duties of commissioners of soil and water conservation districts, and related powers and duties of county boards of supervisors, county treasurers, the state soil conservation committee, the department of agriculture and land stewardship's division of soil and water conservation, and the attorney general.		
HF 350		U	Dead
HF 353	A bill for an act relating to the methods of collection for expenses incurred in abating a nuisance or other hazards.	U	Dead
HF 451	A bill for an act establishing a psychiatric patient placement clearinghouse and inpatient psychiatric bed tracking system work group. (See HF 624.)	U	Dead
HF 466	A bill for an act establishing processes for voter approval of a proposition to require a township to provide emergency medical service and for voter approval of a higher additional annual property tax levy rate for the provision of township services. (See HF 693.)	U	Dead
HF 483	A bill for an act relating to the gross weight of special trucks, and providing fees. (Formerly HF 75; See HF 769.)	U	Dead
HF 496	A bill for an act relating to motor vehicle insurance, including requiring owners of registered motor vehicles to maintain financial liability coverage, establishing a motor vehicle insurance verification database, authorizing the use of automated registration plate reader systems, and authorizing county enforcement and diversion programs, establishing fees, providing penalties, and including effective date and applicability provisions.	U	Dead
HF 500	A bill for an act relating to electric scooters, and providing penalties. (Formerly HSB 38.)	U	Dead
HF 502	A bill for an act modifying provisions relating to the certification of real estate appraisers and making penalties applicable. (Formerly HSB 105.)	U	Dead

HF 503	A bill for an act relating to the membership and procedures of the state judicial nominating commission and district judicial nominating commission and to the selection and qualifications of judges, associate judges, and the chief justice, and including effective date provisions. (Formerly HSB 110.)	U	Dead
HF 515	A bill for an act relating to the criminal elements for the commission of sexual misconduct with offenders, and providing penalties. (Formerly HSB 72.)	U	Dead
HF 535	A bill for an act relating to motor vehicles operated by an automated driving system, and making penalties applicable. (Formerly HSB 122.)	U	Dead
HF 542	A bill for an act relating to the acquisition of land by certain governmental entities.	А	Dead

HF 548	A bill for an act relating to funding of county mental health and disability services by modifying provisions relating to the use of specified excess cash flow funds, and including effective date and retroactive applicability provisions. (See HF 691.)	F	Dead
HF 558	A bill for an act relating to imposition of optional taxes for emergency medical services by counties.	U	Dead
HF 56	A bill for an act providing for the nonpartisan election and nomination by county primary election of county officers.	A	Dead
HF 608	A bill for an act relating to the tracking and counting of mailed absentee ballots. (See HF 692.)	U	Dead
HF 617	A bill for an act relating to Medicaid managed care contracting requirements.	U	Dead
HF 618	A bill for an act relating to the uniform credentialing and recredentialing of providers under the Medicaid program.	U	Dead
HF 619	A bill for an act relating to the notification of law enforcement regarding the discharge of a voluntary patient who is mentally ill or has symptoms of mental illness from a hospital. (See HF 722.)	U	Dead
HF 635	A bill for an act permitting counties and cities to classify certain fireworks violations as county infractions or municipal infractions, and making penalties applicable. (Formerly HSB 193.)	U	Dead
HF 666	A bill for an act relating to professional licensing, including by providing for a review of professional licenses and allowing for preapplication qualification reviews, and providing fees. (Formerly HSB 180; See HF 752.)	U	Dead
HF 676	A bill for an act relating to abandoned structures and abatement of public nuisances. (Formerly HSB 172; See HF 780.)	U	Dead

HF 7	A bill for an act relating to the operation of off-road utility vehicles on certain primary roads and making penalties applicable.	U	Dead
HF 715	A bill for an act relating to governmental bodies and advisory bodies and public notice requirements under the open meetings law. (Formerly HSB 160.)	U	Dead
HF 718	A bill for an act relating to the power of cities to regulate certain building restrictions. (Formerly HSB 233.)	U	Dead
HF 725	A bill for an act relating to motor vehicle taxes and fees, including registration fees for certain electric vehicles, an excise tax on hydrogen used as special fuel, and an excise tax on electricity used as electric fuel, providing penalties, making penalties applicable, and including effective date provisions. (Formerly HSB 197; See HF 767.)	U	Dead
HF 735	A bill for an act relating to the management of soil and water resources, including projects described in the lowa nutrient reduction strategy, and the use of a county tax levy. (Formerly HF 571.)	U	Dead
HF 773	A bill for an act establishing budget limitations for counties and cities and including applicability provisions. (Formerly HSB 165.)	A	Dead

HF 777	A bill for an act relating to permits for vehicles of excessive size and weight, including vehicles transporting raw forest products, and providing for fees. (Formerly HSB 256.)	U	Dead
///	A bill for an act relating to abandoned structures and abatement of public		Dead
HF 780	nuisances. (Formerly HF 676; HSB 172.)	U	Dead
	A bill for an act establishing an lowa center for suicide prevention in the		
HF 98	department of education and making an appropriation.	U	Dead
	A bill for an act relating to restrictions on lawful preexisting nonconforming		
HSB 100	uses by cities and counties. (See HF 701.)	U	Dead
HSB 118	A bill for an act providing for juvenile court jurisdiction over minor guardianship proceedings and including effective date and applicability provisions. (See HF 591.)	U	Dead
HSB 122	A bill for an act relating to motor vehicles operated by an automated driving system, and making penalties applicable. (See HF 535.)	U	Dead
	A bill for an act relating to the payment of required medical aid provided to		
HSB 137	prisoners of county jails. (See HF 685.)	U	Dead

HSB 155	A bill for an act related to installations of certain wireless telecommunications infrastructure in the state, and including effective date provisions. (See HF 487.)	U	Dead
HSB 156	A bill for an act providing for county sheriff voting membership on joint 911 service boards. (See HF 516.)	U	Dead
HSB 160	A bill for an act relating to governmental bodies and advisory bodies and public notice requirements under the open meetings law. (See HF 715.)	U	Dead
HSB 165	A bill for an act establishing budget limitations for counties and cities and including applicability provisions. (See HF 773.)	A	Dead
HSB 168	A bill for an act relating to the closing time of polling places.	U	Dead
HSB 171	A bill for an act allowing registered voters to make applications for absentee ballots through electronic means and making penalties applicable.	U	Dead
HSB 172	A bill for an act relating to abandoned structures and abatement of public nuisances. (See HF 676; HF 780.)	U	Dead
HSB 180	A bill for an act relating to professional licensing, including by providing for a review of professional licenses and allowing for preapplication qualification reviews, and providing fees. (See HF 666; HF 752.)	U	Dead
HSB 184	A bill for an act relating to juvenile justice, including provisions relating to child foster care and parent visitation in child in need of assistance proceedings. (See HF 644.)	U	Dead
HSB 185	A bill for an act relating to electric utility rates and infrastructure support options for private generation customers. (See HF 669.)	U	Dead
HSB 191	A bill for an act increasing certain penalties for speeding in a motor vehicle, providing for the use of the additional moneys, and including applicability provisions. (See HF 658.)	U	Dead

HSB 192	A bill for an act establishing an emergency medical services personnel licensure interstate compact. (See HF 694.)	U	Dead
HSB 193	A bill for an act permitting counties and cities to classify certain fireworks violations as county infractions or municipal infractions, and making penalties applicable. (See HF 635.)	U	Dead
HSB 2	A bill for an act relating to alternative project delivery contract methods for government entities.	U	Dead
HSB 200	A bill for an act relating to prior authorization for medication-assisted treatment under the Medicaid program. (See HSB 200.)	U	Dead

	A bill for an act relating to mental health and disability services, including		
HSB 206	the establishment of a children's behavioral health system and a children's behavioral health system state board, and requiring certain children's behavioral health core services. (See HF 690.)	U	Dead
HSB 218	A bill for an act relating to weight limitations for certain implements of husbandry. (See HF 699.)	U	Dead
HSB 222	A bill for an act relating to access to the statewide interoperable communications system, and providing an effective date.	U	Dead
HSB 229	A bill for an act relating to the removal of county veterans service officers. (See HF 689.)	U	Dead
HSB 233	A bill for an act relating to the power of cities to regulate certain building restrictions. (See HF 718.)	U	Dead
	A bill for an act appropriating federal funds made available from federal block grants and other nonstate sources, allocating portions of federal block grants, and providing procedures if federal funds are more or less than anticipated or if federal block grants are more or less than		
HSB 246	anticipated. (See HF 756.)	U	Dead
HSB 253	A bill for an act relating to appropriations for health and human services and veterans and including other related provisions and appropriations, providing penalties, and including effective date and retroactive and other applicability date provisions. (See HF 766.)	U	Dead
HSB 256	A bill for an act relating to permits for vehicles of excessive size and weight, including vehicles transporting raw forest products, and providing for fees. (See HF 777.)	U	Dead
HSB 32	A bill for an act relating to the imposition of certain fees on public utilities for the use of public rights-of-way. (See HF 537.)	U	Dead
HSB 38	A bill for an act relating to electric standup scooters, and providing penalties. (See HF 500.)	U	Dead
HSB 49	A bill for an act relating to the administration of elections, providing penalties, and including effective date provisions.	U	Dead
	A joint resolution proposing an amendment to the Constitution of the		
HSB 68	State of Iowa relating to the qualifications of electors. (See HJR 14.) A bill for an act relating to continuing education requirements for certain	U	Dead
HSB 83	professions.	U	Dead

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	A bill for an act establishing a homestead adjustment property tax credit for certain property of persons who have attained the age of sixty-five or who are totally disabled, applying income limitations, providing a penalty, making appropriations, and including retroactive and other applicability		
SF 100	provisions.	U	Dead
SF 133	A bill for an act creating a new resident tax credit available against the individual income tax, and including applicability provisions.	U	Dead
SF 14	A bill for an act relating to the expungement of violations of local ordinances.	U	Dead
SF 145	A bill for an act providing for appropriations to the statewide fire and police retirement system and including effective date provisions.	U	Dead
3F 143	A bill for an act requesting an interim committee relating to evaluating the	U	Deau
SF 146	current system of court debt collection.	U	Dead
SF 147	A bill for an act relating to payment for certain therapy services under the Medicaid program.	U	Dead
SF 148	A bill for an act relating to a uniform prior authorization process under the Medicaid program.	U	Dead
SF 149	A bill for an act authorizing a city or county to provide a property tax exemption for value added by improvements to residential property that is a public nuisance.	U	Dead
31 113			Dedd
SF 154	A bill for an act relating to the filing requirements for the business property tax credit and including effective date provisions.	U	Dead
SF 156	A bill for an act relating to Medicaid program improvements, and including effective date provisions.	U	Dead
SF 157	A bill for an act relating to reimbursement parity for certain health professionals.	U	Dead
SF 167	A bill for an act relating to eligibility for the health care loan repayment program. (Formerly SSB 1030.)	U	Dead
	A bill for an act permitting the transportation of certain types of loads by motor vehicles exceeding certain weight limitations. (Formerly SSB 1045;		
SF 184	See SF 629.)	Α	Dead
SF 225	A bill for an act relating to surcharges added to criminal penalties, court funds, civil fees, misdemeanor and felony fines, and fines associated with scheduled violations. (Formerly SSB 1059; See SF 457.)	U	Dead
SF 232	A bill for an act relating to the siting of wind energy conversion facilities.	U	Dead
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A bill for an act relating to the provision of Medicaid coverage to pregnant women lawfully residing in the United States. (See SF 414.)	П	Dead
A bill for an act relating to the suspension of Medicaid coverage for an inmate of a public institution. (See SF 415.)	U	Dead

	A bill for an act relating to sexual misconduct by a peace officer with		
	offenders and juveniles in the peace officer's custody, and providing		
SF 258	penalties. (See SF 392.)	U	Dead
	A bill for an act providing for the designation of a caregiver relating to a		
SF 33	patient's inpatient stay at a hospital.	U	Dead
	A bill for an act relating to the notification of a county commission of veteran affairs of the incarceration of a veteran at a jail or municipal		
SF 340	holding facility. (Formerly SF 124.)	U	Dead
SF 345	A bill for an act relating to the payment of required medical aid provided to prisoners of county jails. (Formerly SSB 1074.)	U	Dead
SF 35	A bill for an act relating to the counting of absentee ballots and including applicability provisions.	U	Dead
	A bill for an act relating to the operation of vehicles transporting materials or equipment on highways to or from a construction project or commercial		200
SF 356	plant site.	U	Dead
	A bill for an act requiring that a primary runoff election be held in the event of an inconclusive primary election for certain offices, and including		
SF 36	effective date and applicability provisions. (See SF 410.)	U	Dead
SF 361	A bill for an act relating to the siting and operation of certain wind energy conversion facilities.	U	Dead
SF 368	A bill for an act relating to restrictions on lawful preexisting nonconforming uses by cities and counties. (Formerly SSB 1141.)	U	Dead
SF 38	A bill for an act providing a property assessment adjustment for certain property of persons who have attained the age of sixty-five, providing a penalty, and including retroactive and other applicability provisions.	U	Dead
SF 389	A bill for an act relating to the operation of motor vehicles in the left-most lane of certain roadways, and making penalties applicable.	U	Dead
SF 390	A bill for an act prohibiting public employers from seeking the criminal record or criminal history from applicants for employment under certain circumstances, establishing a criminal history employment application task force, providing penalties, and including effective date provisions.	U	Dead

SF 400 SF 401	and providing information to employees concerning the office of ombudsman. (See SF 502.) A bill for an act relating to the imposition of certain fees on public utilities for the use of public rights-of-way. (Formerly SSB 1152; See SF 611.)	U	Dead Dead
SF 410	A bill for an act requiring that a primary runoff election be held in the event of an inconclusive primary election for certain offices, and including effective date and applicability provisions. (Formerly SF 36.)	U	Dead

SF 411	A bill for an act relating to assessors and the state appraisal manual of the department of revenue, and including penalties. (Formerly SF 49.)	U	Dead
SF 415	A bill for an act relating to the suspension of Medicaid coverage for an inmate of a public institution. (Formerly SF 252.)	U	Dead
SF 457	A bill for an act relating to surcharges added to criminal penalties, court funds, civil fees, misdemeanor and felony fines, and fines associated with scheduled violations. (Formerly SSB 1059 and SF 225.)	U	Dead
SF 472	A bill for an act relating to imposition of optional taxes for emergency medical services by counties.	U	Dead
SF 473	A bill for an act relating to motor vehicle taxes and fees, including registration fees for certain electric vehicles, an excise tax on hydrogen used as special fuel, and an excise tax on electricity used as electric fuel, providing penalties, making penalties applicable, and including effective date provisions. (Formerly SSB 1208.)	U	Dead
SF 479	A bill for an act relating to mental health and disability services, including the establishment of a children's behavioral health system and a children's behavioral health system state board, and requiring certain children's behavioral health core services. (Formerly SSB 1197.)	U	Dead
SF 485	A bill for an act relating to the military service property tax exemption and credit by increasing the exemption amount, and including applicability provisions. (Formerly SSB 1022.)	U	Dead
SF 49	A bill for an act requiring county and city property assessors to stand for retention at election and including applicability provisions. (See SF 411.)	U	Dead

SF 5	A bill for an act repealing the property tax exemption for forest reservations and including applicability provisions.	A	Dead
SF 535	A bill for an act modifying provisions relating to the regulation and sale of certain fireworks, making penalties applicable, and including effective date provisions. (Formerly SSB 1035.)	U	Dead
SF 55	A bill for an act establishing a process for voter approval of a proposition to require a township to provide emergency medical service.	U	Dead
SF 56	A bill for an act providing for the registration of eligible electors upon review of electronic records received from state agencies and including effective date provisions.	U	Dead
SF 573	A bill for an act prohibiting the appropriation and expenditure of funds for lobbying activities by governmental entities, and providing a penalty. (Formerly SSB 1229.)	U	Dead
SF 575	A bill for an act relating to the conduct of state and local elections, providing penalties, and including effective date provisions. (Formerly SSB 1241.)	U	Dead

SF 583	A bill for an act relating to electric utility rates and infrastructure support options for private generation customers. (Formerly SSB 1201.)	U	Dead
	A bill for an act allowing county attorneys and assistant county attorneys		
SF 587	to obtain a professional permit to carry weapons. (Formerly SSB 1007.)	U	Dead
	A bill for an act relating to the imposition of certain fees on public utilities		
SF 611	for the use of public rights-of-way. (Formerly SSB 1152, SF 401.)	U	Dead
	A bill for an act relating to the excise taxes on motor fuel and certain		
SF 628	special fuel, and including applicability provisions. (Formerly SSB 1246.)	U	Dead
3F 026		U	Deau
	A bill for an act relating to standards for carbon monoxide protection and		
SF 67	making penalties applicable. (See SF 335.)	U	Dead
	A bill for an act relating to the use of an electronic communication device		
SF 76	while driving, and providing penalties.	U	Dead
	A bill for an act relating to the treatment of adoptive parent employees		
SF 82	and making penalties applicable.	U	Dead
	A bill for an act allowing county attorneys and assistant county attorneys		
SSB 1007	to obtain a professional permit to carry weapons. (See SF 587.)	U	Dead
335 1007	to obtain a professional permit to early weapons. (See St. 507.)		2 5 4 4

	A bill for an act relating to the military service property tax exemption and credit by increasing the exemption amount, and including applicability		
SSB 1022	provisions. (See SF 485.)	U	Dead
SSB 1027	A bill for an act relating to the transportation of dead bodies.	U	Dead
SSB 1030	A bill for an act relating to eligibility for the health care loan repayment program. (See SF 167.)	U	Dead
	A bill for an act modifying provisions relating to the regulation and sale of certain fireworks, making penalties applicable, and including effective date		
SSB 1035	provisions. (See SF 535.)	U	Dead
SSB 1045	A bill for an act permitting the transportation of certain types of loads by motor vehicles exceeding certain weight limitations. (See SF 184; SF 629.)	A	Dead
SSB 1046	A joint resolution proposing an amendment to the Constitution of the State of Iowa relating to the qualifications of electors.	U	Dead
SSB 1048	A bill for an act increasing the maximum allowable length for stingersteered automobile transporters. (See SF 208.)	U	Dead
SSB 1056	A bill for an act relating to the transfer of dangerous persons with mental illness from a hospital for persons with mental illness to the Iowa medical and classification center. (See SF 338.)	U	Dead
	A bill for an act relating to the criminal elements for the commission of		
SSB 1057	sexual misconduct with offenders, and providing penalties. (See SF 273.)	U	Dead

SSB 1059	A bill for an act relating to surcharges added to criminal penalties, court funds, civil fees, misdemeanor and felony fines, and fines associated with scheduled violations. (See SF 225; SF 457.)	U	Dead
SSB 1060	A bill for an act relating to digitization of all records maintained at department of human services local office locations.	F	Dead
	A bill for an act relating to clerks of court, including the number of counties in which a clerk may serve and residency requirements. (See SF 464.)		
SSB 1063		U	Dead
SSB 1074	A bill for an act relating to the payment of required medical aid provided to prisoners of county jails. (See SF 345.)	U	Dead
SSB 1078	A bill for an act relating to the administration of elections, providing penalties, and including effective date provisions.	U	Dead
SSB 1087	A bill for an act prohibiting roundabouts on the primary road system.	U	Dead

SSB 1094	A bill for an act relating to conflicts of interest in certain government public contracts. (See SF 283.)	U	Dead
SSB 1106	A bill for an act relating to the liability of the state, counties, municipalities, and employees thereof for certain torts, and including effective date and applicability provisions. (See SF 377.)	U	Dead
SSB 1112	A bill for an act relating to professional licensing by limiting the authority of cities and counties to enact or enforce certain professional or occupational licensing laws, relating to qualifications for holding professional licenses, and including applicability provisions. (See SF 567.)	U	Dead
SSB 1123	A bill for an act establishing a partial property tax exemption for certain agricultural land planted with cover crops, providing penalties, and including applicability provisions.	U	Dead
SSB 1124	A bill for an act concerning county supervisor representation plans.	A	Dead
SSB 1126	A bill for an act relating to professional licensing by limiting the authority of cities and counties to enact or enforce certain professional or occupational licensing laws and relating to qualifications for holding professional licenses.	U	Dead
SSB 1128	A bill for an act relating to motor vehicles operated by an automated driving system, and making penalties applicable. (See SF 302.)	U	Dead
SSB 1130	A bill for an act relating to transportation and other infrastructure- related appropriations to the department of transportation, including allocation and use of moneys from the road use tax fund and the primary road fund.	U	Dead
SSB 1141	A bill for an act relating to restrictions on lawful preexisting nonconforming uses by cities and counties. (See SF 368.)	U	Dead
SSB 1150	A bill for an act relating to the assessment of certain subdivided real property and including applicability provisions. (See SF 633.)	U	Dead

	A bill for an act relating to the imposition of certain fees on public utilities for the use of public rights-of-way. (See SF 401; SF 611.)	U	Dead
SSB 1155	A bill for an act relating to the composition of county compensation boards.	U	Dead
	A bill for an act relating to the selling or furnishing of water by mobile home parks including creating an exemption to the water service excise tax, and by modifying qualifications for public water supply systems.	U	Dead

SSB 1185	A bill for an act exempting from the individual income tax wages of individuals received for providing services to persons with physical or mental impairments, and including applicability provisions.	U	Dead
SSB 1195	A bill for an act related to installations of certain wireless telecommunications infrastructure in the state, and including effective date provisions. (See SF 560.)	U	Dead
SSB 1197	A bill for an act relating to mental health and disability services, including the establishment of a children's behavioral health system and a children's behavioral health system state board, and requiring certain children's behavioral health core services. (See SF 479.)	U	Dead
SSB 1198	A bill for an act relating to officer-involved shootings and officer-involved critical incidents. (See SF 568.)	U	Dead
SSB 1201	A bill for an act relating to electric utility rates and infrastructure support options for private generation customers. (See SF 583.)	U	Dead
SSB 1208	A bill for an act relating to motor vehicle taxes and fees, including registration fees for certain electric vehicles, an excise tax on hydrogen used as special fuel, and an excise tax on electricity used as electric fuel, providing penalties, making penalties applicable, and including effective date provisions. (See SF 473.)	U	Dead
SSB 1213	A bill for an act relating to alternative project delivery contract methods for government entities.	U	Dead
SSB 1217	A bill for an act relating to weight limitations for certain implements of		Dead
SSB 1221	A bill for an act relating to the acquisition, donation, or sale of real property for specified purposes. (See SF 548.)	U	Dead
SSB 1241	A bill for an act relating to the conduct of state and local elections, providing penalties, and including effective date provisions. (See SF 575.)	U	Dead
SSB 1243	A bill for an act relating to transportation and other infrastructure- related appropriations to the department of transportation, including allocation and use of moneys from the road use tax fund and the primary road fund, and including effective date provisions. (See SF 600.)	U	Dead
SSB 1246	A bill for an act relating to the excise taxes on motor fuel and certain	U	Dead

SSB 1260	A bill for an act relating to local government budgets and property taxation by modifying provisions governing the establishment and approval of county and city budgets, requiring establishment of a property tax system advisory group, modifying provisions relating to property tax credits for persons who have reached sixty-five years of age, modifying provisions relating to the state appraisal manual, and including effective date and applicability provisions. (See SF 634.)	A	Dead
SSB 1261	A bill for an act relating to lobbying activities by political subdivisions. (See SF 639.)	A	Dead

Legislative Newsletter

Jan. 18, 2019



88th General Assembly Gavels In

The 88th General Assembly gaveled in Monday. In her second Condition of the State – her first as an elected Governor – Gov. Kim Reynolds emphasized that mental health care will be a significant priority. In addition to seeking sustainable funding and giving local officials flexibility on how funds are spent, the Governor said she will seek appropriations for four psych residencies at the University of Iowa, appropriations for training nurse practitioners in behavioral health, and \$3 million in new money to train Iowa educators to recognize signs of mental illness in children.

Children's mental health care is another of the Governor's priorities; her office will be introducing a bill to create a children's mental health care system and eliminate the waiting list for Home and Community Based Services through a requested appropriation.

The Governor also touched upon restoring felons' voting rights and other criminal justice reform measures. On Wednesday, Iowa Supreme Court Justice Mark Cady called on the Legislature to help the courts integrate more technology, including electronic warrants that can be sent straight to law enforcement in their squad vehicles.

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As for the Legislature, the House Ways and Means Committee indicated they would be looking at property taxes and potential tax credits this year, among other priorities.

Heartland Strategies is looking forward to another session to tackle priorities and working with you. Please contact Larry, Gary, or Meghan with questions or concerns.

Legislative Newsletter

Jan. 25, 2019



Legislature Gets to Work

With the pomp and circumstance of Gov. Reynolds' inauguration over, subcommittees picked up in week two as the Legislature started to get down to business.

Fireworks are back on the table this session. Senate Study Bill 1035 modifies the existing law on fireworks, including exempting merchants from transient licensing requirements and directing the fire marshal to adopt rules prohibiting the sale of consumer fireworks in residential areas. At issue in this bill, however, is that the bill says the "sole and only regulation of fireworks in lowa...shall be those enacted by the general assembly," and prohibits cities and counties from making any laws, ordinances or regulations about fireworks, but then goes on to say local governments may limit or prohibit consumer fireworks at times that are more stringent than what the Legislature decides, except for on July 4th. So it's not entirely clear what local governments may even regulate with fireworks when the Legislature deems itself the regulating authority. The bill passed subcommittee late last week.

Another bill introduced last week concerns county compensation boards. House File 117 would require members of such a board be appointed by a temporary compensation board appointing commission. Each city council or a township trustees board in a county would have to appoint one of its members to serve on the appointing commission, and from there, the commission would appoint five of its own members to serve on the county compensation board. HF 117 would also remove the prohibition on officers of state or political subdivisions from serving on the compensation board. We are monitoring this bill and a subcommittee had not been set as of last week.

A bill introduced last week would establish an Iowa center for suicide prevention with the state's Department of Education. Part of this effort was mentioned in Gov. Reynold's Condition of the State address, as she asked the General Assembly to provide resources for Iowa educators to recognize the signs of mental illness and other related childhood trauma. House File 98 establishes the program, which provides suicide prevention and intervention resources to all Iowa students, and makes an appropriation of \$500,000 for the 2019-2020 fiscal year to administer the program.

House Democrats are also making a push to terminate the state's contracts with the managed care organizations through House File 135. As in past years, it is expected that this effort will be unsuccessful, as the Governor has indicated she is not interested in returning Medicaid to the fee-for-service model.

Legislative Newsletter

Feb. 15, 2019



With the first funnel deadline weeks away, both chambers started debate on supplemental school aid this week and continued subcommittee meetings so bills may be placed on the committee calendar. Friday was the final day for draft request submission on individually sponsored bills. The first funnel is March 8th.

Both the House and Senate advanced their versions of prisoners' medical expense out of subcommittees this week (Senate Study Bill 1074 and House Study Bill 137). Both bills require the county sheriffs to provide necessary medical aid to prisoners by means of transporting the prisoner to the hospital if necessary. The bills put into the Iowa Code that payment would be on the county after the hospital attempted to bill the prisoner's insurance first. The bill would require payment be sought in the following priority order: private insurers (assuming the insurance plan covers care while in jail); another source such as the VA, Social Security; or the "appropriate governmental agency" (AKA, the counties). We are presently undecided on the bill, but emphasized that we are open to continuing to work on the issue with the Sheriffs' Association, as the bill comes with some concerns which have been shared with and discussed with the Urban County Coalition,

Another bill that was amended and passed through subcommittee is House File 56, which pertains to elections. The bill would make the following county elections nonpartisan: supervisors, auditors, sheriffs, treasurers, recorders, and county attorneys. A primary election

for nomination would be held concurrent to the primary election for non-county government offices. We are registered against the bill.

Finally, the House released its budget limitations bill for counties (House Study Bill 165). In essence, it is statutory effort to pass the lowans for Tax Relief amendment, which was defeated years ago in a statewide referendum. HSB 156 strikes the property tax levy rate limitations on the general fund and rural funds of counties and cities, and establishes a new limitation on property taxes. It also allows for the certification of additions to the maximums after public meetings, and elections if the voters petition for one. Limits ending balances in various funds to no more than 25 percent and requires those balances to be used for specific purposes. Finally, the bill would allow cities and counties with low ending balances as of June 2019 to levy additional property taxes through fiscal year 2026. We are registered against this bill.

A Senate subcommittee passed out Senate Study Bill 1141 (companion to House Study Bill 100), regarding non-conforming structures, namely mobile homes. We are registered as undecided on these bills, however, our team has concerns with this bill because it is written so broadly that no type of non-conforming would be able to be approved. We expressed to the Senators if the bill was amended to be more narrowly defined and applied, those concerns would be alleviated.

In Committee work this week:

House Human Resources voted out House File 209, which suspends Medicaid coverage for inmates after 20 days of commitment until the inmate is released. This is considered an improvement over the current provision, which terminates such coverage. Under this bill, an inmate is able to get their Medicaid coverage back upon release.

Legislative Newsletter

Feb. 25, 2019



In preparation of funnel week next week, the Legislature is working on passing bills out of their referred committees to get them through the first funnel. Among them:

Prisoner's medical expense has advance past the committee on mostly party lines, 9-5. Senate Study Bill 1074 (now Senate File 374) has drawn quite a bit of controversy from different stakeholder groups; it would require the county sheriffs to provide necessary medical aid to prisoners by means of transporting the prisoner to the hospital if necessary, however, it also places payment on the counties after the hospital attempts to bill the prisoner's insurance first. The bill would require payment be sought in the following priority order: private insurers (assuming the insurance plan covers care while in jail); another source such as the VA, Social Security; or the "appropriate governmental agency" (AKA, the counties). There is a House version, House Study Bill 137.

House Study Bill 32: This bill passed out of House Commerce Committee unanimously. This is the fees on public utilities on the public right-of-way bill. Code chapter 480A allows local governments to impose certain fees on public utilities for operating public utility facilities in public rights-of-way. A local government may only impose a fee for management costs, as defined, that are caused by the public utility's activity in the right-of-way, and cannot require in-kind services in lieu of a fee. The bill modifies the definition of "management costs" in Code chapter 480A to provide that such costs must be direct and fully documented, and furthermore, specifies local governments may only recover a permit fee for management costs attributable to the public utility's requested use of an available public right-of-way, instead of management costs caused by the public utility's activity in the right-of-way.

Introduced:

House File 451: This is the bed tracking bill. It requires the Dept. of Human Services to convene a psychiatric patient placement clearinghouse and inpatient psychiatric bed tracking system work group during the 2019 legislative interim. The work group will examine issues and develop policy recommendations relating to the establishment of a statewide clearinghouse for the purposes of placing psychiatric patients in the appropriate level of care in close proximity to a patient's home and to recommend improvements to the psychiatric bed tracking system. A subcommittee is scheduled for this week.

Senate Study Bill 1185: This bill would exempt wages individuals receive for providing services to persons with physical or mental impairments from individual income tax. The bill defines "services" to mean services performed at an intermediate care facility for persons with an intellectual disability or an intermediate care facility for persons with mental illness. Under the bill, "services" also includes services performed under a federal home and community-based services waiver.

House Study Bill 193: This is the other fireworks bill. Currently, cities are able to prohibit or limit the use of consumer fireworks, display fireworks, or novelties by ordinance or resolution. A person who violates any such ordinance or resolution commits a simple misdemeanor, punishable by a fine of at least \$250. HSB 193 allows local governments to classify violations of local fireworks ordinances as municipal infractions or county infractions, as applicable, and a person who violates the ordinance commits a simple misdemeanor, unless a city or county classifies a violation of such ordinance or resolution as a municipal infraction or county infraction (the municipal infraction is via Code section 364.22; the county infraction is via Code section 331.307). A municipal infraction or county infraction is a civil offense punishable by a civil penalty of not more than \$750 for each violation or, if the infraction is a repeat offense, a civil penalty of not more than \$1,000 for each repeat offense.

House File 466: This bill establishes the voter approval process for a township to provide EMS and the to approve a higher additional annual property tax levy rate for the provision of township services. This issue was raised last session, but the clock ran out before real action could be taken. The Senate version is Senate File 55.

The first legislative funnel deadline is next Friday, March 8. In order to meet the first deadline, a bill must be passed through the referred subcommittee and the corresponding full committee in the Chamber the bill originated in. Bills to come out of Ways & Means or Appropriations as committee bills are always funnel-proof.

Legislative Newsletter

March 1, 2019



The week at the capitol was a flurry of subcommittees, including Senate and House versions of Gov. Reynolds's children mental health system bills.

Senate Study Bill 1197 and House Study Bill 206 are the children's mental health system bills. These are line for line identical. The Senate held a subcommittee Wednesday morning; the House held their subcommittee the following morning. Most groups were in favor of the concept however, the issue of adequate funding was brought up time and time again. Parents and other stakeholders repeatedly spoke of parents quitting jobs to go on Medicaid to expedite mental health services for their children. The Heartland Strategies team spoke of our concerns about expanded services to the regions with no additional funding. There are also concerns about clarifying the authority the state board would have over the regions with the implementation, particularly because the state board is proposed to have no county supervisors on it. These bills will be works in progress for the rest of session. We are confident something will come together, however, as these bills are among the Governor's top priorities.

House File 548: Immediately following the House's subcommittee on HSB 206, a sub was held on House File 548, which pertains to the spend down by raising it from 25 percent to 30 percent starting in fiscal year 2021. This bill is in regards to the spend down in the adult mental health system. It does *not* address long-term or permanent funding.

That created a bit of contention during the subcommittee from other stakeholders who wanted to see the conversations of spend down and long-term funding be one in the same, though the House has indicated those concerns will be addressed in another bill. That said, our team has no concerns as the bill is written and have registered in favor of the bill.

In committee work this week, the House Public Safety Committee approved House Study Bill 193: The other fireworks bill. This one allows a city or county to adopt local ordinances against the use of fireworks and makes such infractions a simple misdemeanor unless covered by a local or county ordinance. The bill passed unanimously.

In House Human Resources, House File 451: The psychiatric bed tracking bill passed both a House Human Resources subcommittee and full committee this week. The bill has been amended, as several other stakeholders wanted to be added to the interim work group. The bill was also amended to add an RFP process.

The Senate was also busy moving bills before funnel week. The Senate Appropriations Committee unanimously passed Senate File 225, the criminal surcharges bill.

Senate File 252, one of the inmate medical coverage bills, unanimously passed Human Resources. This bill suspends, rather than terminates, Medicaid coverage for inmates after 20 days of commitment until release. Then the coverage is restored upon release.

Judiciary also unanimously passed Senate Study Bill 1063. This bill strikes the number of contiguous counties that a clerk of court can be appointed to serve in a judicial district, and gives an appointed clerk 90 days to establish residency rather than requiring residency at the time of the appointment.

INTRODUCED:

House File 542: This bill would propose to stop cities from using grants from Dept.

of Natural Resources through the Blufflands Protection Revolving Fund to fund projects on public lands outside of city boundaries. A subcommittee is scheduled for Monday, where the Heartland team will express the concerns with these proposed limitations. We are registered against this bill. The Senate has a similar bill (Senate Study Bill 1221), which also has a subcommittee scheduled for Monday.

Senate File 401: This bill would require that management costs imposed by a utility for the use of a public right-of-way be direct and fully documented. It would also propose to limit the fees to those related for the use requested by the utility and allow local governments and utilities to reach agreements on sharing services.

With the week of March 4 being funnel week, the team expects another flurry of activity as lawmakers try to get last minute bills through the funnel. Due to inclement weather so far this year, time has run out on other bills which may not make it through.

Legislative Newsletter

March 8, 2019



The first funnel week has come and gone. Here is a round-up of some major bills:

House File 216: This bill resurrected the issue of county supervisor redistricting plans. The bill would have essentially forced any county with a population greater than 60,000 people to move to "plan three." Despite a last minute push from a citizen voter in the subcommittee, the lawmakers present decided it was unnecessary to address and let the bill die in the funnel.

The "ban the box" bill also died in the Senate. Senate File 390 would have prohibited public employers from seeking an applicant's criminal record/history under certain circumstances. The House companion bill (House File 472) also did not make it out the funnel.

In committee work (all bills listed have survived funnel):

House File 685 (successor to House Study Bill 137) also passed unanimously with a strike after. This is the Prisoners' Medical Expense bill. The strike after proposes an interim study committee. We anticipate a similar amendment eventually in the Senate.

House Study Bill 206, the Children's Mental Health bill, passed out of committee unanimously. We are confident either this or the Senate version will pass. The bill includes an amendment that included changes recommended by the Coalition. These changes include additional members on the State Board (a pediatrician, sheriff, and member of the healthcare system), eliminates the need for a diagnosis to access crisis services, and a statewide 24-hour crisis line.

The Spend Down bill, House File 548, passed out of committee unanimously, and was amended from 30 percent to 40 percent for the amount held for cash flow. It also allows counties to amend the MH/DS budget in FY 2019 to implement the bill and to recertify a budget if necessary.

House File 635 came through Public Safety (formerly House Study Bill 193). The bill allows a city or county to adopt local ordinances against the use of fireworks and deems infractions as county or municipal infractions.

House File 608 was unanimously passed with an amendment. This is the Absentee Ballot Bar Code bill. It establishes a system for tracking absentee ballots, and allows the county auditor to use a system with a postal bar code on the envelope and linked to a tracking database. An absentee ballot is counted if the bar code or the postmark indicate the ballot was mailed the day before the election. The earlier date takes precedent if the bar code and the postmark have a discrepancy. The amendment on the bill makes use of the system mandatory.

House Study Bill 172 was passed with a strike after amendment. Originally the bill changed procedures related to abandoned buildings by striking the requirement that a building be in violation of the housing code for six months before being declared abandoned, and required the property to have been vacant for 135 days before requesting hearing on abatement. The strike after amendment enacts different provisions on abandoned buildings.

Study Bill 1035 was passed with an amendment. Originally, the bill struck the requirements for fireworks sellers to obtain a transient merchant license and gave the State Fire Marshal to have the sole authority over inspections. Of note, the bill limited local authority to regulate fireworks. The amendment strikes current local laws but allows cities and counties to regulate fireworks.

Legislative Newsletter

March 15, 2019



The Legislature has taken up more floor work and has started to send the first several bills to Gov. Reynolds' desk for her signature. Many bills were also redrafted as committee bills and will have new numbers to look for.

The House approved the following bills this week, sending them to the Senate:

House File 692: the Absentee Ballot Bar Code bill. This had been amended during funnel week to make the proposed tracking system mandatory. The House passed the bill unanimously and sent it to the Senate.

House File 595: This bill sets the salary of the deputy auditor in charge of elections at 85 percent of the county auditor. The House passed this bill 95-1 and sent it to the Senate.

Redrafted Bills with Successor Numbers:

House File 715 (formerly House Study Bill 160): Open Meetings Law as it applies to advisory boards or other bodies created by governmental entities.

House File 718 (formerly House Study Bill 233): This bill prohibits a city from adopting ordinances pertaining to residential rental caps for single-family residences and duplexes. There is a companion bill in the Senate, Senate File 447, which passed the Senate 35-11 and was sent to the House.

House File 690 (formerly House Study Bill 206): Children's Mental Health system establishment; companion bill is Senate File 479.

House File 691 (formerly House File 548): This is the Spend Down bill.

House File 693 (formerly House File 466): This is the Township EMS Funding bill. This bill would allow township trustees, either through its own motion or through a petition of the voters, to put a measure for EMS up for a vote, if the county does not provide EMS in the township. It also allows townships to impose an additional levy of up to 40.25 cents for EMS. Requires the levy to be approved at election, for ten years and to be submitted for approval at the same time as the EMS vote. Townships may also decide to end EMS if the service has not been beneficial.

House File 701 (formerly House Study Bill 100): This is the non-conforming uses on a manufactured/mobile home.

Legislative Newsletter

March 22, 2019



The House Property Tax bill (House Study Bill 165) continues to move slowly. It is in the Ways & Means Committee, so there is no deadline to get it approved before the next funnel deadline.

The House also amended the joint 911 service board voting membership. House File 516 adds a county sheriff (or the sheriff's designee), and a police chief (or designee) whose city operates a PSAP or from the county where the city is located.

The House passed the following bills and sent them to the Senate:

House File 735: This bill allows the Soil Conservation Districts to carry out additional duties related to water quality protection and the improvement of water quality under the Iowa Nutrient Reduction Strategy. An amendment requiring individual and district-wide projects be carried out was adopted. The House passed the bill unanimously.

House File 423: This is the Inmate Medical Coverage bill. It suspends, as opposed to terminates, Medicaid coverage for inmates after 20 days of commitment until the inmate is released. The House passed this bill unanimously.

The Senate had a few controversial bills up for debate. Among them was the Land Acquisition bill (Senate File 548). This bill has been controversial because it would, in part, prohibit local governments from using federal clean water funds to acquire land from a private entity after July 2019 but allows funds to be used to finance an acquisition that occurred prior to that time. There were several amendments offered during floor debate: an amendment to define private entities to exclude individuals, cities, city utilities and public water works was adopted; all other amendments were rejected. The bill was passed on party lines and has been sent to the House.

The Senate also debated Senate File 93: This bill changes procedures related to abandoned buildings. The Senate adopted a strike after amendment to conform the bill to the House version, House File 676. That version includes certain mobile/manufactured homes in the abandoned buildings provisions. It also strikes the requirement that a building be in violation of the housing code for six months before being declared abandoned. Requires the property to have been vacant or only occupied by trespassers 135 days before requesting an inspection, and establishes a six-month waiting period, or 30 days after inspection, whichever is later, before filing a petition for abatement. The Senate passed the amended bill unanimously.

In committee work, the House Judiciary Committee passed Senate File 457. It changes criminal and ag theft surcharges. It also includes school bus safety provisions for failure to stop for a school bus. The bill also includes court modernization fees and scheduled violations. The bill was passed 17-1.

L&L Murphy Consulting / Grant Consulting Legislative Newsletter March 29, 2019



Urban County Coalition representatives visited the capitol mid-week to speak to their House and Senate delegations and meet with leadership. The two main priorities we spoke to leadership about are funding mental health and the House Property Tax bill (House Study Bill 165). UCC representatives reiterated that in concept, we are supportive of Gov. Reynolds's push to establish a mental health services system for children, however, this cannot come without a reliable funding stream in order to adequately fund services.

This was a segue into property taxes. The House bill is still moving slowly, and the Senate has released only a corporate tax bill. It is unknown at this point if the Senate will release a bill with anything individual- or property tax-related.

The following bill passed chambers and was been sent to Gov. Reynolds: Senate File 555 This bill prohibits the weight on one axle of self-propelled implements of husbandry used exclusively to apply fertilizers, chemicals or limestone from exceeding 25,000 pounds.

Several subcommittees were also held to tee bills up to pass their committee next week to beat the funnel:

House File 516: A three-person Senate subcommittee passed the 911 Voting Membership Board bill.

House File 685: The Prisoner's Medical Expense bill has been heavily amended into an interim study committee for this coming interim. It passed a Senate subcommittee Thursday morning.

House File 692: The Absentee Ballot/Bar Code bill passed a Senate subcommittee Thursday morning.

House File 691: The Spend Down bill pertaining to the adult mental health system passed a Senate subcommittee early Thursday afternoon. The spend down was amended from 20 percent to 40 percent by the House.

Next week is the second funnel, and the Heartland team believes the legislature will start marching towards adjournment in the coming weeks. Budget bills are starting to surface, which means deals will soon be struck, and this places more of an urgency on bills which got through the first funnel, but still have to pass a chamber and go through the referred committee in the opposite chamber. As a reminder, Ways & Means and Appropriation bills are always funnel-proof.

Legislative Newsletter

April 5, 2019



The second funnel week was different from past years in that the usual hubbub to save and kill bills was largely absent. This was likely due to budget bills already being introduced and considered in committee. This is a rare sign at this point of the legislative session, as it usually indicates the General Assembly is looking to adjourn within a month.

The team will take the weekend to assess which bill quietly – and a few not so quietly – lost steam to get through the funnel week. As a reminder, any bill that came out of Ways & Means or Appropriations committees, including redrafted bills, are funnel-proof.

Legislative Newsletter

April 9, 2019



The second funnel ended quietly. Budget bills have started to move, though both chambers still need to come to agreements on several of the targets.

Budget Bills:

House File 765: RIIF Appropriations: \$199 Million. This passed the committee unanimously.

House File 766: HHS General fund total 1.9 billion (\$1.6 billion to Department of Human Services). This bill passed out of the House Human Resources Committee 13-11.

House File 758: Education appropriations. This bill has passed the House 58-38 and has been sent to the Senate.

Senate File 699: Transportation appropriations: \$404.69 million. This bill passed the Senate unanimously.

Senate File 608: Economic Development Appropriations: 41.63 million

The Governor signed the following bill:

Senate File 555: This bill prohibits the weight on one axle of self-propelled implements of husbandry used exclusively to apply fertilizers, chemicals or limestone from exceeding 25,000 pounds. The bill passed the Senate unanimously and the House 73-25.

The House passed and sent the following bills to the Senate:

House File 267: This bill strikes the number of contiguous counties that a clerk of court can be

appointed to serve in a judicial district, gives an appointed clerk 90 days to establish residency rather than requiring residency at the time of the appointment. An amendment specifying that a clerk will be designated to serve each county and allows a clerk to serve multiple counties was adopted. This bill passed the House unanimously.

House File 701: The mobile home bill. This bill prohibited a city or county from preventing a non-conforming use of a manufactured home or mobile home from continuing if the use was legal before the restriction, except in cases of safety or where the nonconforming use is abandoned or expanded. A strike-after amendment that reenacts the bill and includes modular homes was adopted. The House passed the bill 84-15.

In committee work during funnel week:

Senate File 548: The land acquisition bill is still controversial. The bill prohibits water pollution control projects from including private entities who acquire real property for the future donation to the local, state or federal government. Though it allows funds to be used to finance an acquisition that occurred prior to July 2019, the bill prohibits local governments from using federal clean water funds to acquire land from a private entity after that time. The committee passed the bill 12-9.

House File 692: The absentee ballot bar code bill. The Senate State Government Committee amended this bill with some provisions from the Senate companion bill, Senate File 575. This bill passed the committee 8-5.

House File 691: This is the MH/DS spend down bill. The bill had been adjusted to a 40 percent fund balance for the mental health/disability services regions, and allows counties to amend the MH/DS budget in fiscal year 2019 to implement the bill and to recertify a budget if necessary. This bill pertains only to the adult mental health system. It passed the Senate Human Resources Committee unanimously.

House File 516: This bill makes the sheriff, or a designee of the sheriff, and the chief of police, or a designee of the chief, a voting member of a joint 911 Service Board (PSAP). This bill passed the Senate Local Government Committee unanimously.