



## ***BILL SUMMARY***

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# **MHDS Levy Extension HF 2456**

Status of Bill: House Calendar  
Committee: Ways & Means (passed 14-11)  
Lead Democrats: Rep. Brown-Powers  
Floor Manager: Rep. L. Miller  
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### **Background**

A Mental Health and Disability Fund was created in the Office of the Treasurer, under the authority of DHS. The fund consists of monies appropriated by the Legislature each year. DHS will appropriate the monies appropriated to the fund to the regions for providing services.

The redesign created a County Mental Health and Disabilities Services Fund. The fund will consist of property taxes collected by a county to be used for mental health and disability services. Counties within a region may combine funds to pay for needed services. Counties cannot use funds from other county sources for mental health and disability services.

Beginning in July 2014, the way non-Medicaid county MHDS were funded changed. Each county had to certify a levy for payment of services from the County Mental Health and Disabilities Services Fund. County revenues from the levied taxes cannot exceed an amount equal to the county's base year expenditures for mental health and disabilities services. If a levy is certified, a county cannot exceed, increase, or appeal a property tax levy limit. Monies must be appropriated from the Property Tax Relief Fund to counties for mental health and disability regional service system for providing county base property tax equivalent equalization payments and the per capita growth amount.

As the funding system is set, if a county had a per capita levy rate below \$47.28, then the county would receive an equalization payment from the State for the difference. In addition, a county with a levy rate above \$47.28 is required to lower their levy rate down to that amount. For FY 2014 and FY 2015, the State did appropriate equalization payments to all qualifying counties. For FY 2017, only Polk County received some assistance. The other counties are using reserve funds to pay for services.

### **Summary**

The bill extends the per capita levy rate of \$47.28 for another fiscal year; it was originally put in place for FY 2013. If this is not extended another year, then the levy rate system will revert back to the previous structure resulting in some counties raising property taxes. In addition, this is not a long-term solution. There were significant discussions the past few years, but no long-term solution was found.

Below are a list of counties that had levy rates above the cap, and their levy rates before the cap was put in place. If the cap sunsets counties would be able to raise their levy if the previous system is put back in place:

County	Pre Levy Rate
ADAMS	\$ 47.77
ALLAMAKEE	\$ 55.12
APPANOOSE	\$ 47.48
AUDUBON	\$ 98.76
BREMER	\$ 53.33
BUCHANAN	\$ 61.76
CARROLL	\$ 86.32
CASS	\$ 57.11
CEDAR	\$ 52.64
CERRO GORDO	\$ 52.00
CLAYTON	\$ 48.23
CLINTON	\$ 58.83
CRAWFORD	\$ 58.60
DAVIS	\$ 48.58
DELAWARE	\$ 52.49
DUBUQUE	\$ 54.58
EMMET	\$ 81.25
FREMONT	\$ 62.74
GREENE	\$ 67.55
GUTHRIE	\$ 56.34
HAMILTON	\$ 55.36
HANCOCK	\$ 55.75
HARDIN	\$ 51.54
HARRISON	\$ 62.08
HUMBOLDT	\$ 48.31
JASPER	\$ 85.38
KOSSUTH	\$ 74.10
LEE	\$ 60.77
LOUISA	\$ 52.88
LUCAS	\$ 49.94
MAHASKA	\$ 54.50
MARSHALL	\$ 51.62
MITCHELL	\$ 56.59
MUSCATINE	\$ 48.01
PALO ALTO	\$ 73.06
POCAHONTAS	\$ 61.32
POTTAWATTAMIE	\$ 50.74
RINGGOLD	\$ 66.83
SAC	\$ 56.56
SHELBY	\$ 73.57
UNION	\$ 59.92
WAPELLO	\$ 69.10
WEBSTER	\$ 57.00
WINNESHIEK	\$ 67.96
WORTH	\$ 58.52

