

# 2019 ISAC Top Priorities

Iowa State Association of Counties

## Mental Health and Disability Services

**PROBLEM:** Addressing long term sustainable funding has long been an issue since Iowa moved to a regional based mental health and disability services (MH/DS) delivery system. While progress was made during the 2017 session at addressing mental health funding, specifically levy equity for counties within MH/DS regions, the new regional caps that were established do not allow for growth within the system, provide the necessary resources to sustain complex needs services that were called for in this last session in HF 2456, or fund children's mental health services. Further, the carry forward balance restrictions in SF 504 in 2017 of 20% or 25% depending on the size of the region, are setting up a potential funding calamity with rapid property tax swings from year to year to meet these requirements and fund the necessary services.

### SOLUTION:

- Eliminate the regional mental health levy caps that were established in SF 504 and allow for counties to levy what is necessary to meet their regional budgetary needs.
- Remove the carry forward balance restrictions of 20% or 25% to provide counties/regions resources for new and existing programs without dramatic changes in property taxes.
- If the above remedies are not advanced, an increase in the sales tax should be considered to fund MH/DS that must be constitutionally protected based on a distribution formula that is equitable for all counties in Iowa.

## Commercial and Industrial Property Tax Backfill

**PROBLEM:** The taxable valuation of commercial and industrial property was legislatively reduced by 5% in FY 2015 and by 10% each year thereafter. A standing appropriation from the state to local property taxing jurisdictions was implemented to make up for the future reduction in property tax revenue due to this rollback. Local jurisdictions are already absorbing property tax revenue reductions due to the rollback on the new multi-residential classification, the rollback on railroad property, the new exemption for telecommunications property, and the reduced growth limitation for residential and agricultural property. Any reduction or elimination of the commercial and industrial property tax backfill would likely cause a property tax increase that would fall largely on homeowners and agricultural property owners, a reduction in important services the residents of Iowa depend on, or a combination of both.

**SOLUTION:** The legislature should fully fund the commercial and industrial property tax backfill and should resist a rapid elimination of the backfill and legislation that affects local budgets that have been set or are in the process of being set.

## Water Quality, Natural Resources, and Outdoor Recreation

**PROBLEM:** There continues to be a need to provide adequate, sustainable, and dedicated state financial resources to address statewide concerns related to Iowa's water quality issues. In addition, there are ongoing issues that must be addressed to minimize losses caused by flooding through effective flood mitigation programs. Specifically, the "Natural Resources and Outdoor Recreational Trust Fund" has not been appropriated any funding since its inception in 2010. The Trust Fund is the best-known mechanism to address water concerns, and also promotes public health and quality of life by ensuring enhanced opportunities for outdoor recreation.

**SOLUTION:** ISAC recommends the following:

1. The passage of a statewide sales tax increase of at least 3/8s of a penny in support of the "Natural Resources & Outdoor Recreation Trust Fund", or "I-WLL", as it is commonly referred to.
2. The maintaining of the distribution formula found in Iowa Code Chapter 461, outlined by the Iowa Legislature in support of the 2010 vote by Iowans on the Constitutional Amendment.
3. The passage of legislation that would support and encourage public sector entities, such as counties, to be directly involved in "water mitigation" projects that could involve County Conservation Boards, Engineers, and Supervisors.

**ISAC** members are elected and appointed county officials from all 99 counties.

We represent 16 affiliated associations. Representatives of these affiliates make up our Legislative Policy Committee and our Board of Directors.

**Mission** promote effective and responsible county government for the people of Iowa.

**Vision** principal, authoritative source of representation, information and services for and about county government in Iowa.



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