

HB 735 Guidance

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Fiscal Impact of House Bill 735



House Bill 735 in Three parts

1. Repeal of county medically indigent and state CAT programs
2. Public Defense Reform
 - a. Funding
 - b. Alternative public defense model
3. Property Tax Relief

Part 1: County Medically Indigent Program

- The county medically indigent program is repealed effective March 31, 2022
- The county charity levy is repealed

Charity Levy Guidance

- Because the charity levy is repealed, the fund is now inoperative
- The board of county commissioners can transfer funds remaining in the charity fund to other funds (Idaho Code §31-1508)
- Funds levied for jail medical can be transferred to justice or current expense fund
- Funds levied for the state share of public health districts can be transferred to the preventative health fund
- Only county expenses for public defense need to be reduced from future property tax budgets

Part 2a: Public Defense Reform

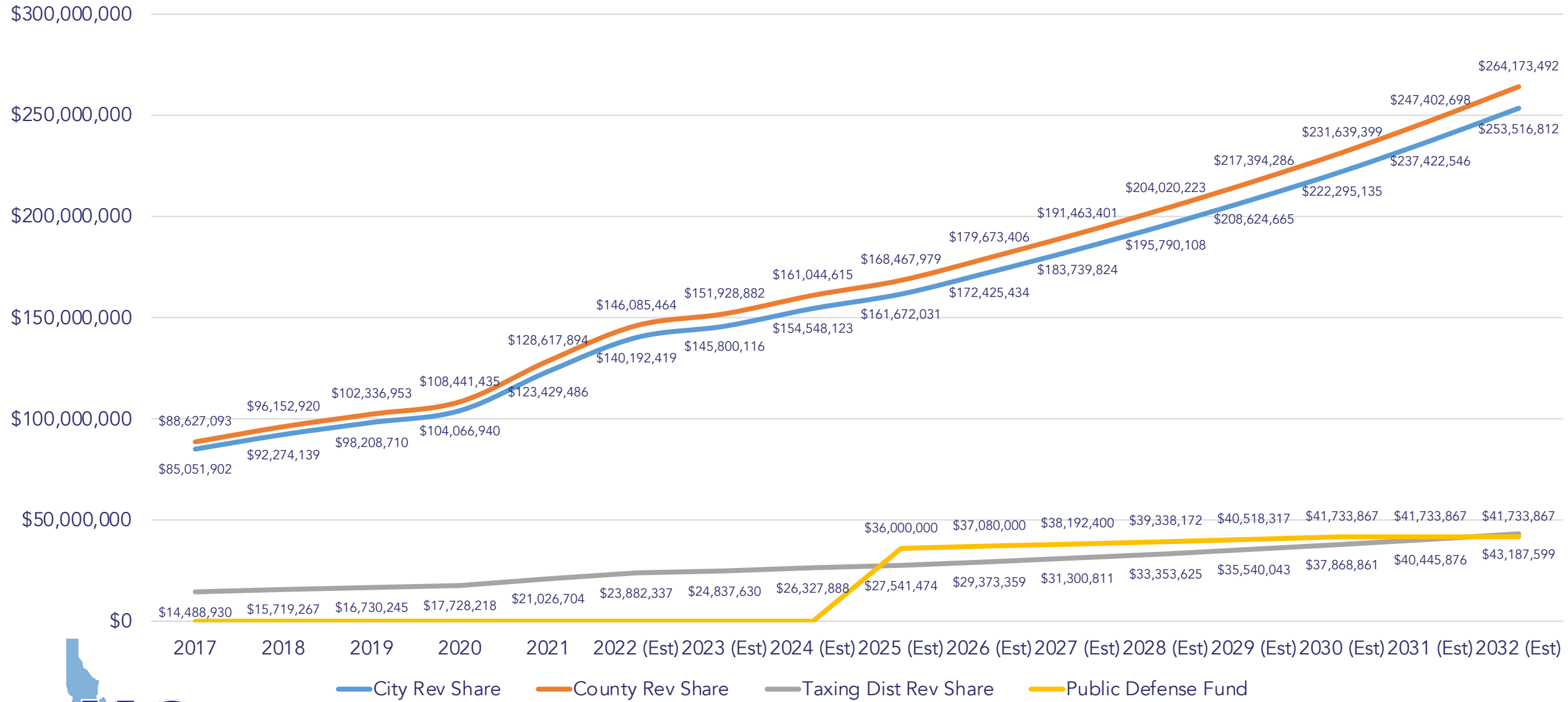
- For fiscal years 2023 and 2024, counties will receive a sales tax distribution dedicated to public defense
- Funds will be distributed to counties in proportion to their fiscal year 2021 county public defense expenses
- Counties will continue to receive funding assistance from the PDC by way of annual grants and workload assistance
- Counties will cover expenses in excess of the new sales tax distribution and PDC grants for 2023 and 2024
- Beginning fiscal year 2025, counties will no longer be financially liable for indigent public defense



Part 2a: Public Defense Funding

- Beginning fiscal year 2025 a portion of revenue sharing will be dedicated to funding indigent public defense
- Revenue sharing losses will be offset by distribution of online sales taxes through the sales tax distribution
 - Cities will forgo \$16 million in annual revenue sharing (\$4 million per quarter)
 - Counties will forgo \$20 million in annual revenue sharing (\$5 million per quarter) in 2025.
 - The county amount will escalate for five years until it reaches \$25.5 million in 2023 which will establish the annual amount of forgone revenue sharing each year thereafter

House Bill 735 Projected Revenue Sharing



Part 2b: Public Defense Model

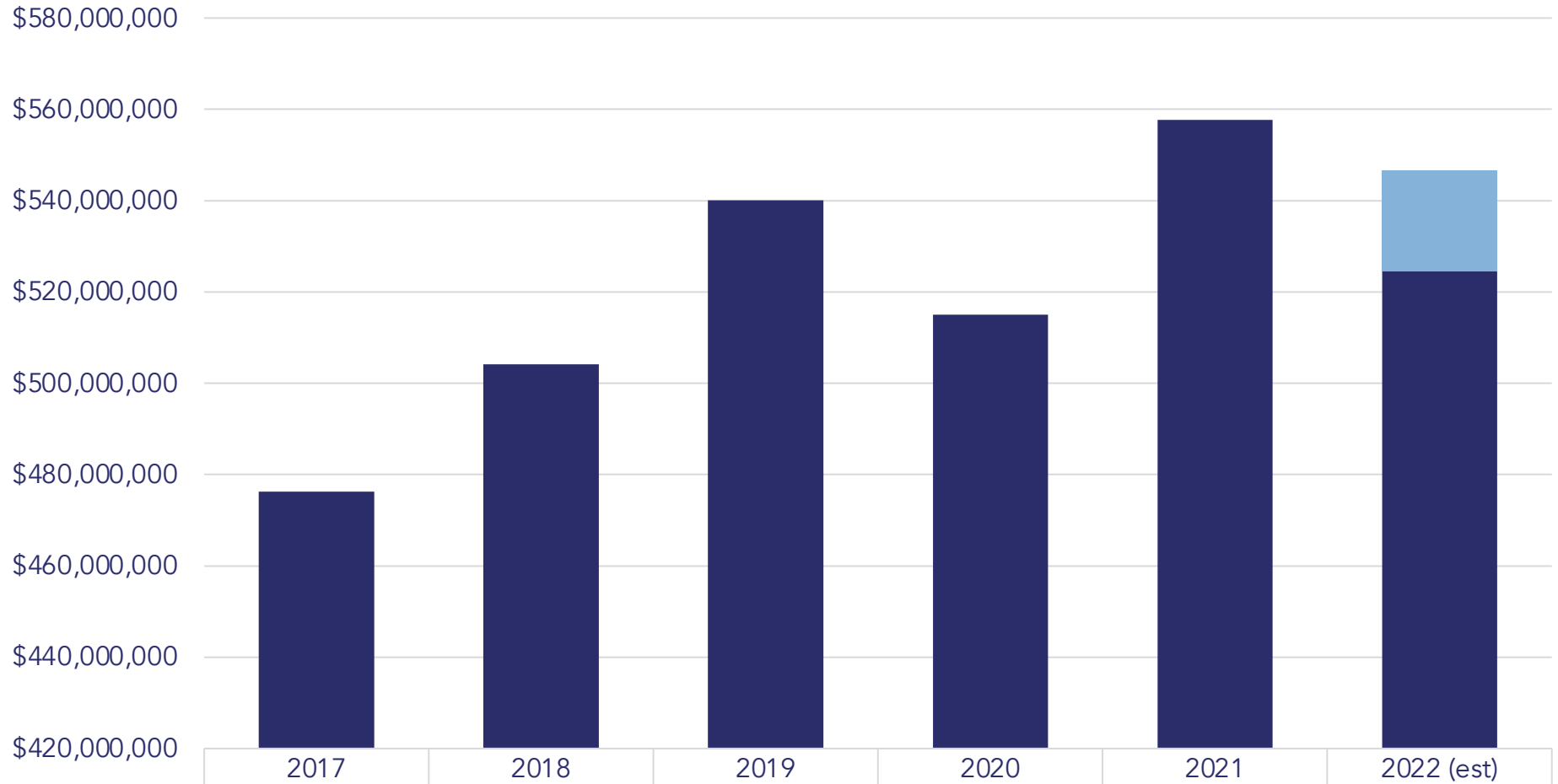
- The legislature has until 2024 to establish an alternative public defense model
- IAC is coordinating the creation of a public defense working group to explore alternative models
- The working group will recommend an alternative public defense model to the legislature in 2023
- Possible models include:
 - State public defense model
 - Regional public defense model by judicial district
 - A state/judicial district hybrid



Part 3: Property Tax Relief

- Counties must reduce their base 2022 property tax budget by the amount levied for county public defense expenses in 2021 (does not include PDC financial assistance or other non property tax funds)
- The PDC will certify each county's 2021 public defense expenses to the state tax commission which will be used to verify the amount of property tax relief provided by the various counties

County Property Tax Budgets, 2017-2022 (est)



■ Estimated 2022 Property Tax Budget Growth

■ County Property Tax Budgets

\$476,325,629

\$504,182,107

\$540,063,013

\$515,027,765

\$557,656,990

\$22,035,594

\$524,656,990



HB316

- March 1, 2022
- Limits eligibility
 - Those who are eligible for insurance or Medicaid are no longer eligible for the county indigent program
- Undocumented

SB1327 Behavioral Health

- March 21, 2022
- Counties:
 - Pre-Commitment Transportation
 - Court Costs
- Department
 - DEs
 - Psych Costs
 - Post-Commitment Transportation
 - Current Post-Commitment

SB1327 Department Guidance

- IDHW has taken over paying for DEs as of March 1, 2022
- Transportation
 - IDHW may need to work with locals for transport
 - IDHW will still pay
- Regional managers:
 - Mike Wraith – District 1 & 2 michael.Wraith@dhw.idaho.gov
 - Jennifer Burlage – District 3 & 4 jennifer.burlage@dhw.idaho.gov
 - Eric Call – District 5 eric.call@dhw.idaho.gov
 - Tim Thompson – District 6 & 7 tim.thompson@dhw.idaho.gov

HB735 Indigent/CAT Program

- CAT program will remain in place through July 1, 2023 to process applications
- Applications will be processed according to Chapter 35, Title 31 as it existed on March 1, 2022
- Counties must process all applications for financial assistance, including suspended applications, by March 1, 2023 in order to allow CAT to act upon applications for services received prior to March 31, 2022
- Non-medical may continue



What Now?

- Still collect reimbursements
 - Reimbursements will be deposited into the county current expense fund. NOTE: Where possible, be sure to segregate reimbursements to be remitted to the state
 - Remit CAT portion as you have
- Applications
 - Dates of service prior to March 1, 2022
 - Dates of service from to March 1, 2022 to March 31, 2022
 - Dates of service after March 31, 2022
 - Suspensions/appeals

Questions?

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