

March 17, 1967

Passed on File

Governmental Accounting 3/27

Senate File 577

By MURRAY

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

An Act to amend the local budget law.

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

1 Section 1. Section twenty-four point three (24.3), Code
2 1966, is hereby repealed and the following enacted in lieu
3 thereof:

4 "No municipality shall certify or levy in any year any
5 tax on property subject to taxation unless and until a budget
6 has been prepared on forms prescribed by the state comptroller,
7 filed and approved by the certifying board, showing in par-
8 allel columns the following data and estimates as hereinafter
9 provided:

10 "1. For the previously completed fiscal year.

11 "a. The amount of actual income for the several funds from
12 all sources other than ad valorem taxation separately stated
13 as to each such general source, the amount of transfers received
14 from any other fund during such year, and the fund from which
15 such transfers were made.

16 "b. The unencumbered and encumbered balances available in
17 each fund at the beginning of the year, together with the
18 amount raised by taxation for each fund, the amount of proposed
19 expenditures adopted in the budget for said year for each fund,
20 and the amount of actual expenditures in each fund for said
21 year.

22 "2. For the current fiscal year.

23 "a. The total of the estimated amount of income for each

24 fund from sources other than taxation separately stated as to
25 each general source for such current year and the funds from
26 which such estimated transfers have been or are to be made.

27 "b. The unencumbered balances for each fund available at
28 the beginning of the current fiscal year.

29 "c. The amount of ad valorem taxes charged to the county
30 treasurer for each fund for collection during the current
31 fiscal year, the amount of expenditures adopted in the budget
32 for said current fiscal year for each fund, and the total of
33 the estimated expenditures for each fund for said current
34 year.

35 "3. For the proposed budget year.

36 "a. The estimated amount for each of the several funds
37 from sources other than taxation, including estimated trans-
38 fers, separately stated as to each general source. The
39 estimate of income from each of the sources other than ad
40 valorem taxes shall be computed by reference to the amounts
41 of income other than ad valorem taxes received in prior
42 years. In addition, any new source of income other than from
43 ad valorem taxes shall be reasonably estimated.

44 "b. The estimate of unencumbered balances in the several
45 funds which will be available at the beginning of the proposed
46 budget year.

47 "c. The amount proposed to be expended in each and every
48 fund during the proposed budget year exclusive of funds
49 derived from the sale of bonds and funds encumbered as of the
50 end of the current fiscal year.

51 "d. The estimated working capital requirements of each
52 fund, if any, and in the preparation of said estimates the
53 monthly cash flow experience of each fund during the last
54 completed fiscal year shall serve as a guideline.

55 "e. The amount of the difference between the receipts esti-
56 mated from all sources other than taxation, exclusive of bond
57 proceeds and previously encumbered funds but including the
58 estimated unencumbered cash balances on hand at the beginning

59 of the proposed budget year, and the estimated expenditures for
60 all purposes, including the amount provided for working capital,
61 shall be the amount to be raised by taxation upon the taxable
62 property within the municipality. The budget shall show the
63 estimated number of dollars of taxes for each thousand (1,000)
64 dollars of assessed value."

1 Sec. 2. Section twenty-four point four (24.4), Code 1966,
2 is hereby repealed and the following enacted in lieu thereof:

3 "Each municipality shall prepare all budget estimates re-
4 quired by section one (1) of this Act and shall record such
5 estimates with the secretary or clerk thereof on or before
6 July 15 of each year to permit publication, discussion, and
7 consideration thereof. The municipality shall forthwith fix a
8 date for a hearing thereon, and shall publish a summary of said
9 budget estimates on forms prescribed by the state comptroller
10 and any annual levies previously authorized as provided in sec-
11 tion seventy-six point two (76.2) of the Code together with a
12 notice of the time and the place of such hearing at least
13 twenty (20) days prior to the hearing. For a county, such
14 publication shall be in the official newspapers thereof, and
15 for any other municipality such publication shall be in a
16 newspaper of general circulation therein. Public hearings on
17 the budget estimates of all municipalities within each county,
18 excepting school corporations and cities and towns, shall be
19 on the same date and at the same place and said date and place
20 shall be fixed by the board of supervisors."

1 Sec. 3. Section twenty-four point five (24.5), Code 1966,
2 is hereby amended by inserting in line four (4) after the word
3 "expenditure" the words "and receipts from all sources".

1 Sec. 4. Section twenty-four point six (24.6), Code 1966,
2 is hereby repealed and the following enacted in lieu thereof:

3 "Whenever there is an unforeseen occurrence which causes an
4 expense in any fund of any municipality which could not have
5 been anticipated at the time the budget for the current fiscal
6 year was prepared and funds to pay for such expense are

7 unavailable without incurring indebtedness, the certifying
8 board with the approval of the levying board and under the
9 procedures hereinafter provided may make application for
10 authority to issue warrants to pay for such unforeseen ex-
11 pense and to exceed the expenditures in the original or
12 amended budget, as the case may be, by the amount of said
13 warrants.

14 "The levying board upon approval of such application sub-
15 mitted by the certifying board or submitted upon its own
16 motion may make application to the state comptroller for
17 authority to issue such warrants.

18 "The application shall be verified and accompanied by a
19 copy of the budget or amended budget for the current fiscal
20 year and shall show the nature of the unforeseen occurrence
21 and evidence that all other remedies to meet the unforeseen
22 expense, including reduction of other estimated expenditures
23 during the remainder of the current fiscal year, have been
24 exhausted. The application shall be published in a newspaper
25 of general circulation in the county prior to its filing.

26 "The municipality shall submit to the state comptroller any
27 other information regarding the financial status of the muni-
28 cipality that the comptroller may request. The comptroller may
29 approve, modify and approve, or disapprove the application and
30 is empowered to authorize the issuance of warrants for payment
31 of that portion of the unforeseen expense which will be in
32 excess of the original budget or the amended budget, as the
33 case may be. The total amount of the warrants authorized by
34 this section shall not exceed an amount that can be raised by
35 a one (1) mill tax on the taxable property of the municipality,
36 and whenever warrants are issued under the provisions of this
37 section, the municipality shall certify a tax to the levying
38 board sufficient to pay such warrants plus interest thereon. If
39 the certification is filed prior to the first day of October,
40 said levy shall begin with the tax levy of the year of filing.
41 If the certification is filed after the first day of October,

42 said levy shall begin with the levy of the calendar year
43 succeeding the year of the filing of such certification, and
44 said warrants shall be paid by the treasurer of the municipal-
45 ity in the year the levy is collected.

46 "The provisions of chapter seventy-four (74) of the Code
47 and all other laws relating to the issuance of warrants by
48 municipalities shall apply to any warrants authorized by this
49 section."

1 Sec. 5. Section twenty-four point eight (24.8), Code 1966,
2 is hereby repealed.

1 Sec. 6. Section twenty-four point nine (24.9), Code 1966,
2 is hereby repealed and the following enacted in lieu thereof:

3 "Budget estimates adopted and certified in accordance with
4 this chapter may be amended and increased to permit appropria-
5 tion and expenditure during the fiscal year covered by such
6 budget of unexpended cash balances on hand at the close of the
7 preceding fiscal year which had not been estimated and appro-
8 priated for expenditure during the fiscal year of the budget
9 sought to be amended, also to permit appropriation and expendi-
10 ture during the fiscal year covered by such budget of amounts
11 of unencumbered cash anticipated to be available during such
12 year from sources other than taxation, which had not been
13 estimated and appropriated for expenditure during the fiscal
14 year of the budget sought to be amended, provided that it
15 shall not be necessary to amend a budget unless the total esti-
16 mated expenditures in the original budget are to be exceeded.

17 "Amendments to the current budget may only be considered at
18 the time of preparing the budget for the ensuing year and
19 amendments shall be filed and published together with the pro-
20 posed budget for the ensuing year, giving notice of a hearing
21 on both the proposed amendment to the current budget and the
22 proposed budget for the ensuing year in the manner required
23 in section two (2) of this Act. The decision or order of the
24 certifying or levying board to amend the current budget shall
25 be subject to protest and appeal to the state board. The

26 protest, notice of hearing and appeal on any order provided
27 for in this section shall comply with sections twenty-four
28 point twenty-seven (24.27) through twenty-four point thirty-
29 two (24.32) of the Code, so far as applicable. Amendments to
30 budget estimates adopted or issued under the provisions of
31 this section shall not be considered as within the provisions
32 of sections twenty-four point fourteen (24.14) or three hun-
33 dred forty-three point ten (343.10) of the Code."

1 Sec. 7. Section twenty-four point twelve (24.12), Code
2 1966, is hereby amended as follows:

3 1. By striking from line five (5) the word "board" and in-
4 serting in lieu thereof the word "comptroller".

5 2. By adding thereto the following:

6 "The county auditor shall not extend on the tax role an
7 amount in excess of the difference between the corrected
8 amount of budget expenditures and budgeted receipts as deter-
9 mined under the provisions of section one (1) of this Act."

1 Sec. 8. Section twenty-four point fifteen (24.15), Code
2 1966, is hereby amended by inserting in line two (2) after the
3 word "levied" the words "in any fund".

1 Sec. 9. Section twenty-four point seventeen (24.17), Code
2 1966, is hereby amended as follows:

3 1. By striking from lines six (6) and seven (7) the words
4 "blanks prescribed by the state board" and inserting in lieu
5 thereof the words "forms prescribed by the state comptroller".

6 2. By striking from line ten (10) the word "board" and
7 inserting in lieu thereof the word "comptroller".

8 3. By striking from line fourteen (14) the word "board"
9 and inserting in lieu thereof the word "comptroller".

1 Sec. 10. Section twenty-four point eighteen (24.18),
2 Code 1966, is hereby amended as follows:

3 1. By striking from line two (2) the word "board" and in-
4 serting in lieu thereof the word "comptroller".

5 2. By striking from line ten (10) the word "board" and in-
6 serting in lieu thereof the word "comptroller".

1 Sec. 11. Section twenty-four point nineteen (24.19),
2 Code 1966, is hereby amended by striking from line nine (9)
3 the word "board" and inserting in lieu thereof the word
4 "comptroller".

1 Sec. 12. Section twenty-four point twenty-two (24.22),
2 Code 1966, is hereby amended as follows:

3 1. By striking from line one (1) the word "board" and
4 inserting in lieu thereof the word "comptroller".

5 2. By striking from line thirteen (13) the word "board"
6 and inserting in lieu thereof the word "comptroller".

1 Sec. 13. Section twenty-four point twenty-three (24.23),
2 Code 1966, is hereby amended as follows:

3 1. By striking from line two (2) the word "board" and in-
4 serting in lieu thereof the word "comptroller".

5 2. By adding thereto the following:

6 "The comptroller shall compile statistical data and other
7 information relative to local government budget matters which
8 shall be made available to the municipalities annually for the
9 purpose of aiding municipalities in the preparation of their
10 budgets."

1 Sec. 14. Section twenty-four point twenty-five (24.25),
2 Code 1966, is hereby amended as follows:

3 1. By striking from line one (1) of subsection one (1) the
4 words "first day of July" and inserting in lieu thereof the
5 words "fifth day of June".

6 2. By striking from line one (1) of subsection two (2) the
7 words "tenth day of July" and inserting in lieu thereof the
8 words "twenty-fifth day of June".

1 Sec. 15. Section twenty-four point twenty-six (24.26), Code
2 1966, is hereby amended by striking from line five (5) the
3 word "Comptroller" and inserting in lieu thereof the words "The
4 chairman of the state tax commission".

1 Sec. 16. Section twenty-four point twenty-seven (24.27),
2 Code 1966, is hereby amended by striking all of said section
3 through the period in line twenty-eight (28) and inserting in

4 lieu thereof the following:

5 "Not later than the first Tuesday in September, any taxpayer
6 or his representative affected by any proposed budget, expendi-
7 ture or tax levy or by any item thereof, may appeal from any
8 decision of the certifying board or levying board, as the case
9 may be, by filing with the county auditor of the county in which
10 such municipality is located, a written protest setting forth
11 the objections to such budget, expenditure or tax levy, or to
12 one (1) or more items thereof, and the grounds for such ob-
13 jection; provided, that such taxpayer or the duly authorized
14 representative of such taxpayer, shall have made general or
15 specific objection either in person or in writing, at the
16 meeting provided by section twenty-four point eleven (24.11)
17 of the Code."

1 Sec. 17. Section twenty-four point twenty-eight (24.28),
2 Code 1966, is hereby amended as follows:

3 1. By striking from line three (3) the word "shall" and
4 inserting in lieu thereof the word "may".

5 2. By striking from lines five (5), six (6), and seven (7)
6 the words "the county or in one of the counties in which such
7 municipality is located" and inserting in lieu thereof the
8 words "Des Moines".

9 3. By striking from lines ten (10) and eleven (11) the
10 words "first ten property owners whose names appear upon" and
11 inserting in lieu thereof the words "taxpayer making".

12 4. By striking from line fourteen (14) the word "objectors"
13 and inserting in lieu thereof the word "objector".

14 5. By striking from line seventeen (17) the words "objec-
15 tors propose" and inserting in lieu thereof the words "objec-
16 tor proposes".

1 Sec. 18. Section three hundred forty-three point eleven
2 (343.11), Code 1966, is hereby amended by adding thereto the
3 following new subsection:

4 "Expenditures for the payment of warrants issued under sec-
5 tion four (4) of this Act."