

Local Govt.

FILED FEB 05 1992

SENATE FILE 2099

BY SZYMONIAK

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to a continuing budget appropriation for a city.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2099

1 Section 1. NEW SECTION. 384.18A CONTINUING BUDGET APPRO-
2 PRIATION.

3 1. As used in this section:

4 a. "Continuing budget appropriation" means an authorized
5 expenditure of financial resources for a capital project, a
6 special assessment public improvement, or a purchase of major
7 capital equipment for general, street, enterprise, or utility
8 purposes, which is not properly a current expense. A con-
9 tinuing budget appropriation is not an annual budget appro-
10 priation.

11 b. "Major capital equipment" means equipment or machinery
12 with an expected life of more than six years.

13 2. A city council or a governing body of a utility shall
14 adopt, by resolution, a continuing budget appropriation only
15 after notice and a public hearing similar to the procedures
16 for adopting a current operating budget. However, the
17 appropriation shall not expire at the end of the city's or
18 utility's fiscal year, but shall continue until the project,
19 improvement, or equipment purchase is completed as described
20 at the public hearing and in the appropriation resolution. An
21 expenditure under a continuing budget appropriation shall not
22 exceed the amount of the appropriation unless the appro-
23 priation is amended to provide for the additional expenditure
24 after notice and a public hearing in the same manner as
25 amendments to a current operating budget. A city or utility
26 shall account for a continuing budget appropriation fund
27 created under this section in accordance with generally
28 accepted accounting principles. When a project, improvement,
29 or major equipment purchase fund is to be financed in whole or
30 in part by bonds or other long-term indebtedness, a city or
31 utility shall comply with the applicable procedures for
32 incurring indebtedness as provided in this chapter or section
33 364.4. The issuance of bonds under this section is subject to
34 a voter referendum if the vote is required for the specific
35 type of debt for general corporate purposes. The expenditures

1 and the status of funds created by a continuing budget
2 appropriation shall be reported monthly to the applicable
3 governing body which supervises the appropriation and shall be
4 included in the annual report required in section 584.22. An
5 expenditure budgeted for a continuing budget appropriation
6 shall be balanced with an equal revenue estimate stating from
7 where the financial resources will be derived for the project,
8 improvement, or capital equipment purchase.

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EXPLANATION

10 This bill provides separate procedures for cities or city
11 utilities to adopt, by resolution, a continuing budget appro-
12 priation to carry out expenditures of financial resources for
13 a capital project, special assessment public improvement, or
14 purchase of major capital equipment which has an expected life
15 of six years or more. The appropriations are made after
16 notice and a public hearing in the same manner as annual
17 budget appropriations are made. Likewise, if an amendment to
18 a continuing budget appropriation is needed to allow
19 additional expenditures above the original appropriation,
20 notice and a public hearing are required before the amendment
21 is adopted by the city council or governing body of a utility,
22 as applicable. Also, the same accounting procedures and
23 reports are to be filed for a continuing budget appropriation
24 as required for an annual appropriation.

25 If bonds or the issuance of long-term debt is required with
26 regard to a continuing budget appropriation, voter approval is
27 required if the project, improvement, or equipment is within
28 the scope of general corporate purposes.

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