

331.402 Powers relating to finances — limitations.

1. The payment of county obligations by anticipatory warrants is subject to [chapters 74 and 74A](#) and other applicable state law. Anticipatory warrants drawn on the secondary road fund are also subject to [sections 309.46 through 309.55](#).

2. The board may:

a. Require a person who is not a part of county government but is receiving county funds to submit to audit by auditors chosen by the county. The person shall make available all pertinent records needed for the audit.

b. Enter into an agreement with the department of health and human services for assistance in accordance with [section 249A.12](#).

c. Levy within a township at a rate not to exceed the rate permitted under [sections 359.30 and 359.33](#) for the care and maintenance of cemeteries, if the township officials fail to levy the tax as needed.

d. Authorize the county auditor to issue warrants for certain purposes as provided in [section 331.506, subsection 3](#).

e. Authorize the auditor to issue checks in lieu of warrants. The checks shall be charged directly against a bank account controlled by the county treasurer.

f. Impose a hotel and motel tax in accordance with [chapter 423A](#).

g. Order the suspension of property taxes or cancel and remit the taxes of certain persons as provided in [sections 427.8 and 427.10](#).

h. Provide for a partial exemption from property taxation in accordance with [chapter 427B](#).

i. Contract with certified public accountants to conduct the annual audit of the financial accounts and transactions of the county as provided in [section 11.6](#).

3. A county may enter into loan agreements to borrow money for any public purpose in accordance with the following terms and procedures:

a. A loan agreement entered into by a county may contain provisions similar to those sometimes found in loan agreements between private parties, including, but not limited to, the issuance of notes to evidence its obligations.

b. A provision of a loan agreement which stipulates that a portion of the payments be applied as interest is subject to [chapter 74A](#). Other laws relating to interest rates do not apply. [Chapter 75](#) is not applicable. A county enterprise is a separate entity under [this subsection](#), whether it is governed by the board or another governing body.

c. The board shall follow substantially the same authorization procedure required for the issuance of general obligation bonds issued for the same purpose to authorize a loan agreement made payable from the debt service fund.

d. The board may authorize a loan agreement which is payable from the general fund if the loan agreement would not cause the total of scheduled annual payments of principal or interest or both principal and interest due from the general fund of the county in any single future fiscal year with respect to all loan agreements in force on the date of the authorization to exceed ten percent of the last certified general fund budget amount in accordance with the following procedures:

(1) The board shall follow substantially the authorization procedures of [section 331.443](#) to authorize a loan agreement for personal property which is payable from the general fund. The board must follow substantially the authorization procedures of [section 331.443](#) to authorize a loan agreement for real property which is payable from the general fund if the principal amount of the loan agreement does not exceed the following limits:

(a) Four hundred thousand dollars in a county having a population of twenty-five thousand or less.

(b) Five hundred thousand dollars in a county having a population of more than twenty-five thousand but not more than fifty thousand.

(c) Six hundred thousand dollars in a county having a population of more than fifty thousand but not more than one hundred thousand.

(d) Eight hundred thousand dollars in a county having a population of more than one hundred thousand but not more than two hundred thousand.

(e) One million dollars in a county having a population of more than two hundred thousand.

(2) The board must follow the following procedures to authorize a loan agreement for real property which is payable from the general fund if the principal amount of the loan agreement exceeds the limits set forth in subparagraph (1):

(a) The board must institute proceedings for entering into a loan agreement payable from the general fund by causing a notice of the meeting to discuss entering into the loan agreement, including a statement of the principal amount and purpose of the loan agreement and the right to petition for an election, to be published as provided in [section 331.305](#) at least ten days prior to the discussion meeting. No sooner than thirty days following the discussion meeting shall the board hold a meeting at which it is proposed to take action to enter into the loan agreement.

(b) (i) If at any time before the end of the thirty-day period after which a meeting may be held to take action to enter into the loan agreement, a petition is filed with the auditor in the manner provided by [section 331.306](#) asking that the question of entering into the loan agreement be submitted to the registered voters of the county, the board shall either by resolution declare the proposal to enter into the loan agreement to have been abandoned or shall direct the county commissioner of elections to call a special election upon the question of entering into the loan agreement. However, for purposes of this subparagraph (2), the petition shall not require signatures in excess of one thousand persons.

(ii) The question to be placed on the ballot shall be stated affirmatively in substantially the following manner:

Shall the county of enter into a loan agreement in amount of \$ for the purpose of

(iii) Notice of the election and its conduct shall be in the manner provided in [section 331.442, subsections 2 through 4](#).

(c) If a petition is not filed or if a petition is filed and the proposition of entering into the loan agreement is approved at an election, the board may proceed and enter into the loan agreement.

e. The governing body may authorize a loan agreement payable from the net revenues of a county enterprise or combined county enterprise by following the authorization procedures of [section 331.464](#).

f. A loan agreement to which a county is a party or in which a county has a participatory interest is an obligation of a political subdivision of this state for the purpose of [chapters 502 and 636](#), and is a lawful investment for banks, trust companies, savings associations, investment companies, insurance companies, insurance associations, executors, guardians, trustees, and any other fiduciaries responsible for the investment of funds.

1. [S81, §331.402(1); [81 Acts, ch 117, §401](#)]

2. a. [C77, 79, 81, §332.3(31); S81, §331.402(2); [81 Acts, ch 117, §401](#)]

b. [S81, §331.402(2); [81 Acts, ch 117, §401](#)]

c. [C77, 79, 81, §24.37(14), 332.3(30); S81, §331.402(2); [81 Acts, ch 117, §401](#)]

d – g. [S81, §331.402(2); [81 Acts, ch 117, §401](#)]

[83 Acts, ch 96, §157, 159; 84 Acts, ch 1123, §2; 87 Acts, ch 103, §1; 92 Acts, ch 1138, §2; 95 Acts, ch 67, §53; 2001 Acts, ch 45, §2; 2009 Acts, ch 100, §9, 21; 2010 Acts, ch 1061, §135; 2011 Acts, ch 34, §85; 2012 Acts, ch 1017, §73; 2021 Acts, ch 80, §204; 2023 Acts, ch 19, §1103](#)

For future amendments to subsection 3, paragraph d, subparagraph (1), subparagraph divisions (a), (b), (c), (d), and (e), effective July 1, 2024, see 2023 Acts, ch 71, §139, 154

Subsection 2, paragraph b amended