

SENATE/HOUSE FILE _____
BY (PROPOSED AUDITOR OF STATE
BILL)

A BILL FOR

1 An Act relating to the determination and collection of certain
2 fees by the auditor of state and the provision of municipal
3 financial management training and including applicability
4 provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 11.6, subsection 11, paragraph a, Code
2 2021, is amended to read as follows:

3 a. The auditor of state shall adopt rules in accordance with
4 chapter 17A to establish and collect a periodic examination fee
5 from cities that are not required to have an audit or required
6 fiscal year examination conducted pursuant to subsection 1
7 during a fiscal year. Such fees are due on March 31 each
8 year. ~~The auditor of state shall base the~~ periodic examination
9 ~~fees on the auditor of state establishes shall be on~~ a sliding
10 scale, based on the city's budgeted gross expenditures,
11 to produce total revenue of not more than ~~three hundred~~
12 ~~seventy-five~~ six hundred thousand dollars for each fiscal
13 year. However, cities that pay a filing fee for an audit or
14 examination pursuant to subsection 10 during the fiscal year
15 are not required to pay the periodic examination fee. The
16 funds collected shall be maintained in a segregated account
17 for use by the office of the auditor of state in performing
18 periodic examinations conducted pursuant to subsection 1.
19 However, if the fees collected in one fiscal year exceed
20 ~~three hundred seventy-five~~ six hundred thousand dollars, the
21 auditor of state shall apply the excess funds to provide
22 training to city officials on municipal financial management or
23 shall contract with a qualified organization to provide such
24 training. Notwithstanding section 8.33, any fees collected by
25 the auditor of state for these purposes that remain unexpended
26 at the end of the fiscal year shall not revert to the general
27 fund of the state or any other fund but shall remain available
28 for use for the following fiscal year for the purposes
29 authorized in this subsection.

30 Sec. 2. APPLICABILITY. This Act applies to fees collected
31 in fiscal years beginning on or after July 1, 2021.

32 EXPLANATION

33 The inclusion of this explanation does not constitute agreement with
34 the explanation's substance by the members of the general assembly.

35 Code section 11.6(11) authorizes the auditor of state to

1 establish and collect a periodic examination fee from cities
2 that are not required to have an audit or required fiscal year
3 examination during a fiscal year. The auditor of state is
4 required to base the fees on a sliding scale, based on the
5 city's budgeted gross expenditures, to produce total revenue
6 of not more than \$375,000 for each fiscal year. Current law
7 also requires the auditor of state to provide or contract for
8 training to city officials on municipal financial management if
9 the periodic examination fees collected in a fiscal year exceed
10 \$375,000 using the excess funds.

11 This bill increases the \$375,000 cap on total periodic
12 examination fees collected by the auditor of state to \$600,000.
13 The bill also modifies the threshold amount in order to require
14 the auditor of state to provide or contract for training to
15 city officials on municipal financial management.

16 The bill applies to fees collected in fiscal years beginning
17 on or after July 1, 2021.