

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 2025, 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 year.
8 ~~The auditor of state shall base the periodic examination fees~~
9 the auditor of state establishes shall be on a sliding scale,
10 based on the city's budgeted gross expenditures, to produce
11 total revenue of not more than ~~three~~ six hundred ~~seventy-five~~
12 thousand dollars for each fiscal year. However, cities that
13 pay a filing fee for an audit or examination pursuant to
14 subsection 10 during the fiscal year are not required to pay
15 the periodic examination fee. The funds collected shall be
16 maintained in a segregated account for use by the office of the
17 auditor of state in performing periodic examinations conducted
18 pursuant to subsection 1. However, if the fees collected in
19 one fiscal year exceed ~~three~~ six hundred ~~seventy-five~~ thousand
20 dollars, the auditor of state shall apply the excess funds
21 to provide training to city officials on municipal financial
22 management or shall contract with a qualified organization
23 to provide such training. Notwithstanding section 8.33, any
24 fees collected by the auditor of state for these purposes that
25 remain unexpended at the end of the fiscal year shall not
26 revert to the general fund of the state or any other fund but
27 shall remain available for use for the following fiscal year
28 for the purposes authorized in this subsection.

29 Sec. 2. APPLICABILITY. This Act applies to fees collected
30 in fiscal years beginning on or after July 1, 2025.

31 EXPLANATION

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

34 Code section 11.6(11) authorizes the auditor of state to
35 establish and collect a periodic examination fee from cities

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

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

15 The bill applies to fees collected in fiscal years beginning
16 on or after July 1, 2025.