

FILED FEB 5 1998

SENATE, ECON. DEV. & TOUR.

SENATE FILE 2132

BY VILSACK

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

A BILL FOR

1 An Act relating to audits of nonprofit corporations created by or
2 in association with the Iowa finance authority, providing for
3 the transfer of funding, and providing an effective date.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. By January 15, 1999, the auditor of state shall
2 conduct an audit of any nonprofit corporation in existence
3 which has been incorporated since January 1, 1989, by or in
4 association with the Iowa finance authority. An audit
5 conducted pursuant to this section shall include an audit for
6 the entire time period since any such corporation was
7 incorporated. The auditor shall make or cause to be made a
8 written report consistent with and similar to the type of
9 report required under section 11.4.

10 Any such corporation refusing to cooperate with the auditor
11 of state shall transfer to the general fund of the state all
12 unencumbered moneys traceable to moneys originally transferred
13 to such corporation from the Iowa finance authority. Moneys
14 shall not be transferred under this section which would impair
15 contractual obligations or violate trust conditions.

16 Sec. 2. EFFECTIVE DATE. This Act, being deemed of
17 immediate importance, takes effect upon enactment.

18 EXPLANATION

19 This bill requires the auditor of state, by January 15,
20 1999, to conduct an audit of any nonprofit corporation in
21 existence which has been incorporated since January 1, 1989,
22 by or in association with the Iowa finance authority. The
23 audit must cover the entire time period since any such
24 corporation was incorporated. The bill requires the auditor
25 of state to make a written report consistent with and similar
26 to the type of report required under Code section 11.4. Code
27 section 11.4 requires findings regarding the condition of the
28 entity, the expenditure of moneys, the efficiency of the
29 entity, illegal or unbusinesslike practices, recommendations
30 for simplicity, accuracy, and efficiency, contract comparisons
31 for goods and services, and any other information which may be
32 of value.

33 The bill requires such a corporation refusing to cooperate
34 with the auditor of state to transfer to the general fund of
35 the state all unencumbered moneys traceable to moneys

1 originally transferred to such corporation from the Iowa
2 finance authority, provided the moneys transferred do not
3 impair contractual obligations or violate trust conditions.

4 The bill takes effect upon enactment.

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