

House File 757 - Introduced

HOUSE FILE 757

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 656)

(SUCCESSOR TO HSB 235)

A BILL FOR

1 An Act relating to the authority and duties of the auditor of
2 state by modifying provisions relating to the collection
3 of certain fees and the provision of municipal financial
4 management training and including applicability 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 2019, 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
5 fee from cities that are not required to have an audit or
6 required fiscal year examination conducted pursuant to
7 subsection 1 during a fiscal year. Such fees are due on March
8 31 each year. ~~The auditor of state shall base the periodic~~
9 examination fees on established by the auditor of state shall
10 be on a sliding scale, based on the city's budgeted gross
11 expenditures, to produce total revenue of not more than ~~three~~
12 ~~hundred seventy-five~~ five hundred fifty thousand dollars
13 for each fiscal year. However, cities that pay a filing
14 fee for an audit or examination pursuant to [subsection 10](#)
15 during the fiscal year are not required to pay the periodic
16 examination fee. The funds collected shall be maintained in
17 a segregated account for use by the office of the auditor of
18 state in performing periodic examinations conducted pursuant
19 to [subsection 1](#). However, if the fees collected in one fiscal
20 year exceed ~~three hundred seventy-five~~ five hundred fifty
21 thousand dollars, the auditor of state shall apply the excess
22 funds to provide training to city officials on municipal
23 financial management or shall contract with a qualified
24 organization to provide such training. Notwithstanding section
25 8.33, any fees collected by the auditor of state for these
26 purposes that remain unexpended at the end of the fiscal year
27 shall not revert to the general fund of the state or any other
28 fund but shall remain available for use for the following
29 fiscal year for the purposes authorized in [this subsection](#).

30 Sec. 2. APPLICABILITY. This Act applies to fiscal years
31 beginning on or after July 1, 2019.

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

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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 \$550,000.
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 fiscal years beginning on or after July
17 1, 2019.