

House Study Bill 235 - Introduced

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON KAUFMANN)

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~~
10 shall be on a sliding scale, based on the city's budgeted
11 gross expenditures, ~~to produce total revenue of not more than~~
12 ~~three hundred seventy-five 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 three~~
20 ~~hundred seventy-five thousand dollars, the~~ The auditor of
21 state shall ~~apply the excess funds to~~ provide training to city
22 officials on municipal financial management or shall contract
23 with a qualified organization to provide such training.
24 Notwithstanding [section 8.33](#), any fees collected by the auditor
25 of state for these purposes that remain unexpended at the end
26 of the fiscal year shall not revert to the general fund of the
27 state or any other fund but shall remain available for use for
28 the following fiscal year for the purposes authorized in this
29 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

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.

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

17 The bill applies to fiscal years beginning on or after July
18 1, 2019.