

**House Study Bill 618 - Introduced**

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

**A BILL FOR**

1 An Act relating to the establishment of periodic examination  
2 fees from certain cities by the auditor of state.

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

1 Section 1. Section 11.6, subsection 11, paragraph a, Code  
2 2020, 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 fees on a sliding scale,  
9 based on the city's budgeted gross expenditures, to produce  
10 total revenue of not more than ~~three hundred seventy-five~~ six  
11 hundred thousand dollars for each fiscal year. However, cities  
12 that pay a filing fee for an audit or examination pursuant to  
13 subsection 10 during the fiscal year are not required to pay  
14 the examination fee. The funds collected shall be maintained  
15 in a segregated account for use by the office of the auditor of  
16 state in performing periodic examinations conducted pursuant  
17 to [subsection 1](#). However, if the fees collected in one fiscal  
18 year exceed ~~three hundred seventy-five~~ six hundred thousand  
19 dollars, the auditor of state shall apply the excess funds  
20 to provide training to city officials on municipal financial  
21 management or shall contract with a qualified organization  
22 to provide such training. Notwithstanding [section 8.33](#), any  
23 fees collected by the auditor of state for these purposes that  
24 remain unexpended at the end of the fiscal year shall not  
25 revert to the general fund of the state or any other fund but  
26 shall remain available for use for the following fiscal year  
27 for the purposes authorized in [this subsection](#).

28 EXPLANATION

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

31 This bill concerns the authority of the auditor of state  
32 to establish a periodic examination fee to be collected from  
33 cities that are not otherwise required to have an audit or  
34 required fiscal year examination conducted during a fiscal  
35 year. The bill allows the auditor to base the fees in such a

S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 manner as to produce total revenue of not more than \$600,000  
2 in a fiscal year. Current law only allows the auditor to set  
3 fees that generate not more than \$375,000 in total revenue  
4 in a fiscal year. Under current law, any moneys received  
5 in a fiscal year in excess of the revenue cap shall be used  
6 to provide training to city officials on municipal financial  
7 management.