House File 2473 - Introduced

HOUSE FILE 2473
BY WILSON

A BILL FOR

An Act relating to the determination and collection of certain fees by the auditor of state and the provision of municipal financial management training, and including applicability provisions.

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

Section 1. Section 11.6, subsection 11, paragraph a, Code 2026, is amended to read as follows:

a. The auditor of state shall adopt rules in accordance with chapter 17A to establish and collect a periodic examination fee from cities that are not required to have an audit or required fiscal year examination conducted pursuant to subsection 1 during a fiscal year. Such fees are due on March 31 each year. The ~~auditor of state shall base the~~ periodic examination fees the auditor of state establishes shall be on a sliding scale~~,~~ based on the city's budgeted gross expenditures, to produce total revenue of not more than ~~three~~ six hundred ~~seventy-five~~ thousand dollars for each fiscal year. However, cities that pay a filing fee for an audit or examination pursuant to subsection 10 during the fiscal year are not required to pay the periodic examination fee. The funds collected shall be maintained in a segregated account for use by the office of the auditor of state in performing periodic examinations conducted pursuant to subsection 1. However, if the fees collected in one fiscal year exceed ~~three~~ six hundred ~~seventy-five~~ thousand dollars, the auditor of state shall apply the excess funds to provide training to city officials on municipal financial management or shall contract with a qualified organization to provide such training. Notwithstanding section 8.33, any fees collected by the auditor of state for these purposes that remain unexpended at the end of the fiscal year shall not revert to the general fund of the state or any other fund but shall remain available for use for the following fiscal year for the purposes authorized in this subsection.

Sec. 2. APPLICABILITY. This Act applies to fees collected in fiscal years beginning on or after July 1, 2026.

EXPLANATION

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

Code section 11.6(11) authorizes the auditor of state to establish and collect a periodic examination fee from cities that are not required to have an audit or required fiscal year examination during a fiscal year. The auditor of state is required to base the fees on a sliding scale, based on the city's budgeted gross expenditures, to produce total revenue of not more than $375,000 for each fiscal year. Current law also requires the auditor of state to provide or contract for training to city officials on municipal financial management if the periodic examination fees collected in a fiscal year exceed $375,000 using the excess funds. The auditor of state is required to provide an annual report to the general assembly's standing committees on government oversight on the status of the account created for such fees and on the required examinations of cities.

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

The bill applies to fees collected in fiscal years beginning on or after July 1, 2026.