

House File 2548 - Introduced

HOUSE FILE 2548
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 626)

A BILL FOR

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

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

unofficial

1 Section 1. Section 11.6, subsection 11, paragraph a, Code
2 2026, 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 during
7 a fiscal year. Such fees are due on March 31 each year.
8 ~~The auditor of state shall base the periodic examination fees~~
9 the auditor of state establishes shall be on a sliding scale,
10 based on the city's budgeted gross expenditures, to produce
11 total revenue of not more than ~~three~~ six hundred ~~seventy-five~~
12 thousand dollars for each fiscal year. However, cities that pay
13 a filing fee for an audit or examination pursuant to subsection
14 10 during the fiscal year are not required to pay the periodic
15 examination fee. The funds collected shall be maintained in
16 a segregated account for use by the office of the auditor of
17 state in performing periodic examinations conducted pursuant to
18 subsection 1. However, if the fees collected in one fiscal
19 year exceed ~~three~~ six hundred ~~seventy-five~~ thousand dollars, the
20 auditor of state shall apply the excess funds to provide training
21 to city officials on municipal financial management or shall
22 contract with a qualified organization to provide such training.
23 Notwithstanding section 8.33, any fees collected by the auditor
24 of state for these purposes that remain unexpended at the end
25 of the fiscal year shall not revert to the general fund of the
26 state or any other fund but shall remain available for use for
27 the following fiscal year for the purposes authorized in this
28 subsection.

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

31 EXPLANATION

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

34 Code section 11.6(11) authorizes the auditor of state to
35 establish and collect a periodic examination fee from cities

1 that are not required to have an audit or required fiscal year
2 examination during a fiscal year. The auditor of state is
3 required to base the fees on a sliding scale, based on the city's
4 budgeted gross expenditures, to produce total revenue of not more
5 than \$375,000 for each fiscal year. Current law also requires
6 the auditor of state to provide or contract for training to
7 city officials on municipal financial management if the periodic
8 examination fees collected in a fiscal year exceed \$375,000 using
9 the excess funds. The auditor of state is required to provide
10 an annual report to the general assembly's standing committees
11 on government oversight on the status of the account created for
12 such fees and on the required examinations of cities.

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

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