The Doctrine of Public Purpose:

Article III, Section 31 of the Constitution of Iowa states:

**Extra compensation — payment of claims — appropriations for local or private purposes.**

No extra compensation shall be made to any officer, public agent, or contractor, after the service shall have been rendered, or the contract entered into; nor, shall any money be paid on any claim, the subject matter of which shall not have been provided for by pre-existing laws, and no public money or property shall be appropriated for local, or private purposes, unless such appropriation, compensation, or claim, be allowed by two-thirds of the members elected to each branch of the General Assembly.

Over the years the portion highlighted in red has been restated to say public funds must be spent for a public purpose.

A circa 1930's court case established a test to determine if public resources are being used for a private purpose. The test is whether there is an absence of public purpose that is “so clear as to be perceptible by mind at first blush".

An Attorney General’s Opinion dated April 25, 1979 concluded: It is possible for certain expenditures to meet the test of public purpose under certain circumstances, although such items will certainly be subject to a deserved close scrutiny. The line to be drawn between a proper and improper purpose is very thin. Certain expenditures may not meet those requirements if the public benefits to be derived have not been carefully considered and clearly documented.

This concept can be restated as follows:

**The harder it is to document a public purpose, the less likely one exists.**

And its corollary is:

**If it's not for a public purpose, why should the public pay for it?**

Various Code of Iowa sections build upon the public purpose requirement. For example:

* For community school districts, Section 279.30 of the Code of Iowa includes a requirement for schools which states "each payment...must state the purpose for which the payment is issued".
* For counties, Section 331.504 (8) of the Code of Iowa includes a requirement for counties which states "The claims, before being audited or paid, shall be itemized to clearly show the basis of the claim and whether for property sold or furnished for services rendered or for another purpose".
* For cities, Section 372.13(6) of the Code of Iowa includes a requirement for cities which states: "The list of claims allowed shall show the name of the person or firm making the claim, the reason for the claim, and the amount of the claim".
* For community colleges, Section 2.60C.43 of the Code of Iowa includes a requirement for community colleges which states: "Each payment shall be made payable to the vendor entitled to receive the payment with appropriate justification to ensure that the payment is in accordance with generally accepted accounting principles and procedures and in accordance with the system prescribed by the Director of the Iowa Department of Education.”