

## A BILL

FOR AN ACT TO AUTHORIZE CERTAIN CITIES OF THE SECOND CLASS TO ISSUE BONDS AND TO PROVIDE FOR THEIR PAYMENT, PRINCIPAL AND INTEREST.

*Be it enacted by the General Assembly of the State of Iowa:*

SECTION 1. That all cities of the second class organized under the general incorporation laws of the state and having a population of four thousand and upwards, according to the census of 1885, shall have the power and authority to issue, as may be ordered by the city council, bonds for the purpose of funding or refunding any subsisting legal indebtedness of said corporation outstanding, at the date of the final passage of this act.

SEC. 2. That all bonds issued under and by virtue of the provisions of this act, shall draw a rate of interest not exceeding six per centum per annum, payable annually or semi-annually, and shall be issued in denominations of not more than one thousand dollars each, and having not more than thirty years to run, with principal and interest payable at such place as the city council shall by resolution in ordering the issue of said bonds, direct and provide.

SEC. 3. That all bonds issued under the provisions of this act shall be issued pursuant to and in conformity with a resolution adopted by the city council which said resolution shall specify the purpose for which said bonds are to be issued, the rate of interest they shall bear, and whether payable annually or semi-annually, the place where said principal and interest shall be payable, and when said bonds shall become due and payable, and such other provisions in reference to said bonds as to said city council shall seem expedient and proper, and not inconsistent with the provisions of this act; which resolution shall constitute a contract between the said city and the purchasers or holders of said bonds, and said resolution shall be entered of record upon the minutes of the proceedings of the city council, and printed upon the back of the bonds to be issued.

SEC. 4. That all bonds issued under the provisions of this act shall be sold to the highest bidder for cash, under the direction of the city council, and said bonds shall not be sold for less than their face value and accrued interest, and the proceeds of the sale of such bonds shall be applied and exclusively used for the purpose for which said bonds are issued.

SEC. 5. Said bonds shall be signed by the mayor and attested by the auditor or clerk as the case may be, with the seal of the city affixed, and numbered consecutively; and the interest coupons attached thereto shall be signed by the auditor or clerk, as the case may be, and

4 when said bonds have been so executed as aforesaid, they shall be delivered to the treasurer,  
5 who shall register the same in a book provided for that purpose, which register shall show  
6 the number of said bonds, their date, date of sale, amount, date of maturity, and the name  
7 and address of the purchaser; and the treasurer shall thereupon certify upon the back of said  
8 bonds as follows: "This bond is duly and properly registered in my office this ... day of  
9 ..... city treasurer," and the treasurer shall, after such registration, de-  
10 liver said bonds to the purchaser thereof, as shall be directed and ordered by the city council.

SEC. 6. The city council of all cities issuing bonds under and by virtue of the provisions  
2 of this act shall cause to be levied upon all taxable property of said city, in addition to the  
3 levy for other purposes, a sum sufficient to pay the interest on bonds outstanding, issued  
4 under the provisions of this act, to accrue before the next annual levy.

SEC. 7. The city council of all cities issuing bonds under the provisions of this act shall  
2 cause to be levied upon the taxable property of said city, in addition to the levy for all other  
3 purposes as provided by law, a tax for the purpose of creating a fund for the payment of said  
4 bonds; which said levy shall be made at such time and in such manner that the fund to be  
5 derived therefrom shall be available and sufficient to pay said bonds at their maturity, and  
6 in accordance with the terms and provisions of the resolution of the city council under which  
7 said bonds are issued.

SEC. 8. That if the city council of any city which shall issue bonds under the provisions  
2 of this act shall fail to make the levy necessary to pay the interest on said bonds, or for the  
3 payment of said bonds at maturity, in compliance with the resolution under which said  
4 bonds are issued, and any of said bonds or the interest coupons shall have been presented  
5 for payment and payment thereof refused, the owner of said bonds may in addition to any  
6 other remedies he may have in law and equity, if he so selects, file the same with all unpaid  
7 coupons with the auditor of state, taking his receipts therefor, and the same shall be fully  
8 registered in the auditor's office; and the executive council at their next session as a board  
9 of equalization, at the time of the levy of the state tax, and at each annual session there-  
10 after, shall declare a levy upon the taxable property of said city, of a sufficient rate to real-  
11 ize the amount due or to become due on said bonds, prior to the next levy, which shall be  
12 collected the same as the state tax, and paid into the state treasurer, and placed to the  
13 credit of such city for the payment of said bonds and interest, and shall be paid to the per-  
14 sons entitled thereto upon the warrants drawn by the state auditor, as shown by the bonds  
15 registered in his office, and when so paid the bonds and interest coupons shall be cancelled  
16 by the state auditor, and returned by him to the treasurer of the city issuing the same, who  
17 shall receipt to him therefor.

SEC. 9. This act being deemed of immediate importance, shall take effect and be in force  
2 from and after its publication in the Iowa State Register and the Des Moines Leader, news-  
3 papers published at Des Moines, Iowa.