

Passed on File.

Substitute for House File No. 178.

February 7, 1924. BY COMMITTEE ON MUNICIPAL CORPORATIONS.

MUNICIPAL CORPORATIONS—INDEBTEDNESS

A BILL FOR

An act to amend, revise, and codify sections four thousand fifty-four (4504) to four thousand fifty-eight (4058), inclusive, three thousand seven hundred twenty-two (3722) to three thousand seven hundred twenty-four (3724), inclusive, three thousand seven hundred thirty-five (3735), three thousand seven hundred forty-two (3742) to three thousand seven hundred forty-four (3744), inclusive, three thousand seven hundred seventy-three (3773), three thousand seven hundred seventy-four (3774), and three thousand seven hundred seventy-eight (3778) of the compiled code of Iowa, and sections four thousand fifty-nine (4059), and three thousand six hundred thirty-eight (3638) of the supplement to said code, relating to municipal corporations.

Be It Enacted by the General Assembly of the State of Iowa:

1 That sections four thousand fifty-four (4054) to four thousand
2 fifty-eight (4058), inclusive, three thousand seven hundred twenty-
3 two (3722) to three thousand seven hundred twenty-four (3724),
4 inclusive, three thousand seven hundred thirty-five (3735), three
5 thousand seven hundred forty-two (3742) to three thousand seven
6 hundred forty-four (3744), inclusive, three thousand seven hundred
7 seventy-three (3773), three thousand seven hundred seventy-four
8 (3774), and three thousand seven hundred seventy-eight (3778) of the
9 compiled code of Iowa, and sections four thousand fifty-nine (4059)
10 and three thousand six hundred thirty-eight (3638) of the supplement
11 to said code are amended, revised, and codified to read as follows:

Section 1. Amount of indebtedness limited.

1 No county or other political or municipal corporation shall
2 become indebted in any manner for its general or ordinary purposes
3 to an amount exceeding in the aggregate one and one-fourth per cent
4 ($1\frac{1}{4}\%$) of the actual value of the taxable property within such cor-
5 poration. The value of such property shall be ascertained by the
6 last tax list previous to the incurring of the indebtedness.

Sec. 2. Purpose of incurring indebtedness.

1 Cities and towns when authorized to acquire the following
2 named public utilities and other improvements may incur indebtedness
3 for the purpose:

4 1. Of purchasing, erecting, extending, reconstructing, or
5 maintaining and operating waterworks, gas works, electric light and
6 power plants, or the necessary transmission lines therefor, and heating
7 plants.

8 2. Of purchasing or erecting garbage disposal plants.

9 3. Of erecting and equipping community center houses and recre-
10 ation grounds.

11 4. Of acquiring lands and establishing juvenile playgrounds and
12 recreation centers thereon or on lands already owned or to be leased
13 by the city.

14 5. Of constructing city and town halls.

15 6. Of erecting a building or buildings for a public library.

16 7. Of constructing hospitals.

Sec. 3. Application of limitation.

1 No indebtedness for the extraordinary purposes mentioned in the
2 preceding section shall be charged against or counted as a part of the

3 one and one-fourth per cent ($1\frac{1}{4}\%$) available for general ordinary
4 purposes until the other three and three-fourths per cent ($3\frac{3}{4}\%$)
5 five per cent (5%) of indebtedness permitted by the Constitution has
6 been exhausted.

Sec. 4. Election required.

1 No such indebtedness shall be incurred until authorized by an
2 election.

Sec. 5. Initiation of proceedings.

1 The proceedings to call such an election may be instituted by the
2 council except that before an election may be called for any of the
3 following purposes, a petition shall be filed with the council, request-
4 ing that such action be taken:

5 1. For any of the purposes mentioned in subsection one (1), four
6 (4) and seven (7) of the third preceding section the petitions shall be
7 signed by qualified electors of the city or town equal in number to
8 twenty-five per cent (25%) of those who voted at the last regular
9 municipal election.

10 2. For the establishment of community houses and recreation
11 grounds, it shall be signed by fifteen per cent (15%) of the resident
12 freeholders of the district within which the same is to be constructed.

Sec. 6. Election to be called.

1 The council on receipt of any such petition shall, at the
2 next regular meeting call a special election, fixing the time and
3 place thereof, or may submit the proposition as a special question at
4 the next regular municipal election. The council may reject a petition

5 for a community center, or change the area of any district petitioned
6 for.

Sec. 7. Notice.

1 It shall give notice of any election held under the provisions
2 of this chapter by publication once each week for four (4) consecutive
3 weeks in some newspaper published in the city or town, or if none be
4 published therein, in a newspaper published in the county and of gen-
5 eral circulation in the city or town. The election shall be held on a day
6 not less than five (5) nor more than twenty (20) days after the last
7 publication of notice.

Sec. 8. Questions submitted—manner of submission.

1 Each proposition mentioned in section two (2) hereof shall
2 be submitted on a separate ballot, but more than one of such propo-
3 sitions may be so submitted at the same election, and as a part of each
4 proposition so submitted there shall be stated on the ballot: The amount of
5 indebtedness to be contracted, if any; the amount of bonds to be issued,
6 if any; the annual rate of tax to be levied, if any, for the payment
7 of such bonds and interest thereon. The form of the ballot shall be
8 substantially as follows:

9 Shall (Here name city or town.)

10 (Here state the particular proposition to
11 be voted upon.)

12 and contract indebtedness not exceeding

13 \$..... and issue bonds not exceeding

14 \$..... and levy tax annually upon the YES ()

15 taxable property of (Here name of city or NO ()

16 town), not exceeding mills per annum for
17 the payment of such bonds and the interest
18 thereon.

Sec. 9. Majorities required.

1 A majority of all the legal votes cast on the particular question
2 at the election shall be sufficient to authorize the municipality to
3 contract the indebtedness, except that if the question submitted is
4 one in connection with waterworks, gas works, electric light or power
5 plants, heating plants, or the establishment of a hospital, the affir-
6 mative vote shall also be as large as a majority of all the legal votes
7 cast at the preceding municipal election.

Sec. 10. Limitation—submission certain questions.

1 If a question for the establishment of community center houses
2 or juvenile playgrounds fails to secure the requisite majority it shall
3 not again be submitted at an election for two (2) years.

Sec. 11. Council to issue bonds.

1 If the municipality is authorized to incur the indebtedness, the
2 council shall issue bonds and make provisions for the payment thereof
3 with interest.

Sec. 12. Bonds—interest—when due.

1 Bonds issued under the provisions of this chapter shall bear
2 interest at the rate of not more than five per cent (5%) per annum and
3 shall become due in not more than twenty years (20) after issuance
4 may be issued serially. and

Sec. 13. Payment of bonds.

1 Bonds for garbage disposal plants shall be paid from

2 the general fund of the city or town, but other bonds shall be
3 paid from the particular fund created therefor.

Sec. 14. How construed.

1 Nothing in this chapter shall be construed to repeal
2 chapter twenty-eight (28) title ten (10) or as being applicable
3 to bonds issued under section thirty-nine hundred eighty-five
4 (3985) of the supplement to the compiled code of Iowa.