

Senate substituted for S.F. 394- 3/31

March 12, 1952.

House File 446

Passed on File.

By CITIES AND TOWNS COMMITTEE.

Passed House, Date 3-27-53

Vote: Ayes 83 Nays 0

Passed Senate, Date 3-31-53

Vote: Ayes 50 Nays 0

Approved 4-3-53

A BILL FOR

An Act to repeal sections four hundred eight point ten (408.10), to four hundred eight point fourteen (408.14), inclusive, and section four hundred eight point sixteen (408.16), Code 1950, as amended, and to add a new section to chapter four hundred eight (408), Code 1950, relating to the issuance of municipal bonds.

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

- 1 Section 1. Sections four hundred eight point ten (408.10)
- 2 to four hundred eight point fourteen (408.14), inclusive,
- 3 Code 1950, as amended, are hereby repealed.

- 1 Sec. 2. Section four hundred eight point sixteen (408.16),
- 2 Code 1950, as amended is hereby repealed.

- 1 Sec. 3. Chapter four hundred eight (408), Code
- 2 1950, as amended, is hereby amended by adding thereto the
- 3 following:

- 4 "Cities and towns are hereby authorized to contract
- 5 indebtedness and to issue general obligation bonds to provide
- 6 funds to pay the cost of opening, widening, extending, grading,
- 7 and draining the right of way of any street, highway, avenue,
- 8 alley, public ground, or market place, and to construct, re-

9 construct or repair any street improvement, and to pay the
10 cost of land needed for right of way purposes.

11 Taxes for the payment of said bond shall be levied in
12 accordance with chapter seventy-six (76), Code 1950.
13 and said bonds shall be payable through the debt service fund
14 in not more than twenty years, and bear interest at a rate
15 not exceeding five percent per annum, and shall be of such
16 form as the city or town council shall by resolution provide,
17 but no city or town shall become indebted in excess of five
18 percent of the actual value of the taxable property within
19 said city or town, as shown by the last preceding state and
20 county tax lists. The indebtedness incurred for the purpose
21 provided in this act shall not be considered an indebtedness
22 incurred for general or ordinary purposes.

23 This act shall be construed as granting additional power
24 without limiting the power already existing in cities and towns.

25 The provisions of this act shall be applicable to all
26 municipal corporations regardless of form of government or
27 manner of incorporation."

1 Sec. 4. This act being deemed of immediate importance
2 shall take effect and be in force from and after its passage and
3 in, a newspaper published in ^{publication}
4, Iowa, and,
5 a newspaper published in, Iowa.

EXPLANATION OF H. F. 446

By reason of laws enacted during the last session of the Iowa General Assembly and decisions of the Supreme Court of Iowa construing these laws, no purpose is served by preserving authority to issue bonds in anticipation of the collection of limited taxes and authority for the issuance of bonds for the municipal purposes covered by the sections repealed is contained in other sections of the Code of Iowa and in companion bills. The provisions of Section 408.16 are and have been outmoded by more recent legislation establishing a twenty-year maturity limit. The new section permits the issuance of bonds for certain purposes previously covered by tax anticipation type securities and conforms this authority to changes made by the last session of the legislature and to constructions by the Supreme Court of Iowa

- 1 Amend House File 446 by striking all of section four (4)
- 2 and substituting in lieu thereof the following.
- 3 "Sec. 4. This act, being deemed of immediate importance,
- 4 shall take effect and be in full force from and after its
- 5 passage and publication in the Neola Gazette-Reporter, a
- 6 newspaper published at Neola, Iowa, and in the Pierson Progress,
- 7 a newspaper published at Pierson, Iowa"

Adopted

March 27, 1953.

NELSON of Woodbury.

