

*Referred to the Finance Committee 3/15 (p. 923)
Referred to the State Government 3/18
to the Senate 3/18 (p. 925)*

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FILED MAR 1 1980

SENATE FILE 2282
BY COMMITTEE ON COMMERCE
(FORMERLY SENATE STUDY BILL 2169)
Approved 2/25 (p. 657)

Passed Senate, Date 5-18-80 (p. 921) Passed House, Date 4/17/80 (p. 1707)
Vote: Ayes 33 Nays 15 Vote: Ayes 94 Nays 2
Approved 5/20/80

A BILL FOR

1 An Act relating to the rates of interest payable on interest-
2 bearing obligations issued by public agencies and on
3 special assessments levied by public agencies.

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

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SENATE FILE 2282

S-5263

1 Amend Senate File 2282 as follows:
2 1. Page 15, lines 12 and 13, by striking the words
3 "five hundred thirty-five point two (535.2), subsection
4 three (3) of the Code" and inserting in lieu thereof
5 the words "ten (10) of this Act".

S-5263 FILED
MARCH 5, 1980

BY EDGAR H. HOLDEN

DIVISION I

1
2 Section 1. Section seventy-four point one (74.1), Code
3 1979, is amended to read as follows:

4 74.1 APPLICABILITY.

5 1. This The procedures of this chapter ~~shall~~ apply to
6 all warrants which are legally drawn on a public treasury,
7 including the treasury of a city, and which, when presented
8 for payment, are not paid for want of funds.

9 2. This The procedures of this chapter ~~and-its-procedures~~
10 ~~shall~~ also apply whenever a municipality, as defined in section
11 24.2, or a city shall determine that there are not or will
12 not be sufficient funds on hand to pay the legal obligations
13 of a fund. ~~Said-municipality~~ Each of these municipalities
14 is authorized to provide for the payment of such present and
15 future obligations by drawing one or more anticipatory warrants
16 payable to a bank or other business entity authorized by law
17 to loan money in an amount or amounts legally available and
18 believed to be sufficient to cover the anticipated
19 deficiencies. The duties imposed on the treasurer by this
20 chapter may be assigned by ~~the~~ a city council to another city
21 officer.

22 3. The procedures of this chapter also apply to the issu-
23 ance of anticipatory warrants by the state under section nine-
24 teen point eight (19.8) of the Code.

25 4. The procedures of this chapter also apply to
26 anticipatory warrants, pledge orders, improvement certificates,
27 anticipatory certificates or similar obligations payable from
28 special assessments against benefited properties, or payable
29 from charges, fees or other operating income from a publicly
30 owned enterprise or utility.

31 Sec. 2. Section seventy-four point two (74.2), Code 1979,
32 as amended by Acts of the Sixty-eighth General Assembly, 1979
33 Session, chapter twenty-four (24), section three (3), is
34 amended to read as follows:

35 74.2 ENDORSEMENT AND INTEREST. ~~Except-as-provided-in~~

1 ~~section-74-8,-when-any-such~~ If a warrant other than an
2 anticipatory warrant is presented for payment, and is not
3 paid for want of funds, or is only partially paid, the
4 treasurer shall endorse the fact thereon, with the date of
5 presentation, and sign the endorsement, and thereafter the
6 warrant or the balance due thereon, shall draw bear interest
7 at six-percent-per-annum-on-state-and-county-warrants,-and
8 six-percent-per-annum-on-city-and-school-warrants,-unless
9 the-treasurer-arranges-for-the-sale-of-said-warrant-at-par
10 at-a-lower-rate-of-interest the rate specified in section
11 ten (10) of this Act.

12 An anticipatory warrant issued under the authority of sec-
13 tion one (1), subsection two (2) of this Act shall bear
14 interest at a rate determined by the issuing governmental
15 body, but not exceeding that permitted by chapter seventy-
16 four A (74A) of the Code.

17 Sec. 3. Section seventy-four point three (74.3), Code
18 1979, is amended to read as follows:

19 74.3 RECORD OF WARRANTS OBLIGATIONS. The treasurer shall
20 keep a record of all-warrants-so-endorsed, each interest-
21 bearing obligation which record shall show the number and
22 amount, the date of-presentation interest commences, the rate
23 of interest, and the name and post-office address of the
24 holder,-of-each-warrant of the obligation.

25 Sec. 4. Section seventy-four point four (74.4), Code 1979,
26 is amended to read as follows:

27 74.4 ASSIGNMENT OF WARRANT OBLIGATION. When any-warrant
28 shall-be a nonnegotiable interest-bearing obligation is
29 assigned or transferred after-being-so-endorsed, the assignee
30 or transferee shall-be-under-duty,-for-his-own-protection,
31 to must notify the treasurer in writing of such the assignment
32 or transfer and of his the post-office address of the assignee
33 or transferee. Upon receiving such notification, the treasurer
34 accordingly shall correct the-aforesaid-record-accordingly
35 the record maintained under section three (3) of this Act.

1 Sec. 5. Section seventy-four point five (74.5), Code 1979,
2 is amended by striking the section and inserting in lieu
3 thereof the following:

4 74.5 CALL FOR PAYMENT. When a fund contains sufficient
5 money to pay one or more interest-bearing obligations which
6 are outstanding against the fund, the treasurer shall call
7 those obligations for payment. Obligations may be paid in
8 the order of presentation. This section does not authorize
9 a fixed-term obligation to be called at a date earlier than
10 is provided by the conditions and terms upon which it was
11 issued.

12 Sec. 6. Section seventy-four point six (74.6), Code 1979,
13 is amended by striking the section and inserting in lieu
14 thereof the following:

15 74.6 NOTICE OF CALL--TERMINATION OF INTEREST.

16 1. The treasurer shall make a call for payment under
17 section five (5) of this Act by mailing to the holder of the
18 obligation, as shown in the records maintained under section
19 three (3) of this Act, a notice of call which describes the
20 obligation by number and amount, and which specifies a date,
21 not more than ten days thereafter when interest ceases to
22 accrue on the obligation. The treasurer shall enter the date
23 of mailing of the notice in the records maintained under
24 section three (3) of this Act.

25 2. Interest on an interest-bearing obligation shall cease
26 to accrue as of the date specified in the notice of call
27 issued under subsection one (1) of this section.

28 3. This section does not apply if the parties have other-
29 wise agreed in writing.

30 Sec. 7. Section seventy-four point seven (74.7), Code
31 1979, is amended to read as follows:

32 74.7 ENDORSEMENT OF INTEREST. When ~~a warrant~~ an obligation
33 which legally draws interest is paid, the treasurer shall
34 endorse upon it the date of payment, and the amount of interest
35 allowed paid. The treasurer also shall enter into the records

1 maintained under section three (3) of this Act the date of
2 payment and the amount of interest paid.

3 Sec. 8. Sections seven (7) through sixteen (16) of this
4 Act are enacted as a new chapter seventy-four A (74A) of the
5 Code, which shall be entitled "INTEREST RATES FOR PUBLIC
6 OBLIGATIONS AND ASSESSMENTS".

7 Sec. 9. NEW SECTION. APPLICABILITY.

8 1. Except as otherwise provided by law, this chapter es-
9 tablishes the interest rates which are applicable to all
10 bonds, warrants, anticipatory warrants, pledge orders,
11 improvement certificates, and anticipation certificates issued
12 by a governmental body or agency under the laws of this state,
13 and the interest rates which are applicable to assessments
14 levied by a governmental body or agency under the laws of
15 this state against benefited properties for the retirement
16 of public debt.

17 2. This chapter does not authorize the issuance of a
18 public obligation or the levying of an assessment, and does
19 not create an obligation to pay interest, and does not
20 determine when interest commences or ceases to accrue.

21 3. This chapter does not impose an interest rate or
22 interest rate limitation where by law the rate of interest
23 payable on an obligation is within the discretion of the
24 governmental body or agency, unless that discretion is
25 expressly made subject to the limitations contained in this
26 chapter.

27 Sec. 10. NEW SECTION. UNPAID WARRANTS. A warrant not
28 paid upon presentation for want of funds bears interest on
29 unpaid balances at the rate in effect at the time the warrant
30 is first presented for payment, as established by rule pursuant
31 to section fourteen (14) of this Act. This section does not
32 apply to an obligation which by law bears interest from the
33 time it is issued.

34 Sec. 11. NEW SECTION. MAXIMUM RATES FOR PUBLIC
35 OBLIGATIONS. Except as otherwise provided by law, the maximum

1 rates of interest on obligations issued by this state, or
2 by a county, school district, city special improvement
3 district, or any other governmental body or agency are as
4 follows:

5 1. General obligation bonds, warrants, or other evidences
6 of indebtedness which are payable from general taxation or
7 from the state's sinking fund for public deposits may bear
8 interest at a rate not exceeding the maximum rate in effect
9 at the time the obligation is issued, as established by rule
10 pursuant to section fourteen (14) of this Act.

11 2. Revenue bonds, warrants, pledge orders or other
12 obligations, the principal and interest of which are to be
13 paid solely from the revenue derived from the operations of
14 the publicly owned enterprise or utility for which the bonds
15 or obligations are issued, may bear interest at a rate not
16 exceeding the maximum rate in effect at the time the obligation
17 is issued, as established by rule pursuant to section fourteen
18 (14) of this Act. This limitation does not apply to revenue
19 bonds issued pursuant to chapter four hundred nineteen (419)
20 of the Code.

21 3. Special assessment bonds, certificates, warrants or
22 other obligations, the principal and interest of which are
23 payable from special assessments levied against benefited
24 property may bear interest at a rate not exceeding the maximum
25 rate in effect at the time the obligation is issued, as
26 established by rule pursuant to section fourteen (14) of this
27 Act.

28 Sec. 12. NEW SECTION. MAXIMUM RATES ON SPECIAL
29 ASSESSMENTS. Except as otherwise provided by law, the rate
30 of interest payable on unpaid balances of special assessments
31 levied against benefited properties shall not exceed the
32 maximum rate in effect at the time of adoption of the final
33 assessment schedule, as established by rule pursuant to section
34 fourteen (14) of this Act.

35 Sec. 13. NEW SECTION. RELATIVE RATE ON ASSESSMENT BONDS.

1 Bonds payable from special assessments shall not be sold
2 bearing a higher rate of interest than is payable on the
3 assessments from which those bonds are made payable.

4 Sec. 14. NEW SECTION. RULES TO ESTABLISH RATES.

5 1. The rule-making authority contained in this section
6 shall be exercised by a committee composed of the treasurer
7 of state, the superintendent of banking and the commissioner
8 of insurance.

9 2. The committee shall adopt rules pursuant to chapter
10 seventeen A (17A) of the Code establishing the following:

11 a. The annual interest rate to be applicable under section
12 ten (10) of this Act.

13 b. The maximum annual interest rate to be applicable under
14 section eleven (11), subsection one (1) of this Act.

15 c. The maximum annual interest rate to be applicable under
16 section eleven (11), subsection two (2) of this Act.

17 d. The maximum annual interest rate to be applicable under
18 section eleven (11), subsection three (3) of this Act.

19 e. The maximum annual interest rate to be applicable under
20 section twelve (12) of this Act.

21 3. The committee shall establish and from time to time
22 modify one or more of the interest rates referred to in sub-
23 section two (2) of this section as may be necessary in the
24 opinion of the committee to permit the orderly financing of
25 governmental activities, and to minimize interest costs to
26 governmental bodies while permitting a fair return to persons
27 whose funds are used to finance governmental activities.
28 The committee shall consider relevant indices of actual
29 interest rates in the economy when establishing rates under
30 this section, including but not necessarily limited to maximum
31 lawful interest rates payable by depository financial
32 institutions on customer deposits, interest rates payable
33 on obligations issued by the United States government, and
34 interest rates payable on obligations issued by governmental
35 bodies other than those of this state.

1 4. An interest rate established by the committee under
2 this section shall be in effect commencing on the date
3 specified in the rule, and until superseded by a subsequent
4 rule.

5 5. The committee shall not establish interest rates for
6 types or categories of obligations other than as specified
7 in subsection two (2) of this section. The committee shall
8 not establish subcategories within any of the categories
9 referred to in paragraphs a through e of subsection two (2)
10 of this section.

11 Sec. 15. NEW SECTION. EMERGENCY VARIANCE.

12 1. If following the adoption of an ordinance or resolution
13 authorizing the issuance of interest-bearing obligations,
14 the issuing governmental body or agency finds that the
15 obligations are not marketable because of the interest-rate
16 limitations contained in section eleven (11) or thirteen (13)
17 of this Act, the governmental body or agency, upon compliance
18 with the requirements of subsection two (2) of this section,
19 may by special resolution authorize the sale of those
20 obligations at a rate of interest not more than two percentage
21 points above the rate otherwise permitted under section eleven
22 (11) or thirteen (13) of this Act.

23 2. A governmental body or agency may use the emergency
24 authority contained in subsection one (1) of this section
25 upon satisfaction of the following conditions:

26 a. The governmental agency or body receives from bond
27 counsel a written certification based upon good faith efforts
28 to sell the obligations that it is reasonable to conclude
29 that the obligations are not marketable at the maximum lawful
30 rate of interest.

31 b. The governmental agency or body publishes a notice
32 of its intended action, specifying the date, time and place
33 of the meeting at which the intended action is to be taken,
34 the reason for the intended action, the rate of interest
35 originally authorized, and the proposed rate of interest.

1 c. The governmental body or agency maintains for public
2 inspection on and after the date of publication of the notice
3 of its intended action, and until the date action is taken,
4 a copy of the statement of bond counsel referred to in
5 paragraph a of this subsection.

6 d. The governmental body or agency receives and considers
7 oral or written objections which may be presented by affected
8 taxpayers at the meeting as scheduled or at any adjournment
9 thereof.

10 3. The notice specified in subsection two (2) of this
11 section shall be published in the manner provided by law for
12 the publication by the governing body of a notice of intent
13 to institute original proceedings for the issuance of the
14 obligations.

15 4. This section does not apply to anticipatory warrants
16 issued by a school district.

17 Sec. 16. NEW SECTION. SCHOOL DISTRICT WARRANTS.

18 1. The treasurer of a school district shall sell
19 anticipatory warrants authorized by section one (1), subsection
20 two (2) of this Act at the maximum rate of interest provided
21 in section eleven (11) of this Act or at a lower rate of
22 interest.

23 2. Each bank or other business entity authorized by law
24 to loan money which refuses to purchase warrants at a rate
25 of interest permitted by subsection one (1) of this section
26 shall submit a certificate of refusal to the treasurer of
27 the school district.

28 3. If the treasurer of a school district is unable to
29 sell the warrants at a rate of interest permitted by subsection
30 one (1) of this section and receives at least two certificates
31 of refusal, the treasurer may offer the warrants for public
32 sale at par, by publishing notice of the sale for two
33 consecutive weeks in a newspaper of general circulation in
34 the jurisdiction of the school district issuing the warrants,
35 giving not less than ten days' notice of the time and place

1 of the sale. The notice shall include a statement of the
2 amount of the warrants offered for sale.

3 4. Sealed bids may be received at any time up to the time
4 all bids are opened. The treasurer shall sell the warrants
5 to the bidder offering the lowest interest rate, provided
6 that the treasurer may reject all bids and readvertise the
7 sale of the warrants pursuant to the provisions of this
8 section.

9 5. This section applies only to school districts whose
10 anticipated receipts allocable to the current budget are at
11 least equal to their legally approved budget for the current
12 year.

13 DIVISION II

14 Sec. 17. Section nineteen point eight (19.8), Code 1979,
15 as amended by Acts of the Sixty-eighth General Assembly, 1979
16 Session, chapter twenty-four (24), section one (1), is amended
17 to read as follows:

18 19.8 ANTICIPATION OF REVENUES. The executive council
19 may anticipate the revenues for any year, when the current
20 revenues for that year are insufficient to pay all warrants
21 issued in that year, by causing state warrants, in an amount
22 not exceeding the estimated state revenues for that year,
23 and ~~drawing-not-to-exceed-six-percent-per-annum~~ bearing
24 interest at a rate not exceeding that permitted by chapter
25 seventy-four A (74A) of the Code, to be issued, advertised,
26 and sold on sealed bids, and to the highest bidder offering
27 the lowest interest rate. All bids and all records pertaining
28 thereto, ~~and the names of all purchasers~~ shall be kept on
29 file. The treasurer of state shall comply with the provisions
30 of chapter seventy-four (74) of the Code.

31 Sec. 18. Section twenty-eight F point eight (28F.8), Code
32 1979, is amended to read as follows:

33 28F.8 DETAILS OF REVENUE BONDS. Revenue bonds issued
34 pursuant to the provisions of this chapter shall bear interest
35 at a rate or rates not exceeding ~~seven-percentum-per-annum~~

1 that permitted by chapter seventy-four A (74A) of the Code,
2 may be in one or more series, may bear such date or dates,
3 may mature at such time or times not exceeding forty years
4 from their respective dates, may be payable in such medium
5 of payment, at such place or places within the state, may
6 carry such registration privileges, may be subject to such
7 terms of prior redemption, with or without premium, may be
8 executed in such manner, may contain such terms, covenants
9 and conditions, and may be in such form otherwise, as such
10 resolution or subsequent resolutions shall provide.

11 Sec. 19. Section thirty-seven point six (37.6), Code 1979,
12 is amended to read as follows:

13 37.6 BONDS. For the purpose of providing funds for the
14 acquisition of necessary ground therefor, and for purchasing,
15 erecting, constructing, or reconstructing such building or
16 monument, and for the necessary equipment therefor, the county
17 may issue bonds to be known as liberty memorial bonds, to
18 be issued and sold as provided by law relative to general
19 county bonds; it shall provide for portions of such bonds
20 to become due at different, definite periods, but none in
21 more than twenty years from date. In issuing such bonds,
22 such county may become indebted in an amount which, added
23 to all other indebtedness, shall not exceed five percent of
24 the actual value of the taxable property in such county as
25 determined by the last state and county tax lists. Such bonds
26 shall bear interest at a rate not exceeding ~~seven-percent~~
27 per-annum that permitted by chapter seventy-four A (74A) of
28 the Code. Bonds issued by a city must be issued in accordance
29 with provisions of law relating to general corporate purpose
30 bonds of a city.

31 Sec. 20. Section thirty-seven point twenty-eight (37.28),
32 Code 1979, as amended by Acts of the Sixty-eighth General
33 Assembly, 1979 Session, chapter twenty-four (24), section
34 two (2), is amended to read as follows:

35 37.28 ANTICIPATORY WARRANTS. If the funds raised under

1 the provisions of this chapter are insufficient for any fiscal
2 year to pay the principal and interest due in that year on
3 any bonds issued for hospital purposes under section 37.6
4 and to pay the expenses of the operation and maintenance of
5 the hospital and any other hospital expenses authorized by
6 this chapter for the fiscal year, the commission may issue
7 tax anticipatory warrants drawn on the funds to be raised
8 by the taxes levied under sections 37.7 and 37.8. The warrants
9 shall be in denominations of one hundred, five hundred and
10 one thousand dollars and shall draw interest at a rate not
11 ~~to exceed six percent per annum~~ exceeding that permitted by
12 chapter seventy-four A (74A) of the Code. These warrants
13 shall not be a general obligation of any political subdivision
14 which owns the hospital.

15 Sec. 21. Section one hundred eleven A point six (111A.6),
16 unnumbered paragraph two (2), Code 1979, is amended to read
17 as follows:

18 In order to make immediately available to the county
19 conservation board the proceeds of the annual tax hereinbefore
20 authorized to be levied for recreation and conservation
21 purposes, bonds of any county may be issued in anticipation
22 of the collection of such tax in the manner hereinafter
23 provided. Upon the filing of a petition by the conservation
24 board with the county board of supervisors asking that bonds
25 be issued in a specified amount for the purpose of paying
26 the cost of acquiring land and developing the same for public
27 museum, park, parkway, preserve, playground, or other
28 recreation or conservation purposes within the county, then
29 the board of supervisors may call a special election to be
30 held in the county to vote on the proposition of issuing such
31 bonds. Notice of such election shall be published once each
32 week for at least four consecutive weeks in one of the official
33 county newspapers, and the election shall be held on a day
34 not less than five nor more than twenty days after the last
35 publication of such notice. Voting machines may be used for

1 the purpose of voting on said proposition or, in the discretion
2 of the board of supervisors, the proposition may be submitted
3 to the voters on paper ballots. The proposition shall be
4 submitted in substantially the following form:

5 "Shall County, Iowa, issue its bonds in the
6 amount of \$..... for the purpose of?"
7 The expenses incurred in connection with the conduct of such
8 election shall be paid by the conservation board from the
9 county conservation fund. If the vote in favor of issuing
10 the bonds is equal to at least sixty percent of the total
11 votes cast for and against the proposition, the board of
12 supervisors shall issue the bonds in the amount voted, and
13 shall provide for the levy of an annual tax, within the limits
14 of the special tax hereinbefore authorized, sufficient to
15 pay said bonds and the interest thereon as the same
16 respectively become due. Said bonds shall mature in not more
17 than twenty years, shall bear interest at a rate or rates
18 not exceeding ~~seven-percent-per-annum~~ that permitted by chapter
19 seventy-four A (74A) of the Code, shall be in such form as
20 the board of supervisors shall by resolution provide, and
21 shall be payable as to both principal and interest from the
22 proceeds of the annual levy of the tax hereinbefore authorized
23 to be levied for recreation and conservation purposes, or
24 so much thereof as will be sufficient to pay the principal
25 thereof and interest thereon, and prior to the authorization
26 and issuance of such bonds the board of supervisors may, with
27 or without notice, negotiate and enter into an agreement or
28 agreements with any bank, investment banker, trust company
29 or insurance company or group thereof whereunder the marketing
30 of such bonds may be assured and consummated. The proceeds
31 of such bonds shall be deposited in a special fund, to be
32 kept separate and apart from all other funds of the county,
33 and shall be paid out upon warrants drawn by the county auditor
34 upon requisition of the conservation board to pay the cost
35 of acquiring land and developing the same for recreation and

1 conservation purposes as specified in the election proposition.

2 Sec. 22. Section one hundred forty-five A point seventeen
3 (145A.17), Code 1979, is amended to read as follows:

4 145A.17 INDEBTEDNESS AND BONDS. Boards of hospital
5 trustees may acquire sites and erect and equip buildings for
6 use by area hospitals and may contract indebtedness and issue
7 bonds bearing interest at a rate not exceeding ~~seven-percent~~
8 per-annum that permitted by chapter seventy-four A (74A) of
9 the Code to raise funds for such purposes in accordance with
10 chapter 75.

11 Sec. 23. Section two hundred two point five (202.5), Code
12 1979, is amended to read as follows:

13 202.5 INTEREST ON INSTALLMENTS. All unpaid installments
14 of the special assessment tax levied against the property
15 described in section 202.4 shall bear interest at ~~the rate~~
16 of six-percent a rate not exceeding that permitted by chapter
17 seventy-four A (74A) of the Code and all delinquent
18 installments shall be subject to the same penalties as are
19 now applied to delinquent general taxes.

20 Sec. 24. Section two hundred two point six (202.6), Code
21 1979, as amended by Acts of the Sixty-eighth General Assembly,
22 1979 Session, chapter twenty-four (24), section four (4),
23 is amended to read as follows:

24 202.6 ANTICIPATORY WARRANTS. The board shall have the
25 authority for the purpose of financing and carrying out the
26 provisions of this chapter to issue anticipatory warrants
27 drawn on the county, in denominations of one hundred dollars,
28 five hundred dollars and one thousand dollars, which
29 anticipatory warrants shall draw interest at ~~not-more-than~~
30 six-percent-per-annum a rate not exceeding that permitted
31 by chapter seventy-four A (74A) of the Code; and shall not
32 be a general obligation on the county and be secured only
33 by the special assessment tax levy as herein provided.

34 Sec. 25. Section two hundred eighty A point twenty-two
35 (280A.22), unnumbered paragraph two (2), Code 1979, is amended

1 to read as follows:

2 In order to make immediately available to the merged area
3 the proceeds of the voted tax hereinbefore authorized to be
4 levied, the board of directors of any such merged area is
5 hereby authorized, without the necessity for any further
6 election, to borrow money and enter into loan agreements in
7 anticipation of the collection of such tax, and such board
8 shall, by resolution, provide for the levy of an annual tax,
9 within the limits of the special voted tax hereinbefore
10 authorized, sufficient to pay the amount of any such loan
11 and the interest thereon to maturity as the same becomes due.
12 A certified copy of this resolution shall be filed with the
13 county auditors of the counties in which such merged area
14 is located, and the filing thereof shall make it a duty of
15 such auditors to enter annually this levy for collection until
16 funds are realized to repay the loan and interest thereon
17 in full. Said loan must mature within the number of years
18 for which the tax has been voted and shall bear interest at
19 a rate or rates not exceeding ~~seven-percent-per-annum~~ that
20 permitted by chapter seventy-four A (74A) of the Code. Any
21 loan agreement entered into pursuant to authority herein
22 contained shall be in such form as the board of directors
23 shall by resolution provide and the loan shall be payable
24 as to both principal and interest from the proceeds of the
25 annual levy of the voted tax hereinbefore authorized, or so
26 much thereof as will be sufficient to pay the loan and interest
27 thereon. In furtherance of the foregoing the board of
28 directors of such merged area may, with or without notice,
29 negotiate and enter into a loan agreement or agreements with
30 any bank, investment banker, trust company, insurance company
31 or group thereof, whereunder the borrowing of the necessary
32 funds may be assured and consummated. The proceeds of such
33 loan shall be deposited in a special fund, to be kept separate
34 and apart from all other funds of the merged area, and shall
35 be paid out upon warrants drawn by the president and secretary

1 of the board of directors to pay the cost of acquiring the
2 school facilities for which the tax was voted.

3 Sec. 26. Section two hundred eighty-five point ten
4 (285.10), subsection seven (7), paragraph b, Code 1979, is
5 amended to read as follows:

6 b. May purchase buses and enter into contract to pay for
7 such buses over a five-year period as follows: One-fourth
8 of the cost when bus is delivered and the balance in equal
9 annual installments, plus simple interest due. The interest
10 rate shall be the lowest rate available and shall not exceed
11 ~~four-percent-simple-interest~~ the rate in effect under section
12 five hundred thirty-five point two (535.2), subsection three
13 (3) of the Code. The bus shall serve as security for balance
14 due. Bus bodies and chassis shall be purchased on separate
15 contracts unless the bus is constructed as an integral unit,
16 inseparable as to body and chassis, by the manufacturer or
17 is a used or demonstrator bus.

18 Sec. 27. Section two hundred ninety-six point one (296.1),
19 Code 1979, is amended to read as follows:

20 296.1 INDEBTEDNESS AUTHORIZED. Subject to the approval
21 of the voters thereof, school districts are hereby authorized
22 to contract indebtedness and to issue general obligation bonds
23 to provide funds to defray the cost of purchasing, building,
24 furnishing, reconstructing, repairing, improving or remodeling
25 a schoolhouse or schoolhouses and additions thereto, gymnasium,
26 stadium, field house, school bus garage, teachers' or
27 superintendent's home or homes, and procuring a site or sites
28 therefor, or purchasing land to add to a site already owned,
29 or procuring and improving a site for an athletic field, or
30 improving a site already owned for an athletic field, and
31 for any one or more of such purposes. Taxes for the payment
32 of said bonds shall be levied in accordance with chapter 76,
33 and said bonds shall mature within a period not exceeding
34 twenty years from date of issue, shall bear interest at a
35 rate or rates not exceeding ~~seven-percent-per-annum~~ that

1 permitted by chapter seventy-four A (74A) of the Code and
2 shall be of such form as the board of directors of such school
3 district shall by resolution provide, but the aggregate
4 indebtedness of any school district shall not exceed five
5 percent of the actual value of the taxable property within
6 said school district, as ascertained by the last preceding
7 state and county tax lists.

8 Sec. 28. Section two hundred ninety-eight point twenty-
9 two (298.22), unnumbered paragraph one (1), Code 1979, is
10 amended to read as follows:

11 All of said bonds shall be substantially in the form
12 provided for county bonds, but subject to changes that will
13 conform them to the action of the board providing therefor;
14 shall run not more than twenty years, and may be sooner paid
15 if so nominated in the bond; bear a rate of interest not
16 exceeding ~~seven-percent-per-annum~~ that permitted by chapter
17 seventy-four A (74A) of the Code, payable semiannually; be
18 signed by the president and countersigned by the secretary
19 of the board of directors; and shall not be disposed of for
20 less than par value, nor issued for other purposes than this
21 chapter provides.

22 Sec. 29. Section three hundred two point twelve (302.12),
23 Code 1979, is amended to read as follows:

24 302.12 BONDS TO COVER LOSSES. When any sum not less than
25 one thousand dollars shall be so audited and so become a debt
26 of the state to the fund, as provided by the Constitution,
27 the auditor of state shall issue the bond or bonds of the
28 state in favor of the fund, bearing ~~six-percent~~ interest at
29 a rate not exceeding that permitted by chapter seventy-four
30 A (74A) of the Code, payable semiannually on the first day
31 of January and July after issuance, and the amount to pay
32 the interest as it becomes due is appropriated out of any
33 funds in the state treasury.

34 Sec. 30. Section three hundred nine point forty-seven
35 (309.47), subsection four (4), Code 1979, is amended to read

1 as follows:

2 4. The rate of interest which each certificate shall bear
3 which shall not exceed ~~five-percent-per-annum~~ that permitted
4 by chapter seventy-four A (74A) of the Code, payable annually.

5 Sec. 31. Section three hundred nine point seventy-three
6 (309.73), unnumbered paragraph three (3), Code 1979, is amended
7 to read as follows:

8 Taxes for the payment of county bonds shall be levied in
9 accordance with chapter 76 and said bonds shall be payable
10 in not more than twenty years and bear interest at a rate
11 not exceeding ~~five-percent-per-annum~~ that permitted by chapter
12 seventy-four A (74A) of the Code, and shall be of such form
13 as the respective councils or board of supervisors shall by
14 resolution provide, but no city or county shall become indebted
15 in excess of five percent of the actual value of taxable
16 property within its taxing jurisdiction as shown by the last
17 preceding state and county tax lists. The indebtedness
18 incurred for the purpose provided in this section shall not
19 be considered an indebtedness incurred for general or ordinary
20 purposes.

21 Sec. 32. Section three hundred eleven point sixteen
22 (311.16), unnumbered paragraph two (2), Code 1979, as amended
23 by Acts of the Sixty-eighth General Assembly, 1979 Session,
24 chapter sixty-eight (68), section one (1), is amended to read
25 as follows:

26 On the final determination the board shall levy the
27 assessments and all installments thereof upon the real estate
28 within the district as finally established. The entire amount
29 of the assessment shall be then due and payable, and bear
30 interest at ~~six-percent-per-annum~~ a rate not exceeding that
31 permitted by chapter seventy-four A (74A) of the Code
32 commencing twenty days from the date of the levy, and shall
33 be collected at the succeeding September semiannual payment
34 of ordinary taxes.

35 Sec. 33. Section three hundred eleven point seventeen

1 (311.17), unnumbered paragraph one (1), Code 1979, as amended
2 by Acts of the Sixty-eighth General Assembly, 1979 Session,
3 chapter sixty-eight (68), section two (2), is amended to read
4 as follows:

5 If an owner other than the state or a county or city, of
6 any tracts of land on which the assessment is more than ten
7 dollars, shall, within twenty days from the date of the
8 assessment, agree in writing filed in the office of the county
9 auditor, that in consideration of the owner having the right
10 to pay the assessment in installments, the owner will not
11 make any objection of illegality or irregularity as to the
12 assessment upon the real estate, and will pay the assessment
13 plus ~~six-percent-annual~~ interest, the assessment shall be
14 payable in ten equal installments. The first installment
15 shall be payable on the date of the agreement. The other
16 installments with interest on the whole amount unpaid shall
17 be paid annually at the same time and in the same manner as
18 the September semiannual payment of ordinary taxes. The rate
19 of interest shall be as established by the board, but not
20 exceeding that permitted by chapter seventy-four A (74A) of
21 the Code.

22 Sec. 34. Section three hundred eleven point twenty-eight
23 (311.28), Code 1979, is amended to read as follows:

24 311.28 CERTIFICATES ANTICIPATING ASSESSMENTS. In order
25 to render immediately available that amount of the estimated
26 cost of an improvement which has been specially assessed,
27 the board may issue road certificates in the name of the
28 county in an aggregate amount not exceeding the then unpaid
29 amount of the special assessment levied in said district.
30 Each issue of certificates shall be under, and in accordance
31 with, a duly adopted resolution of the board and which shall
32 recite (1) the name or designation of the road district on
33 account of which the certificates are issued; (2) that a
34 stated amount (naming the amount) has been specially assessed
35 against the lands within said district; (3) that a stated

1 amount of said aggregate special assessment has not yet been
2 paid (naming the unpaid amount); (4) that it is necessary
3 to render such unpaid amount immediately available; (5) the
4 number of road certificates authorized and the specific amount
5 of each certificate; (6) the specific numbering or designation
6 of such certificates; (7) the rate of interest which each
7 certificate shall bear from date, ~~to-wit,~~ ~~not to-exceed-six~~
8 percent-per-annum exceeding that permitted by chapter seventy-
9 four A (74A) of the Code; (8) the fact that said certifi-
10 cates are payable solely from the proceeds of the special
11 assessments which have been levied on the lands within said
12 districts; (9) that each certificate shall be payable on or
13 before the first day of January of the first year following
14 the maturity of the last installment of such special
15 assessments, and that interest thereon shall be paid annually;
16 (10) the authorization to the chairman of the board, and to
17 the county auditor, respectively, to sign and countersign
18 each of said certificates.

19 Sec. 35. Section three hundred thirty point seven (330.7),
20 unnumbered paragraph five (5), Code 1979, is amended to read
21 as follows:

22 Taxes for the payment of said bonds shall be levied in
23 accordance with chapter 76 and said bonds shall be payable
24 in not more than twenty years and bear interest at a rate
25 not exceeding ~~seven-percent-per-annum~~ that permitted by chapter
26 seventy-four A (74A) of the Code and shall be of such form
27 as the governing body shall by resolution provide, but no
28 county or township shall become indebted in excess of five
29 percent of the actual value of its taxable property, as shown
30 by the last preceding state and county tax lists. The
31 indebtedness incurred for the purpose provided in this section
32 shall not be considered an indebtedness incurred for general
33 or ordinary purposes.

34 Sec. 36. Section three hundred thirty point fourteen
35 (330.14), Code 1979, is amended to read as follows:

1 330.14 PAYMENT FROM EARNINGS. All political subdivisions
2 authorized by this chapter to acquire, establish, improve,
3 maintain, and operate airports may, in connection therewith,
4 purchase or construct, or contract for the construction of,
5 and maintain and operate, hangars, administration and office
6 buildings and other aeronautical and commercial facilities
7 for which fees are charged, and pay for the same solely and
8 only out of the earnings thereof. Such political subdivisions
9 are authorized to borrow money for the purpose of purchasing
10 or constructing the improvements herein authorized, and as
11 evidence of such money borrowed to issue their bonds payable
12 solely and only from the revenues derived from such
13 improvements. Such bonds may be issued in such amounts as
14 may be necessary to provide sufficient funds to pay all the
15 costs of construction and operation of such improvement,
16 including engineering and other expenses, together with
17 interest to a date six months subsequent to the estimated
18 date of completion. Bonds issued under the provisions of
19 this section are declared to be negotiable instruments. The
20 principal and interest of said bonds shall be payable solely
21 and only from the special fund herein provided for such
22 payments, and said bonds shall not in any respect be a general
23 obligation of such political subdivision, nor shall they be
24 payable in any manner by taxation. All details pertaining
25 to the issuance of such bonds and the terms and conditions
26 thereof shall be determined by ordinance or resolution duly
27 adopted by the governing body of such political subdivision,
28 which may pledge the property purchased or constructed, and
29 the net earnings thereof, to the payment of said bonds and
30 the interest thereon, and provide that the net earnings thereof
31 shall be set apart as a sinking fund for that purpose. Such
32 political subdivision is authorized and directed to charge
33 the users of such improvements at rates which at all time,
34 shall be sufficient to pay the principal and interest on the
35 bonds issued under the provisions of this chapter, and the

1 cost of operation and maintenance, and to provide an adequate
2 depreciation fund. Bonds issued pursuant to the provisions
3 of this section shall bear interest at a rate not exceeding
4 ~~seven-percent-per-annum~~ that permitted by chapter seventy-
5 four A (74A) of the Code. This section shall be construed
6 as granting additional power, without limiting the power
7 already existing in political subdivisions.

8 Sec. 37. Section three hundred thirty point sixteen
9 (330.16), unnumbered paragraph two (2), Code 1979, is amended
10 to read as follows:

11 Taxes for the payment of said bonds shall be levied in
12 accordance with chapter 76 and said bonds shall be payable
13 in not more than twenty years and bear interest at a rate
14 not exceeding ~~seven-percent-per-annum~~ that permitted by chapter
15 seventy-four A (74A) of the Code and shall be of such form
16 as the governing body shall by resolution provide, but no
17 county or township shall become indebted in excess of five
18 percent of the actual value of its taxable property, as shown
19 by the last preceding state and county tax lists. The
20 indebtedness incurred for the purpose provided in this section
21 shall not be considered an indebtedness incurred for general
22 or ordinary purposes.

23 Sec. 38. Section three hundred thirty A point nine
24 (330A.9), subsection one (1), Code 1979, is amended to read
25 as follows:

26 1. The bonds issued by an authority pursuant to this
27 chapter shall be authorized by resolution of the board thereof
28 and shall be either term or serial bonds, shall bear such
29 date or dates, mature at such time or times, not exceeding
30 forty years from their respective dates, bear interest at
31 such rate or rates, not exceeding ~~eight-per-centum-per-annum~~
32 that permitted by chapter seventy-four A (74A) of the Code,
33 payable semiannually, be in such denominations, be in such
34 form, either coupon or fully registered, shall carry such
35 registration, exchangeability and interchangeability

1 privileges, be payable in such medium of payment and at such
2 place or places, within or without the state, be subject to
3 such terms of redemption and be entitled to such priorities
4 on the revenues, rates, fees, rentals, or other charges or
5 receipts of the authority as such resolution or any resolution
6 subsequent thereto may provide. The bonds shall be executed
7 either by manual or facsimile signature by such officers as
8 an authority shall determine, provided that such bonds shall
9 bear at least one signature which is manually executed thereon,
10 and the coupons attached to such bonds shall bear the facsimile
11 signature or signatures of such officer or officers as shall
12 be designated by an authority and the bonds shall have the
13 seal of the authority, affixed, imprinted, reproduced, or
14 lithographed thereon, all as may be prescribed in such
15 resolution or resolutions. Said bonds shall be sold at public
16 sale at such price or prices as the authority shall determine
17 to be in the best interests of the authority provided that
18 such bonds shall not be sold at less than the par value
19 thereof, plus accrued interest and provided that the net
20 interest cost shall not exceed ~~eight-per-centum-per-annum~~
21 that permitted by chapter seventy-four A (74A) of the Code.
22 Pending the preparation of definitive bonds, interim
23 certificates or temporary bonds may be issued to the purchaser
24 or purchasers of such bonds, and may contain such terms and
25 conditions as the authority may determine.

26 Sec. 39. Section three hundred thirty-two point forty-
27 four (332.44), subsection eight (8), unnumbered paragraph
28 two (2), Code 1979, is amended to read as follows:

29 Bonds issued pursuant to the provisions of this section
30 shall bear interest at a rate not exceeding ~~seven-percent~~
31 per-annum that permitted by chapter seventy-four A (74A) of
32 the Code.

33 Sec. 40. Section three hundred forty-five point sixteen
34 (345.16), Code 1979, is amended to read as follows:

35 345.16 INTEREST RATE ON BONDS. Bonds issued pursuant

1 to the provisions of this chapter shall bear interest at a
2 rate not exceeding ~~seven-percent-per-annum~~ that permitted
3 by chapter seventy-four A (74A) of the Code.

4 Sec. 41. Section three hundred forty-six point three
5 (346.3), unnumbered paragraph one (1), Code 1979, is amended
6 to read as follows:

7 Said bonds shall bear interest ~~not-exceeding-seven-percent~~
8 ~~per-annum~~ at a rate not exceeding that permitted by chapter
9 seventy-four A (74A) of the Code, payable semiannually, and
10 be substantially in the following form, but subject to changes
11 that will conform them to the resolution of said board, to
12 wit:

13 Sec. 42. Section three hundred forty-six point twenty-
14 three (346.23), unnumbered paragraph two (2), Code 1979, is
15 amended to read as follows:

16 Such bonds shall be in denominations of not less than one
17 hundred dollars nor more than ten thousand dollars, and shall
18 draw interest at a rate not ~~to-exceed-seven-percent-per-annum~~
19 exceeding that permitted by chapter seventy-four A (74A) of
20 the Code, payable annually or semiannually. Such bonds shall
21 be due and payable in not more than twenty years from the
22 date of issuance but may be made subject to redemption in
23 such manner and upon such terms as is stated on the face
24 thereof, shall be in such form as the board of supervisors
25 shall by resolution provide, and shall show on their face
26 that they are county sanitary disposal bonds payable from
27 the fund hereinafter provided. Funds available pursuant to
28 the levy authorized by section 455B.81 shall be used to pay
29 the interest and principal of such bonds as they become due.
30 The limitation referred to in section 455B.81 shall not limit
31 the source of payment of bonds and interest but shall only
32 restrict the amount of bonds which may be issued. The money
33 arising from such levies shall be known as the sanitary
34 disposal bond fund and shall be used for the payment of such
35 bonds and interest thereon only; and the treasurer shall open

1 and keep in his or her books a separate account thereof, which
2 shall show the exact condition of such fund. Such bonds shall
3 be sold at public sale and the county treasurer shall comply
4 with and be governed by all provisions of chapter 75.

5 Sec. 43. Section three hundred forty-six point twenty-
6 six (346.26), subsection three (3), Code 1979, is amended
7 to read as follows:

8 3. County bonds may bear interest at a rate not exceeding
9 ~~seven-percent-per-annum~~ that permitted by chapter seventy-
10 four A (74A) of the Code payable semiannually and the principal
11 shall be scheduled to mature in not more than twenty years
12 from the date of the bonds. When a county has issued bonds
13 it shall annually levy on all taxable property in the county,
14 a tax sufficient to pay the interest and principal of the
15 bonds as they become due, and each county may levy taxes
16 sufficient to pay its portion of the cost of operating,
17 maintaining, and keeping insured the building acquired or
18 constructed under this section.

19 Sec. 44. Section three hundred forty-six point twenty-
20 sevn (346.27), subsection fourteen (14), Code 1979, is amended
21 to read as follows:

22 14. Bonds issued under this section may be issued as
23 serial or term bonds, shall be of such denomination or
24 denominations and form, including interest coupons to be
25 attached, shall be payable at such place or places and bear
26 such date as the board of commissioners fix by the resolution
27 authorizing the bonds, shall mature within a period not to
28 exceed fifty years, and may be redeemable prior to maturity
29 with or without premium, at the option of the board of
30 commissioners, upon terms and conditions the board shall fix
31 by the resolution authorizing the issuance of bonds. The
32 board of commissioners may provide for the registration of
33 bonds in the name of the owner as to the principal alone or
34 as to both principal and interest upon terms and conditions
35 the board determines. All bonds issued by an authority shall

1 be sold at a price so that the interest cost to the commission
2 of the proceeds of the bonds shall not exceed ~~seven-percent~~
3 ~~per-annum~~ that permitted by chapter seventy-four A (74A) of
4 the Code, payable semiannually, computed to maturity, and
5 shall be sold in the manner and at the time the board of
6 commissioners determines.

7 Sec. 45. Section three hundred forty-six A point three
8 (346A.3), unnumbered paragraph two (2), Code 1979, is amended
9 to read as follows:

10 "Shall the county of, in the state of Iowa issue
11 bonds in the amount of for the purpose of
12"? No such proposition shall be declared carried
13 unless the vote in favor of the issuance of the bonds is equal
14 to at least sixty percent of the total vote cast for and
15 against the proposition at the election. Before the issuance
16 of bonds under this chapter, the board shall adopt a resolution
17 providing for the levy of annual taxes sufficient to pay
18 maturing installments of the principal of and interest on
19 said bonds in accordance with the provisions of chapter 76,
20 and said bonds shall mature within a period not exceeding
21 twenty years from date of issue, shall bear interest at a
22 rate or rates not exceeding ~~seven-percent-per-annum~~ that
23 permitted by chapter seventy-four A (74A) of the Code and
24 shall be of such form as the board shall by resolution provide,
25 but the aggregate indebtedness of any such county shall not
26 exceed five percent of the actual value of the taxable property
27 within the county as ascertained by the last preceding state
28 and county tax lists.

29 Sec. 46. Section three hundred forty-seven point five
30 (347.5), Code 1979, is amended to read as follows:

31 347.5 BONDS. Should a majority of all the votes cast
32 upon the proposition at a general election be in favor of
33 establishing such hospital, the board of supervisors shall
34 proceed to issue bonds of the county not to exceed the amount
35 specified in said proposition, in denominations of not less

1 than one hundred dollars nor more than one thousand dollars,
2 drawing interest at a rate not ~~to exceed seven percent per~~
3 annum exceeding that permitted by chapter seventy-four A (74A)
4 of the Code, payable annually or semiannually. Said bonds
5 shall be due and payable in twenty years from date of issuance,
6 but at the option of the county payable at any time after
7 ten years from such date, and shall be substantially in the
8 form provided for county bonds, and shall show on their face
9 that they are county public hospital bonds payable only from
10 the county public hospital fund as provided for in section
11 347.7.

12 Sec. 47. Section three hundred forty-seven point twenty-
13 seven (347.27), unnumbered paragraphs one (1) and three (3),
14 Code 1979, are amended to read as follows:

15 Any county having theretofore established a county public
16 hospital being operated under the provisions of this chapter
17 may equip, enlarge, and improve the county public hospital
18 and acquire the necessary lands, rights of way, and other
19 property. For the purpose of equipping, enlarging, and
20 improving any such county public hospital, including the
21 acquisition of the necessary lands, rights of way, and other
22 property, any county may, pursuant to resolution of the board
23 of supervisors of the county and after it has been determined
24 by the board of hospital trustees to be advisable, from time
25 to time issue and dispose of its negotiable interest-bearing
26 revenue bonds, payable solely as to both principal and interest
27 from the revenues derived from the operation of the county
28 public hospital. All such bonds may bear such date or dates,
29 may mature at such time or times not exceeding thirty years
30 from their respective dates, may bear interest at such rate
31 or rates not exceeding seven-percent-per-annum that permitted
32 by chapter seventy-four A (74A) of the Code payable
33 semiannually, may be in such form and payable at such place
34 or places, and may be subject to such redemption privileges
35 as are stated on the face thereof and as may be provided in

1 the resolution.

2 Under no circumstances shall any revenue bonds issued under
3 the provisions of this section be or become an indebtedness
4 of the county within the purview of any constitutional or
5 statutory limitation or provision. It shall be plainly stated
6 on the face of each bond that it does not constitute such
7 an indebtedness, but is payable solely from revenues derived
8 from the operation of the county hospital. All the bonds
9 shall be sold in a manner and upon terms prescribed by the
10 resolution authorizing the issuance of the bonds, however
11 no bonds shall be sold upon terms that will result in an
12 interest cost computed to maturity of the bonds according
13 to standard tables of bond values ~~of more than seven percent~~
14 per annum which exceeds that permitted by chapter seventy-
15 four A (74A) of the Code. The resolution authorizing the
16 revenue bonds may contain any covenants determined by the
17 board of supervisors to be desirable in connection with the
18 use and application of the bond proceeds, the operation of
19 the county public hospital, and the custody and application
20 of the revenues from this operation. The sole remedy for
21 any breach or default of the terms of any bonds or proceedings
22 for their issuance shall be by mandamus in a court of competent
23 jurisdiction to compel performance and compliance therewith.

24 Sec. 48. Section three hundred forty-seven A point two
25 (347A.2), Code 1979, is amended to read as follows:

26 347A.2 BONDS--AUTHORIZATION--PAYMENT. For the purpose
27 of acquiring, constructing, equipping, enlarging or improving
28 such hospital or any part thereof, any such county may,
29 pursuant to resolution of the board of supervisors of such
30 county, from time to time issue and dispose of its negotiable
31 interest-bearing revenue bonds payable solely as to both
32 principal and interest from the revenues to be derived from
33 the operation of such hospital. All such bonds may bear such
34 date or dates, may mature at such time or times not exceeding
35 thirty years from their respective dates, may bear interest

1 at such rate or rates not exceeding ~~seven-percent-per-annum~~
2 that permitted by chapter seventy-four A (74A) of the Code
3 payable semiannually, may be in such form and payable at such
4 place or places, and may be subject to such redemption
5 privileges as is stated on the face thereof and as may be
6 provided in such resolution. After a resolution authorizing
7 such revenue bonds has been adopted the county auditor shall
8 publish notice of such adoption in at least one newspaper
9 of general circulation in the county at least once each week
10 for two consecutive weeks. Such notice shall identify the
11 resolution by the date of its adoption and shall specify the
12 amount of bonds proposed to be issued, and if within twenty
13 days following the date of the first publication of such
14 notice a petition is filed with the county auditor signed
15 by qualified voters of said county in number equal to or
16 exceeding twenty percent of the total number of votes cast
17 in such county for governor at the last preceding regular
18 election whereat a governor was elected then the bonds
19 authorized by such resolution shall not be issued unless and
20 until the proposition to issue same shall have been submitted
21 at an election throughout the county and approved by not less
22 than sixty percent of the votes cast for and against the
23 proposition. When any such petition is filed it shall be
24 referred to the board of supervisors at its next meeting and
25 thereupon the board of supervisors may either repeal the bond
26 resolution or order the election which shall be called and
27 conducted in the manner provided by chapter 345. If there
28 be no petition filed within the time hereinbefore provided
29 or if there be a petition filed and the proposition of issuing
30 such bonds is approved at such election then the board of
31 supervisors may proceed with the acquisition, construction,
32 equipment, operation and maintenance of the county hospital
33 and the issuance of bonds in connection therewith, all as
34 in this chapter permitted and provided. Under no circumstances
35 shall any revenue bonds issued under the provisions of this

1 chapter be or become an indebtedness of the county within
2 the purview of any constitutional or statutory limitation
3 or provision, and it shall be plainly stated on the face of
4 each bond that it does not constitute such an indebtedness,
5 but is payable solely from the revenues as aforesaid. All
6 such bonds shall be sold in such manner and upon such terms
7 as is prescribed by the resolution authorizing the issuance
8 thereof, provided, that no bonds shall be sold upon terms
9 that will result in an interest cost computed to maturity
10 of the bonds according to standard tables of bond values of
11 more-than-seven-percent-per-annum which exceeds that permitted
12 by chapter seventy-four A (74A) of the Code. The resolution
13 authorizing such revenue bonds may contain such covenants
14 as are determined by the board of supervisors to be desirable
15 in connection with the use and application of the bond
16 proceeds, the operation of the county hospital and the custody
17 and application of the revenues from such operation. The
18 sole remedy for any breach or default of the terms of any
19 such bonds or proceedings for their issuance shall be by
20 mandamus in a court of competent jurisdiction to compel
21 performance and compliance therewith.

22 Sec. 49. Section three hundred forty-seven A point seven
23 (347A.7), unnumbered paragraph one (1), Code 1979, is amended
24 to read as follows:

25 For the purpose of enlarging and improving any county
26 hospital or hospitals theretofore acquired and being operated
27 under the provisions of this chapter, any such county, upon
28 petition and recommendation of the board of hospital trustees,
29 and pursuant to resolution of the board of supervisors of
30 such county, may from time to time incur indebtedness and
31 issue and sell the negotiable interest-bearing general
32 obligation bonds of said county, provided that the principal
33 amount of all such bonds which may be issued and outstanding
34 under this section shall not be in excess of two percent of
35 the assessed value of the taxable property in such county

1 as shown by the latest state and county tax lists. All such
2 bonds may bear such date or dates, may mature at such time
3 or times not exceeding twenty years from their respective
4 dates, may bear interest at such rate or rates not exceeding
5 seven-percent-per-annum that permitted by chapter seventy-
6 four A (74A) of the Code payable semiannually, may be in such
7 form and payable at such place or places, and may be made
8 subject to such privileges of redemption prior to maturity
9 and upon such terms of redemption as are stated on the face
10 of such bonds and as may be provided in such resolution.

11 Sec. 50. Section three hundred fifty-seven point twenty
12 (357.20), Code 1979, is amended to read as follows:

13 357.20 DUE DATE--BONDS. Assessments of less than ten
14 dollars will come due at the first tax-paying date after the
15 approval of the final assessment, and assessments of ten
16 dollars or more may be paid in ten annual installments with
17 interest ~~at six-percent~~ on the unpaid balance at a rate not
18 exceeding that permitted by chapter seventy-four A (74A) of
19 the Code. The board of supervisors shall issue bonds against
20 the completed assessment in an amount equal to the total cost
21 of the project, so that the amount of the assessment will
22 be approximately ten percent greater than the amount of the
23 bonds.

24 Sec. 51. Section three hundred fifty-seven A point eleven
25 (357A.11), subsection eight (8), Code 1979, is amended to
26 read as follows:

27 8. Have power to finance up to ninety-five percent of
28 the cost of the construction or purchase of any project
29 necessary to carry out the purposes for which the district
30 is incorporated, provided the balance of the cost of
31 construction or purchase is acquired by subscription, donation,
32 gift, or otherwise than through the medium of loans, or to
33 refinance up to ninety-five percent of the original cost of
34 any such project, and to evidence such financing by issuance
35 of revenue bonds or notes which shall mature in a period not

1 to exceed forty years from date of issuance, shall bear
2 interest, or combined interest and insurance charges, at a
3 rate not to exceed ~~six-percent-per-annum~~ that permitted by
4 chapter seventy-four A (74A) of the Code, shall be payable
5 only from revenue derived from sale of water by the district,
6 and shall never become or be construed to be a debt against
7 the state of Iowa or any of its political subdivisions other
8 than the district issuing the bonds. A statutory mortgage
9 lien shall exist upon the water system and appurtenances and
10 extensions so acquired in favor of the holders of the bonds
11 and notes.

12 Sec. 52. Section three hundred fifty-seven B point four
13 (357B.4), Code 1979, is amended to read as follows:

14 357B.4 ANTICIPATION OF TAX. The board of trustees of
15 a benefited fire district may anticipate the collection of
16 taxes authorized under section 357B.3 and, for the purpose
17 of providing fire protection, may issue bonds payable in not
18 more than ten equal installments at an interest rate not
19 exceeding ~~seven-percent-per-annum~~ that permitted by chapter
20 seventy-four A (74A) of the Code. The bonds shall be in such
21 form and payable at such place as specified by resolution
22 of the board of trustees. The provisions of sections 23.12
23 to 23.16 and chapter 384 shall apply to such bonds to the
24 extent applicable.

25 Sec. 53. Section three hundred fifty-seven C point ten
26 (357C.10), Code 1979, is amended to read as follows:

27 357C.10 BONDS IN ANTICIPATION OF REVENUE. Benefited
28 street lighting districts may anticipate the collection of
29 taxes by the levy herein provided, and to carry out the
30 purposes of this chapter may issue bonds payable in not more
31 than ten equal installments, with the rate of interest thereon
32 ~~to not exceed-seven-percent-per-annum~~ exceeding that permitted
33 by chapter seventy-four A (74A) of the Code. No indebtedness
34 shall be incurred under this Act until authorized by an
35 election. Such election shall be held and notice given in

1 the same manner as the election provided herein for the
2 authorization of a tax levy, and the same sixty percent vote
3 shall be necessary to authorize indebtedness. Both
4 propositions may be submitted to the voters in the same
5 election.

6 Sec. 54. Section three hundred fifty-eight point twenty-
7 one (358.21), unnumbered paragraph four (4), Code 1979, is
8 amended to read as follows:

9 The proceeds of any bond issue made under the provisions
10 of this section shall be used only for the purpose of
11 acquiring, locating, laying out, establishing and construction
12 of drainage facilities, conduits, treatment plants, pumping
13 plants, works, ditches, channels and outlets of such capacity
14 and character as may be required for the treatment, carrying
15 off and disposal of the sewage and industrial wastes and other
16 drainage incidental thereto of such district, or to repair,
17 change, enlarge and add to such facilities as may be necessary
18 or proper to meet the requirements present and future for
19 the purposes aforesaid. Proceeds from such bond issue may
20 also be used for the payment of special assessment
21 deficiencies. Said bonds shall be payable in not more than
22 forty annual installments and ~~at interest not exceeding seven~~
23 ~~percent-per-annum~~ with interest at a rate not exceeding that
24 permitted by chapter seventy-four A (74A) of the Code, and
25 shall be made payable at such place and be of such form as
26 the board of trustees shall by resolution designate. Any
27 sanitary district issuing bonds as authorized in this section
28 is hereby granted authority to pledge the future avails of
29 a tax levy not exceeding one dollar and thirty-five cents
30 per thousand dollars of assessed value of taxable property
31 per annum to the payment of the principal and interest of
32 such bonds after the same come due, and the power to impose
33 and certify said levy is hereby granted to the trustees of
34 sanitary districts organized under the provisions of this
35 chapter.

1 Sec. 55. Section three hundred fifty-nine point forty-
2 five (359.45), Code 1979, is amended to read as follows:
3 359.45 ANTICIPATORY BONDS. Townships may anticipate the
4 collection of taxes authorized by section 359.43 and for such
5 purposes may issue bonds payable in not more than ten equal
6 annual installments and at a rate of interest not exceeding
7 ~~seven-percent-per-annum~~ that permitted by chapter seventy-
8 four A (74A) of the Code and payable at such place and be
9 in such form as the board of trustees shall designate by
10 resolution. Sections 23.12 to 23.16, inclusive, and provisions
11 of law relating to essential corporate purpose bonds of a
12 city, so far as applicable, shall apply to such bonds.

13 Sec. 56. Section three hundred eighty-four point fifty-
14 seven (384.57), Code 1979, is amended to read as follows:
15 384.57 MONTHLY PAYMENTS. The city may contract to pay
16 not to exceed ninety percent of the engineer's estimated value
17 of the acceptable work completed during the month to the
18 contractor at the end of each month. Payment may be made
19 in warrants drawn on any fund or funds from which payment
20 for the work may be made. ~~The warrants, unless paid upon~~
21 ~~presentation, draw interest at a rate not to exceed seven~~
22 ~~percent-per-annum from and after the date of presentation~~
23 ~~for payment.~~ If such funds are depleted, anticipatory warrants
24 may be issued bearing a rate of interest not exceeding that
25 permitted by chapter seventy-four A (74A) of the Code, which
26 do not constitute a violation of section 384.10, even if the
27 collection of taxes or special assessments or income from
28 the sale of bonds applicable to the public improvement is
29 after the end of the fiscal year in which the warrants are
30 issued. If the city arranges for the private sale of
31 anticipatory warrants, they may be sold and the proceeds used
32 to pay the contractor. Such warrants may also be used to
33 pay other persons furnishing services constituting a part
34 of the cost of the public improvement.

35 Sec. 57. Section three hundred eighty-four point sixty

1 (384.60), subsections three (3) and five (5), Code 1979, are
2 amended to read as follows:

3 3. Provide for interest on all unpaid installments at
4 ~~not-more-than-seven-percent-per-annum~~ a rate not exceeding
5 that permitted by chapter seventy-four A (74A) of the Code.

6 5. Direct the clerk to certify the final schedule to the
7 auditor of the county or counties in which the assessed
8 property is located, and to publish notice thereof once each
9 week for two consecutive weeks in the manner provided in
10 section 362.3, the first publication of which shall be not
11 more than fifteen days from the date of filing of the final
12 schedule. On or before the second publication of the notice,
13 the clerk shall send by certified mail to each property owner
14 whose property is subject to assessment for the improvement,
15 as shown by the records in the office of the county auditor,
16 a copy of the notice. Such notice shall also include a
17 statement in substance that assessments may be paid in full
18 or in part without interest within thirty days after the date
19 of certification, and thereafter all unpaid special assessments
20 ~~will-draw-annual-interest-at-seven-percent~~ bear interest at
21 the rate specified by the board, but not exceeding that
22 permitted by chapter seventy-four A (74A) of the Code, computed
23 to the December 1 next following the due dates of the
24 respective installments, and each installment will be
25 delinquent on September 30 following its due date, and will
26 draw additionally the same delinquent interest and the same
27 penalties as ordinary taxes. Such notice shall also state
28 substantially that property owners may elect to pay any
29 installment semiannually in advance. If a property is shown
30 by the records to be in the name of more than one owner at
31 the same mailing address, a single notice may be mailed to
32 all owners at that address. Failure to receive a mailed
33 notice is not a defense to the special assessment.

34 The county auditor shall place on the tax list the amounts
35 to be assessed against each lot within the assessment district,

1 as certified.

2 Sec. 58. Section three hundred eighty-four point sixty-
3 eight (384.68), subsections two (2) and four (4), Code 1979,
4 are amended to read as follows:

5 2. All special assessment bonds are negotiable, must state
6 on their face that they are issued under the provisions of
7 this division, and are payable as to both principal and
8 interest from the proceeds of the special assessments levied
9 for the public improvement. Such bonds may bear interest
10 at a rate not exceeding seven-percent-per-annum that permitted
11 by chapter seventy-four A (74A) of the Code payable annually
12 or semiannually, must mature serially on December 1 of the
13 years in which any of the principal is scheduled to become
14 due, and may contain a provision that the city reserves the
15 right and option of calling and redeeming any or all of the
16 bonds prior to maturity on any interest payment date or within
17 forty-five days thereafter upon the terms specified therein.
18 Such bonds must be called "improvement bonds", must designate
19 the general type of improvement or improvements for which
20 issued, and may be issued in any denomination, not exceeding
21 ten thousand dollars. Bonds issued for a public improvement
22 authorized in section 384.38, subsection 2, must be named
23 in a way to distinguish them from other improvement bonds
24 of the city, and to designate the property specially assessed
25 for the improvement. Improvement bonds issued for any one
26 levy must bear the same date and be divided into as many
27 series as there are years in which installments of the special
28 assessment mature, and each series must be as nearly equal
29 in amount as practicable.

30 4. Special assessment bonds must be sold at public or
31 private sale in the manner provided by chapter 75, and may
32 not be sold for less than par value with accrued interest
33 from date to the time of delivery, or if no bids are received
34 at public sale, bonds bearing the same rate of interest as
35 the special assessment may be delivered to the contractor

1 in payment of the cost of the public improvement. The proceeds
2 of the sale must be applied to the payment of the cost of
3 the public improvement.

4 Sec. 59. Section three hundred eighty-four point eighty-
5 three (384.83), subsections three (3) and six (6), Code 1979,
6 are amended to read as follows:

7 3. Revenue bonds may bear dates, bear interest at rates
8 not exceeding ~~any limitations imposed by chapter 75~~ that
9 permitted by chapter seventy-four A (74A) of the Code, mature
10 in one or more installments, be in either coupon or registered
11 form, carry registration and conversion privileges, be payable
12 as to principal and interest at times and places, be subject
13 to terms of redemption prior to maturity with or without
14 premium, and be in one or more denominations, all as provided
15 by the resolution of the governing body authorizing their
16 issuance. The resolution may also prescribe additional
17 provisions, terms, conditions, and covenants which the
18 governing body deems advisable, consistent with the provisions
19 of the city code, including provisions for creating and
20 maintaining reserve funds, the issuance of additional revenue
21 bonds ranking on a parity with such revenue bonds and
22 additional revenue bonds junior and subordinate to such revenue
23 bonds, and that such revenue bonds shall rank on a parity
24 with or be junior and subordinate to any revenue bonds which
25 may be then outstanding. Revenue bonds are a contract between
26 the city and holders and the resolution is a part of the
27 contract.

28 6. A city may issue pledge orders pursuant to a resolution
29 of the governing body of the city utility, combined utility
30 system, city enterprise, or combined city enterprise, adopted
31 by a majority of the total number of members to which the
32 governing body is entitled, at a regular or special meeting,
33 ordering their issuance and delivery in payment for all or
34 part of the cost of a project. Pledge orders may bear interest
35 at rates not exceeding ~~eight-percent-per-annum~~ that permitted

1 by chapter seventy-four A (74A) of the Code.

2 Sec. 60. Section three hundred eighty-six point twelve
3 (386.12), subsection four (4), Code 1979, is amended to read
4 as follows:

5 4. Payment for the costs of an improvement may also be
6 made in warrants drawn on any fund from which payment for
7 the improvement may be made. ~~The warrants, unless paid upon~~
8 ~~presentation, draw interest at a rate not to exceed seven~~
9 ~~percent per annum from the date of presentation for payment.~~
10 If such funds are depleted, anticipatory warrants may be
11 issued bearing a rate of interest not exceeding that permitted
12 by chapter seventy-four A (74A) of the Code, which do not
13 constitute a violation of section 384.10, even if the
14 collection of taxes or income from the sale of bonds applicable
15 to the improvement is after the end of the fiscal year in
16 which the warrants are issued. If the city arranges for the
17 private sale of anticipatory warrants, they may be sold and
18 the proceeds used to pay the costs of the improvement. Such
19 warrants may be used to pay other persons furnishing services
20 constituting a part of the cost of the improvement.

21 Sec. 61. Section three hundred ninety-four point one
22 (394.1), unnumbered paragraph two (2), Code 1979, is amended
23 to read as follows:

24 Taxes for the payment of said bonds shall be levied in
25 accordance with chapter 76, and said bonds shall be payable
26 through the debt service fund in not more than twenty years,
27 and bear interest at a rate not exceeding ~~seven-percent-per~~
28 ~~annum~~ that permitted by chapter seventy-four A (74A) of the
29 Code, and shall be of such form as the city council shall
30 by resolution provide, but no city shall become indebted in
31 excess of five percent of the actual value of the taxable
32 property within said city, as shown by the last preceding
33 state and county tax lists. The indebtedness incurred for
34 the purpose provided in this section shall not be considered
35 an indebtedness incurred for general or ordinary purposes.

1 Sec. 62. Section four hundred three point nine (403.9),
2 subsection three (3), Code 1979, is amended to read as follows:

3 3. Bonds issued under this section shall be authorized
4 by resolution or ordinance of the local governing body and
5 may be issued in one or more series and shall bear such date
6 or dates, be payable upon demand or mature at such time or
7 times, bear interest at such rate or rates not exceeding seven
8 per-centum-per-annum that permitted by chapter seventy-four
9 (74A) of the Code, be in such denomination or denominations,
10 be in such form either coupon or registered, carry such
11 conversion or registration privileges, have such rank or
12 priority, be executed in such manner, be payable in such
13 medium of payment, at such place or places, and be subject
14 to such terms of redemption, with or without premium, be
15 secured in such manner, and have such other characteristics,
16 as may be provided by such resolution or trust indenture or
17 mortgage issued pursuant thereto.

18 Sec. 63. Section four hundred three A point thirteen
19 (403A.13), unnumbered paragraph one (1), Code 1979, is amended
20 to read as follows:

21 Bonds of a municipality shall be authorized by its
22 resolution and may be issued in one or more series and shall
23 bear such date or dates, mature at such time or times, be
24 interest at such rate or rates, not exceeding seven-per-centum
25 per-annum that permitted by chapter seventy-four A (74A) of
26 the Code, be in such denomination or denominations, be in
27 such form either coupon or registered, carry such conversion
28 or registration privileges, have such rank or priority, be
29 executed in such manner, be payable in such medium of payment,
30 at such place or places, and be subject to such terms of
31 redemption (with or without premium) as such resolution, its
32 trust indenture or mortgage may provide.

33 Sec. 64. Section four hundred fifty-four point twenty
34 (454.20), Code 1979, as amended by Acts of the Sixty-eighth
35 General Assembly, 1979 Session, chapter twenty-four (24),

1 section five (5), is amended to read as follows:

2 454.20 INTEREST. The warrants shall bear interest from
3 date at a rate not to exceed ~~six-percent~~ that permitted by
4 chapter seventy-four A (74A) of the Code, which interest shall
5 be payable at the end of each year, or for such shorter period
6 as the warrants may remain unpaid.

7 Sec. 65. Section four hundred fifty-five point sixty-
8 four (455.64), subsections one (1) and two (2), Code 1979,
9 are amended to read as follows:

10 1. To pay one-third of the amount of such assessment at
11 the time of filing such agreement; one-third within twenty
12 days after the engineer in charge shall certify to the auditor
13 that the improvement is one-half completed; and the remaining
14 one-third within twenty days after the improvement has been
15 completed and accepted by the board. All such installments
16 shall be without interest if paid at said times, otherwise
17 said assessments shall bear interest from the date of the
18 levy at ~~the rate of not to exceed seven-percent-per-annum~~
19 a rate not exceeding that permitted by chapter seventy-four
20 A (74A) of the Code, payable annually, and be collected as
21 other taxes on real estate, with like penalty for delinquency.

22 2. To pay such assessments in not less than ten nor more
23 than twenty equal installments, the number to be fixed by
24 the board and interest at the rate fixed by the board, not
25 exceeding ~~seven-percent-per-annum~~ that permitted by chapter
26 seventy-four A (74A) of the Code. One such installment shall
27 be payable at the September semiannual taxpaying date in each
28 year; provided, however, that the county treasurer shall,
29 at the September semiannual taxpaying date, require only the
30 payment of a sufficient portion of the assessments to meet
31 the interest and the amount maturing on bonds or certificates
32 prior to the regular time for the payment of the second
33 installment of taxes and the balance shall be collected with
34 such second installment and without penalty.

35 Sec. 66. Section four hundred fifty-five point seventy-

1 seven (455.77), unnumbered paragraph one (1), Code 1979, is
2 amended to read as follows:

3 The board may provide by resolution for the payment of
4 assessments in not more than twenty annual installments with
5 interest at ~~not-to-exceed-seven-percent-per-annum~~ a rate not
6 exceeding that permitted by chapter seventy-four A (74A) of
7 the Code. The board may issue warrants bearing interest at
8 the same rate, which warrants shall be numbered and state
9 a maturity date in which event they shall bear interest from
10 the date of issuance without being presented for payment and
11 marked unpaid for want of funds. The warrants may be sold
12 by the board for cash in an amount not less than the face
13 value thereof, together with accrued interest, if any.

14 Sec. 67. Section four hundred fifty-five point seventy-
15 nine (455.79), Code 1979, is amended to read as follows:

16 455.79 INTEREST--PLACE OF PAYMENT. Such certificates
17 shall bear interest ~~not-to-exceed-seven-percent-per-annum~~
18 at a rate not exceeding that permitted by chapter seventy-
19 four A (74A) of the Code, payable annually, and shall be paid
20 by the taxpayer to the county treasurer, who shall receipt
21 for the same and cause the amount to be credited on the
22 certificates issued therefor.

23 Sec. 68. Section four hundred fifty-five point eighty
24 three (455.83), Code 1979, is amended to read as follows:

25 455.83 AMOUNT--INTEREST--MATURITY. In no case shall the
26 aggregate amount of all bonds issued exceed the benefits
27 assessed. ~~Such~~ The bonds shall not be issued for a greater
28 amount than the aggregate amount of assessments for the payment
29 of which they are issued, nor for a longer period of maturity
30 than twenty years, ~~and bear a rate of interest not to exceed~~
31 seven-percent-per-annum. The bonds shall bear interest at
32 a rate not exceeding that permitted by chapter seventy-four
33 A (74A) of the Code, payable semiannually, on June 1 and
34 December 1 of each year. ~~Whenever the interest on bonds~~
35 ~~issued pursuant to the provisions of this chapter exceeds~~

~~1 four-percent-per-annum-the-interest-on-unpaid-assessments~~
~~2 shall-equal-the-interest-on-such-bonds-but-not-to-exceed-seven~~
~~3 percent-per-annum,-the-provisions-of-sections-455-57-and~~
~~4 455-64-to-the-contrary-notwithstanding. The interest on~~
~~5 unpaid assessments shall be at a rate not exceeding that~~
~~6 permitted by chapter seventy-four A (74A) of the Code.~~

7 Sec. 69. Section four hundred fifty-five point one hundred
8 seventy-five (455.175), Code 1979, is amended to read as
9 follows:

10 455.175 FUNDS. Payment to the county auditor for such
11 certificate shall be from the fund of said drainage or levee
12 district, or subdistrict, on a warrant issued against that
13 fund which shall have precedence over all other outstanding
14 warrants drawn against that fund in the order of their payment.
15 Should there not be a sufficient amount in the fund of said
16 district, or subdistrict, to pay said warrant then the board
17 of supervisors, or the trustees of the district, as the case
18 may be, are authorized to borrow a sum of money sufficient
19 for that purpose on a warrant for that amount on the fund
20 of the district, or subdistrict, which warrant shall bear
21 interest from date at ~~six-percent-per-annum~~ a rate not
22 exceeding that permitted by chapter seventy-four A (74A) of
23 the Code and shall have preference in payment over all other
24 unpaid warrants on said fund, and the county treasurer shall
25 so enter the same on the list of warrants in his office and
26 call the same for payment as soon as there is sufficient money
27 in said fund.

28 Sec. 70. Section four hundred fifty-five point one hundred
29 ninety-eight (455.198), Code 1979, is amended to read as
30 follows:

31 455.198 WARRANTS NOT PAID FOR WANT OF FUNDS. Chapter
32 74 shall be applicable to all warrants which are legally drawn
33 on levee and drainage district funds and are not paid for
34 want of funds, ~~except-that-such-warrants-shall-bear-interest~~
35 ~~at-not-to-exceed-seven-percent-per-annum.~~

1 Sec. 71. Section four hundred fifty-five point two hun-
2 dred thirteen (455.213), Code 1979, is amended to read as
3 follows:

4 455.213 INSTALLMENTS--WARRANTS. The board shall levy
5 the costs contemplated in section 455.202 upon all of the
6 lands of the district on the basis of the classification for
7 benefits as finally established and the assessments so levied
8 shall be paid in one installment unless the board in its
9 discretion shall provide for the payment thereof in not more
10 than twenty equal installments with interest at ~~not-to-exceed~~
11 seven-percent-per-annum a rate not exceeding that permitted
12 by chapter seventy-four A (74A) of the Code. The board may
13 issue anticipatory warrants bearing interest at ~~not-to-exceed~~
14 seven-percent-per-annum-against-assessments a rate not
15 exceeding that permitted by chapter seventy-four A (74A) of
16 the Code. The warrants may be numbered and state a maturity
17 date ~~in-which-event-they-shall-bear-interest-from-the-date~~
18 ~~of-issue-without-being-presented-for-payment-and-marked-unpaid~~
19 ~~for-want-of-funds.~~ The warrants may be sold by the board
20 for cash in an amount not less than the face value thereof,
21 together with accrued interest, if any.

22 Sec. 72. Section four hundred sixty point seven (460.7),
23 Code 1979, is amended to read as follows:

24 460.7 ADVANCED PAYMENTS. The board on construction of
25 such improvement may advance out of the secondary road
26 construction fund or the secondary road maintenance fund,
27 or out of both of said funds that portion to be collected
28 by special assessment, the amount so advanced to be replaced
29 in said road funds as the first special assessments are
30 collected. The board may in lieu of making such advancements,
31 issue warrants to be known as "Drainage Warrants", said
32 warrants to ~~draw-not-to-exceed-four-percent-interest-per-annum~~
33 bear interest at a rate not exceeding that permitted by chapter
34 seventy-four A (74A) of the Code payable annually from the
35 date of issue and to be paid out of the special assessments

1 levied therefor, when the same are collected.

2 Sec. 73. Section four hundred sixty-one point fourteen
3 (461.14), Code 1979, is amended to read as follows:

4 461.14 FORM OF BONDS. Such bonds shall be issued in sums
5 of not less than one hundred dollars or more than one thousand
6 dollars each, running not more than twenty years, bearing
7 interest not exceeding ~~six-percent-per-annum~~ that permitted
8 by chapter seventy-four A (74A) of the Code, payable annually
9 or semiannually, and shall be substantially in the form
10 provided by law for funding bonds issued for drainage purposes.

11 Sec. 74. Section four hundred sixty-three point ten
12 (463.10), Code 1979, is amended to read as follows:

13 463.10 FORM OF BONDS. Drainage refunding bonds shall
14 be issued in denominations of not less than one hundred dollars
15 nor more than one thousand dollars, each, running not more
16 than forty years, bearing interest ~~not-exceeding-six-percent~~
17 per-annum at a rate not exceeding that permitted by chapter
18 seventy-four A (74A) of the Code, payable semiannually, and
19 shall be substantially in the form provided by law relating
20 to drainage bonds, with such changes as shall be necessary
21 to conform with this chapter.

22 Sec. 75. Section four hundred sixty-four point nine
23 (464.9), Code 1979, is amended to read as follows:

24 464.9 REFUNDING BONDS. The court shall direct the board
25 of supervisors to issue bonds in lieu of the outstanding
26 drainage bonds for said drainage district, and additional
27 bonds for the accrued interest and other indebtedness of said
28 drainage district. Said bonds shall be payable in amounts,
29 and at the time and manner, and with priority of payments
30 as has been determined by order of court, as provided by
31 section 464.8, and shall be called "conservator's drainage
32 district bonds". Each bond shall be numbered and shall state
33 on its face that it is a conservator's drainage district bond;
34 that it is issued in pursuance of a resolution adopted by
35 the board of supervisors, under order of court, and giving

1 the name of the court and the county where such court is held;
2 that it is issued to pay indebtedness of the drainage district;
3 shall state the county where such district is located, and
4 the number of the drainage district for which it is issued;
5 shall state the date of maturity of the bond, the rate of
6 interest thereon, which rate shall not ~~be less than three~~
7 ~~and one-half percent per annum~~ exceed that permitted by chapter
8 seventy-four A (74A) of the Code, and that the bond is to
9 be paid only from taxes assessed, levied and collected on
10 the lands within the drainage district for which the bond
11 is issued subject to the provisions of section 464.8. All
12 bonds shall be signed by the chairman of the board of
13 supervisors and countersigned by the conservator designated
14 as such. The interest coupons attached to said bonds shall
15 be attested by the signature of the conservator or a facsimile
16 thereof. When the bonds have been executed as herein required,
17 the conservator may sell said bonds at not less than par with
18 accrued interest thereon, and pay the indebtedness of said
19 drainage district, or may exchange said bonds with the
20 creditors of said drainage district in amounts as have been
21 fixed and determined by the court, and the conservator shall
22 cancel all drainage bonds, improvement certificates, warrants
23 or other evidence of indebtedness received by him in lieu
24 of the conservator's bonds.

25 Sec. 76. Section four hundred sixty-seven A point thirty-
26 three (467A.33), unnumbered paragraph one (1), Code 1979,
27 is amended to read as follows:

28 The governing body upon receiving the reports from three
29 appointed appraisers and after holding the hearings shall
30 transmit and certify the amounts of assessments to the
31 respective boards of supervisors which upon receipt of
32 certification from the governing body of the district, make
33 the necessary levy of such assessments as fixed by the
34 governing body upon the land within such subdistrict and all
35 assessments shall be levied at that time as a tax and shall

1 bear interest at ~~not-more-than-four-percent-per-annum~~ a rate
2 not exceeding that permitted by chapter seventy-four A (74A)
3 of the Code from that date payable annually except as hereafter
4 provided as to cash payments therefor within a specified time.
5 The assessment so levied shall be kept in a separate account
6 by the appropriate county treasurer or treasurers, identified
7 by the official name of the subdistrict and expenditures
8 therefrom shall be made on requisition of the chairman and
9 secretary of the governing body of the subdistrict.

10 Sec. 77. Section four hundred sixty-seven A point thirty-
11 five (467A.35), subsections one (1) and two (2), Code 1979,
12 are amended to read as follows:

13 1. To pay one half of the amount of such assessment at
14 the time of filing such agreement and the remaining one half
15 shall become due and payable one year from the date of filing
16 such agreement. All such installments shall be without
17 interest if paid at said times, otherwise said assessments
18 shall bear interest from the date of the levy at ~~the rate~~
19 ~~of-four-percent-per-annum~~ a rate fixed by the governing body
20 of the subdistrict, but not exceeding that permitted by chapter
21 seventy-four A (74A) of the Code, payable annually, and be
22 collected as other taxes on real estate, with like penalty
23 for delinquency.

24 2. To pay such assessments in not less than ten nor more
25 than forty equal installments, the number to be fixed by the
26 governing body of the subdistrict and interest at the rate
27 fixed by the governing body of the subdistrict, not exceeding
28 ~~four-percent-per-annum~~ that permitted by chapter seventy-four
29 A (74A) of the Code. The first installment of each assessment
30 shall become due and payable at the October semiannual tax
31 paying date after the date of filing such agreement, unless
32 the agreement is filed with the county auditor less than
33 thirty days prior to such October semiannual tax paying date,
34 in that event, the first installment shall become due and
35 payable at the next succeeding October semiannual tax paying

1 date. The second and each subsequent installment shall become
2 due and payable at the October semiannual tax paying date
3 each year thereafter. All such installments shall be collected
4 with interest accrued on the unpaid balance to the October
5 semiannual tax paying date and as other taxes on real estate,
6 with like penalty for delinquency.

7 Sec. 78. Sections seventy-four point eight (74.8), seventy-
8 five point eleven (75.11) and seventy-five point twelve
9 (75.12), Code 1979, are repealed. It is the intent of the
10 general assembly that the repeal of these sections, and the
11 enactment of sections eleven (11), thirteen (13) and sixteen
12 (16) of this Act shall be construed as a continuation of prior
13 law, except to the extent amended by sections eleven (11)
14 and sixteen (16) of this Act.

15 Sec. 79. Bonds sold on or after the effective date of
16 this Act to finance an improvement for which a final assessment
17 schedule was adopted prior to the effective date of this Act
18 may bear any rate of interest permitted by rules issued under
19 section fourteen (14) of this Act, and section thirteen (13)
20 of this Act and any similar statutory restrictions and section
21 fifteen (15) of this Act do not apply to these bonds.

22 Sec. 80. It is the intent of the general assembly that
23 rules which take effect pursuant to the provisions of sec. on
24 fourteen (14) of this Act shall supersede any temporary legis-
25 lation enacted by the Sixty-eighth General Assembly during
26 the 1980 legislative session with respect to interest rates
27 or maximum interest rates payable on public obligations or
28 assessments against benefitted properties.

29 EXPLANATION

30 This bill deals with interest rates which apply to warrants,
31 bonds, and temporary financing obligations issued by state
32 and local governmental units, and to special assessments
33 levied by governmental subdivisions. The Code contains more
34 than fifty separate provisions which establish either an
35 interest rate or an interest-rate ceiling for governmental

1 obligations, or for assessments used to pay off governmental
2 obligations. The various Code sections involve unpaid
3 warrants, anticipatory warrants, general obligation bonds,
4 revenue bonds, special assessment bonds, pledge orders, and
5 similar public debt obligations which bear interest, and
6 related sections which permit the levying of special
7 assessments to retire certain types of debt. In some instances
8 the respective sections establish the rate of interest, while
9 in others the interest rate is discretionary with the
10 governmental agency involved, but is subject to a prescribed
11 maximum rate.

12 This bill has two primary effects. First, the bill deletes
13 all of the separate interest-rate provisions contained in
14 the individual Code sections. In lieu of specifying interest
15 rates or interest-rate ceilings in the Code, this bill provides
16 that a committee composed of the treasurer of state, the
17 superintendent of banking and the commissioner of insurance
18 shall, from time to time, establish and adjust the interest
19 rates or maximum interest rates payable on the various types
20 of public obligations and on special assessments. This would
21 be accomplished through a rule-making procedure under chapter
22 17A. The committee is the same committee which sets the
23 interest for deposits of public funds under chapter 453 of
24 the Code.

25 The second principal effect of the bill is to standardize
26 the procedures and interest rates or interest-rate ceilings
27 which apply to public debt obligations or special assessments
28 which arise under state law. The various Code provisions
29 which authorize the state, and school districts, cities,
30 counties, and special improvement districts to issue debt
31 obligations of one type or another were enacted or amended
32 at different times. The enabling language varies somewhat,
33 and the interest rates or interest-rate ceilings reflect
34 differing market conditions. This bill is a comprehensive
35 revision of all Iowa Code sections which govern these interest

1 rates.

2 The bill is divided into two parts. Division I modifies
3 some existing general law and establishes some new general
4 law. A new chapter 74A created in Division I would contain
5 all of the interest rate provisions which would apply to
6 unpaid warrants, general obligation bonds, revenue bonds,
7 special assessment bonds, anticipatory warrants, improvement
8 certificates, pledge orders and all other debt obligations
9 issued by a governmental body under state law. The new chapter
10 also would provide for the setting of the interest rate
11 applicable to special assessments levied to repay public debt
12 obligations.

13 Division II contains correlating amendments to each of
14 the Code provisions which interrelate with the interest-rate
15 provisions and rule-making procedures contained in the new
16 chapter 74A. Generally speaking, each of the sections
17 contained in Division II strikes a specific interest rate
18 or interest-rate ceiling and inserts a cross-reference to
19 chapter 74A of the Code, which is created by sections 8 through
20 16 of the bill. In some instances, however, an additional
21 change is made which replaces a fixed rate with a rate ceiling.
22 Recent legislation, e.g., the city code, and some older
23 legislation as well, adopts the policy of allowing the
24 governing body to fix the interest rate payable on various
25 debt obligations or special assessment levies, subject to
26 statutory ceilings. This enables the governing body to fix
27 actual rates on the basis of current money market conditions.
28 This policy is made uniform throughout the various Code
29 sections dealing with interest-rate ceilings.

30 The sections in Division I of the bill provide as follows:

31 Sections 1 through 7 substantially amend chapter 74 of
32 the Code. Chapter 74 provides recordkeeping requirements
33 and procedures for the call of and the termination of interest
34 on interest-bearing warrants. The chapter originally applied
35 only to warrants which could not be paid when presented because

1 of lack of funds. A subsequent amendment to section 74.1
2 made the chapter applicable to anticipatory warrants as well,
3 but the remaining sections were left unchanged, and as a
4 result the procedures, which are relatively clear when
5 considered in the context of unpaid warrants, became ambiguous
6 when applied to anticipatory warrants and other short-term
7 obligations which are intended to be interest-bearing when
8 issued. Sections 1 through 7 make the following substantive
9 changes:

10 1. The procedures of the chapter are made applicable to
11 state warrants issued under section 19.8 of the Code, and
12 to all other interest-bearing warrants, pledge orders and
13 similar short-term obligations issued against a specific
14 account or fund. As amended, the chapter does not specify
15 interest rates on these obligations, however.

16 2. The fixed interest rate contained in section 74.2 is
17 removed, and a cross reference to the new chapter 74A is
18 inserted. Also, language is added which differentiates
19 anticipatory warrants from ordinary warrants. These are
20 distinguishable from ordinary warrants which are used as
21 checks rather than as interest-bearing notes.

22 3. Section 74.8 is removed from chapter 74 and relocated
23 in the new chapter 74A (see sections 16 and 78 of the bill).
24 That section authorizes the sale of anticipatory warrants
25 issued by a school district at a rate above the statutory
26 ceiling if certain conditions are met. Since the section
27 deals only with the interest rate on those obligations, it
28 is relocated in chapter 74A which contains all of the
29 provisions and rule-making procedures relating to rates and
30 rate ceilings.

31 4. Specific provisions are made for the call of any out-
32 standing interest-bearing obligation when funds are available
33 for its payment. Interest on the obligation would cease at
34 the end of ten days after the treasurer mails a notice of
35 call to the holder of the obligation. However, any obligation

1 which is issued as a fixed term obligation would not be subject
2 to call until the end of the term, or until such earlier date
3 which might be provided for in the obligation. Also, the
4 call provisions would not apply when the parties otherwise
5 have agreed.

6 Sections 8 through 16 create a new chapter 74A of the Code,
7 which contains all of the interest rate provisions and rule-
8 making procedures.

9 Section 9 defines the scope of the new chapter.

10 Section 10 provides for the setting of a rate of interest
11 on warrants which are unpaid at time of presentation because
12 of lack of funds. The section would not apply to any
13 obligation which is intended to bear interest when issued.
14 This provision replaces section 74.2 of the Code.

15 Sections 11 and 14 contain the major substantive revision
16 of the interest rate laws. Section 11 is patterned after
17 section 75.12 of the Code, but is expanded to include all
18 evidences of indebtedness issued by a governmental body or
19 agency under the laws of this state. Three categories of
20 obligations are established, and a maximum and interest rate
21 would be set by rule for each. General obligation bonds
22 anticipatory warrants and other obligations payable from
23 general taxation or from the state's sinking fund for pub. c
24 deposit would bear interest not in excess of that permitted
25 by rule. Under present law, most G.O. bonds are limited to
26 7 percent, and some other obligations to which this new limit
27 applies are at less than 7 percent. The maximum interest
28 rate on revenue bonds, anticipatory warrants, pledge orders
29 and other obligations which are payable from revenues derived
30 from the operations of a publicly owned enterprise or utility
31 also would be set by rule. Special assessment bonds,
32 anticipatory warrants and other obligations which are payable
33 from special assessments levied against benefitted properties
34 constitute the third category of obligations to be subject
35 to an interest-rate ceiling set by rule of the committee.

1 Section 12 of the bill provides for the establishment by
2 rule of the maximum rate of interest on unpaid installments
3 of special assessments against benefited properties. Section
4 75.11 of the Code, which is removed from chapter 75 by section
5 78 of the bill and relocated in the new chapter 74A by section
6 13 of the bill, prohibits the sale of special assessment bonds
7 at a rate of interest higher than the rate payable on unpaid
8 installments of the supporting assessment levy.

9 Section 14 of the bill contains the rule-making procedures.
10 The section specifies the membership of the committee and
11 the duties of the committee. The section also establishes
12 the standards governing the rule-making activities of the
13 committee, and contains limitations on the powers of the
14 committee.

15 Section 15 of the bill establishes an emergency procedure
16 which may be used by a governmental body when its obligations
17 cannot be sold because the market demands a higher rate of
18 interest than is permitted by the applicable ceiling. A
19 similar kind of procedure presently exists in section 74.8
20 of the Code for the sale of warrants of school districts.

21 Section 16 of the bill reenacts existing Code section 74.8
22 as a section of the new chapter 74A.

23 Division II of the bill amends the various Code sections
24 to implement the standardization of rates and rate ceilings.
25 Other substantive changes are as follows:

26 Section 17 amends section 19.8 of the Code to clarify what
27 apparently is an error in existing law. That section states
28 that if the state sells anticipatory warrants to cover a
29 temporary shortage of funds, the warrants shall be sold to
30 the "highest bidder". The procedure apparently has never
31 been used. The section appears to require the state to sell
32 these warrants at the highest interest rate bid, which would
33 be contrary to the best interests of the state. The section
34 is revised to require sale to the bidder offering the lowest
35 interest rate.

1 Section 26 of the bill amends a unique section of the Code
2 which permits school districts to buy school buses on an
3 installment payment basis. This Code section limits the
4 school district to paying not more than 4 percent simple
5 interest in these contracts. The amendment strikes the 4
6 percent limitation and inserts in lieu thereof a maximum rate
7 which is the rate in effect under section 535.2, subsection
8 3 of the Code (the floating usury ceiling).

9 Sections 56 and 60 amend Code sections 384.57 and 386.12
10 to delete special provisions for warrants not paid for lack
11 of funds. These are covered by the new chapter 74A.

12 Sections 78, 79 and 80 of the bill contain repealer and
13 transition provisions. The repealed sections are reenacted
14 with amendments as sections of the new chapter 74A.

15 Section 79 deals with a temporary problem which may be
16 encountered in the issuance of special assessment bonds.
17 Section 75.11 of the Code, as reenacted by section 13 of this
18 bill, provides that the interest rate payable on special
19 assessment bonds shall not exceed the rate payable on the
20 special assessments. A city might adopt a final assessment
21 schedule bearing the maximum lawful interest rate for
22 assessments prior to the date interest rates are initially
23 set by the committee under this Act. If the committee were
24 to set higher maximum rates because of market conditions,
25 section 13 of the bill would prevent the sale of the bonds
26 at the higher rate. In that situation, section 78 would
27 permit the new interest-rate ceiling to apply to those bonds,
28 even though the rate exceeds the interest rate on the
29 assessments.

30 The bill would take effect July first following enactment.

31
32
33
34
35

SENATE FILE 2282

S-5422

- 1 Amend Senate File 2282 as follows:
2 1. Page 4, line 34, by striking the word
3 "MAXIMUM" and inserting in lieu thereof the word
4 "INTEREST".
5 2. Page 4, line 35, by striking the word
6 "maximum".
7 3. Page 5, by striking lines 8 through 10 and
8 inserting in lieu thereof the words "interest at a
9 rate to be set by the issuing governmental body or
10 agency."
11 4. Page 5, line 15, by striking the word "not".
12 5. Page 5, by striking lines 16 through 20 and
13 inserting in lieu thereof the words "to be set by the
14 issuing governmental body or agency."
15 6. Page 5, by striking lines 24 through 27 and
16 inserting in lieu thereof the words "property may
17 bear interest at a rate to be set by the issuing
18 governmental body or agency."
19 7. Page 6, by striking lines 13 through 18.
20 8. Page 6, by striking lines 24 through 27 and
21 inserting in lieu thereof the words "opinion of the
22 committee."
23 9. Page 7, by striking lines 11 through 35.
24 10. Page 8, by striking lines 1 through 16.
25 11. Page 8, by striking lines 20 through 27 and
26 inserting in lieu thereof the words "two (2) of this
27 Act at a rate of interest to be determined by the
28 board of the school district."
29 12. Page 8, by striking lines 28 through 31
30 and inserting in lieu thereof the words:
31 " . The treasurer may offer the warrants for public".
32 13. By renumbering and relettering as necessary.

S-5422 FILED
MARCH 18, 1980

BY BOB RUSH

ADOPTED AS AMENDED *By 5427 (p. 922)*

SENATE FILE 2282

S-5427

- 1 Amend S-5422 to Senate File 2282 as follows:
2 1. Page 1, by striking lines 19 through 22 and
3 inserting in lieu thereof the following:
4 " . Page 6, line 10, by inserting after the
5 word "following" the words "recommended rates".
6 2. By renumbering as necessary.

S-5427 FILED & ADOPTED *(p. 929)* BY BOB RUSH
MARCH 18, 1980

SENATE FILE 2282

S-5368

- 1 Amend Senate File 2282 as follows:
- 2 1. Page 32, by striking lines 29 through 31 and
- 3 inserting in lieu thereof the words "a tax levy not
- 4 ~~exceeding one dollar and thirty-five cents per thousand~~
- 5 ~~dollars of assessed value of taxable property per~~
- 6 ~~annum~~ to the payment of the principal and interest
- 7 of".

S-5368 FILED
MARCH 13, 1980

BY IRVIN L. BERGMAN
EDGAR H. HOLDEN

SENATE FILE 2282

S-5395

- 1 Amend Senate File 2282 as follows:
- 2 1. Page 46, by inserting after line 28 the
- 3 following:
- 4 "Sec. ____ . This Act, being deemed of immediate
- 5 importance, shall take effect from and after its
- 6 publication in the Muscatine Journal, a newspaper
- 7 published in Muscatine, Iowa, and in the Carroll Daily
- 8 Times-Herald, a newspaper published in Carroll, Iowa."

S-5395 FILED
MARCH 17, 1980

BY EDGAR H. HOLDEN

Adopted 3/15 (p. 930)

SENATE FILE 2282

S-5397

- 1 Amend Senate File 2282 as follows:
- 2 1. Page 46, line 24, by striking the word
- 3 "temporary".

S-5397 FILED
MARCH 17, 1980

BY EDGAR H. HOLDEN

Adopted 3/18 (p. 929)

SENATE FILE 2282

S-5415

- 1 Amend Senate File 2282 as follows:
- 2 1. Title page, line 3, by inserting after the word
- 3 "agencies" the words ", and including a correlating
- 4 amendment removing the limitation on the tax levy
- 5 authorized by section three hundred fifty-eight point
- 6 twenty-one (358.21) of the Code with respect to interest-
- 7 bearing obligations issued under that section".

S-5415 FILED & ADOPTED *(p. 95)* BY COMMITTEE ON WAYS AND MEANS
MARCH 18, 1980 ROLF V. CRAFT, CHAIRPERSON

SENATE FILE 2282

S-5287

1 Amend Senate File 2282 as follows:

2 1. Page 37, by inserting after line 1 the
3 following:

4 "Sec. _____. Section three hundred eighty-four point
5 eighty-three (384.83), Code 1979, is amended by adding
6 the following new subsection:

7 NEW SUBSECTION. A city may enter into loan
8 agreements or other credit arrangements with any
9 person to obtain funds to pay all or part of the cost
10 of a project, the total cost of which is fifty million
11 dollars or more. The borrowings shall be repayable
12 solely and only out of the net revenues of the city
13 utility, combined utility system, city enterprise
14 or combined city enterprise of which the project is
15 or will be a part or the proceeds of revenue bonds
16 payable from those net revenues. The loan agreements
17 or other credit arrangements may provide for the
18 payment of interest at the stated or variable rate
19 or rates as the governing body deems advisable,
20 notwithstanding any interest rate limitations contained
21 in any other law. The loan agreements or other credit
22 arrangements may be authorized by resolution of the
23 governing body adopted at a regular or special
24 meeting."

25 2. By numbring, renumbering and correcting internal
26 references as necessary.

S-5287 FILED
MARCH 6, 1980

BY RICHARD DRAKE
EDGAR H. HOLDEN

SENATE FILE 2282

S-5288

1 Amend Senate File 2282 as follows:

2 1. Page 6, line 11, by striking the word "under"
3 and inserting in lieu thereof the words "to obligations
4 referred to in".

5 2. Page 6, line 13, by striking the word "under"
6 and inserting in lieu thereof the words "to obligations
7 referred to in".

8 3. Page 6, line 15, by striking the word "under"
9 and inserting in lieu thereof the words "to obligations
10 referred to in".

11 4. Page 6, line 17, by striking the word "under"
12 and inserting in lieu thereof the words "to obligations
13 referred to in".

14 5. Page 6, line 19, by striking the word "under"
15 and inserting in lieu thereof the words "to obligations
16 referred to in".

S-5288 FILED
MARCH 6, 1980

BY EDGAR H. HOLDEN

DIVISION I

1
2 Section 1: Section seventy-four point one (74.1), Code
3 1979, is amended to read as follows:

4 74.1 APPLICABILITY.

5 1. This The procedures of this chapter shall apply to
6 all warrants which are legally drawn on a public treasury,
7 including the treasury of a city, and which, when presented
8 for payment, are not paid for want of funds.

9 2. This The procedures of this chapter and-its-procedures
10 shall also apply whenever a municipality, as defined in section
11 24.2, or a city shall determine that there are not or will
12 not be sufficient funds on hand to pay the legal obligations
13 of a fund. ~~Said-municipality~~ Each of these municipalities
14 is authorized to provide for the payment of such present and
15 future obligations by drawing one or more anticipatory warrants
16 payable to a bank or other business entity authorized by law
17 to loan money in an amount or amounts legally available and
18 believed to be sufficient to cover the anticipated
19 deficiencies. The duties imposed on the treasurer by this
20 chapter may be assigned by ~~the~~ a city council to another city
21 officer.

22 3. The procedures of this chapter also apply to the issu-
23 ance of anticipatory warrants by the state under section nine-
24 teen point eight (19.8) of the Code.

25 4. The procedures of this chapter also apply to
26 anticipatory warrants, pledge orders, improvement certificates,
27 anticipatory certificates or similar obligations payable from
28 special assessments against benefited properties, or payable
29 from charges, fees or other operating income from a publicly
30 owned enterprise or utility.

31 Sec. 2. Section seventy-four point two (74.2), Code 1979,
32 as amended by Acts of the Sixty-eighth General Assembly, 1979
33 Session, chapter twenty-four (24), section three (3), is
34 amended to read as follows:

35 74.2 ENDORSEMENT AND INTEREST. ~~Except-as-provided-in~~

1 ~~section-74-87-when-any-such~~ If a warrant other than an
2 anticipatory warrant is presented for payment, and is not
3 paid for want of funds, or is only partially paid, the
4 treasurer shall endorse the fact thereon, with the date of
5 presentation, and sign the endorsement, and thereafter the
6 warrant or the balance due thereon, shall ~~draw~~ bear interest
7 ~~at six-percent-per-annum-on-state-and-county-warrants,-and~~
8 ~~six-percent-per-annum-on-city-and-school-warrants,-unless~~
9 ~~the-treasurer-arranges-for-the-sale-of-said-warrant-at-par~~
10 ~~at-a-lower-rate-of-interest~~ the rate specified in section
11 ten (10) of this Act.

12 An anticipatory warrant issued under the authority of sec-
13 tion one (1), subsection two (2) of this Act shall bear
14 interest at a rate determined by the issuing governmental
15 body, but not exceeding that permitted by chapter seventy-
16 four A (74A) of the Code.

17 Sec. 3. Section seventy-four point three (74.3), Code
18 1979, is amended to read as follows:

19 74.3 RECORD OF WARRANTS OBLIGATIONS. The treasurer shall
20 keep a record of ~~all-warrants-so-endorsed,~~ each interest-
21 bearing obligation which ~~record~~ shall show the number and
22 amount, the date ~~of-presentation~~ interest commences, the rate
23 of interest, and the name and post-office address of the
24 holder, ~~of-each-warrant~~ of the obligation.

25 Sec. 4. Section seventy-four point four (74.4), Code 1979,
26 is amended to read as follows:

27 74.4 ASSIGNMENT OF WARRANT OBLIGATION. When any-warrant
28 ~~shall-be~~ a nonnegotiable interest-bearing obligation is
29 assigned or transferred ~~after-being-so-endorsed,~~ the assignee
30 or transferee ~~shall-be-under-duty,-for-his-own-protection,~~
31 ~~to~~ must notify the treasurer in writing of ~~such~~ the assignment
32 or transfer and of ~~his~~ the post-office address of the assignee
33 or transferee. Upon receiving ~~such~~ notification, the treasurer
34 accordingly shall correct ~~the-aforesaid-record-accordingly~~
35 the record maintained under section three (3) of this Act.

1 Sec. 5. Section seventy-four point five (74.5), Code 1979,
2 is amended by striking the section and inserting in lieu
3 thereof the following:

4 74.5 CALL FOR PAYMENT. When a fund contains sufficient
5 money to pay one or more interest-bearing obligations which
6 are outstanding against the fund, the treasurer shall call
7 those obligations for payment. Obligations may be paid in
8 the order of presentation. This section does not authorize
9 a fixed-term obligation to be called at a date earlier than
10 is provided by the conditions and terms upon which it was
11 issued.

12 Sec. 6. Section seventy-four point six (74.6), Code 1979,
13 is amended by striking the section and inserting in lieu
14 thereof the following:

15 74.6 NOTICE OF CALL--TERMINATION OF INTEREST.

16 1. The treasurer shall make a call for payment under
17 section five (5) of this Act by mailing to the holder of the
18 obligation, as shown in the records maintained under section
19 three (3) of this Act, a notice of call which describes the
20 obligation by number and amount, and which specifies a date,
21 not more than ten days thereafter when interest ceases to
22 accrue on the obligation. The treasurer shall enter the date
23 of mailing of the notice in the records maintained under
24 section three (3) of this Act.

25 2. Interest on an interest-bearing obligation shall cease
26 to accrue as of the date specified in the notice of call
27 issued under subsection one (1) of this section.

28 3. This section does not apply if the parties have other-
29 wise agreed in writing.

30 Sec. 7. Section seventy-four point seven (74.7), Code
31 1979, is amended to read as follows:

32 74.7 ENDORSEMENT OF INTEREST. When ~~a-warrant~~ an obligation
33 which legally draws interest is paid, the treasurer shall
34 endorse upon it the date of payment, and the amount of interest
35 ~~allowed paid.~~ The treasurer also shall enter into the records

1 maintained under section three (3) of this Act the date of
2 payment and the amount of interest paid.

3 Sec. 8. Sections seven (7) through fifteen (15) of this
4 Act are enacted as a new chapter seventy-four A (74A) of the
5 Code, which shall be entitled "INTEREST RATES FOR PUBLIC
6 OBLIGATIONS AND ASSESSMENTS".

7 Sec. 9. NEW SECTION. APPLICABILITY.

8 1. Except as otherwise provided by law, this chapter es-
9 tablishes the interest rates which are applicable to all
10 bonds, warrants, anticipatory warrants, pledge orders,
11 improvement certificates, and anticipation certificates issued
12 by a governmental body or agency under the laws of this state,
13 and the interest rates which are applicable to assessments
14 levied by a governmental body or agency under the laws of
15 this state against benefited properties for the retirement
16 of public debt.

17 2. This chapter does not authorize the issuance of a
18 public obligation or the levying of an assessment, and does
19 not create an obligation to pay interest, and does not
20 determine when interest commences or ceases to accrue.

21 3. This chapter does not impose an interest rate or
22 interest rate limitation where by law the rate of interest
23 payable on an obligation is within the discretion of the
24 governmental body or agency, unless that discretion is
25 expressly made subject to the limitations contained in this
26 chapter.

27 Sec. 10. NEW SECTION. UNPAID WARRANTS. A warrant not
28 paid upon presentation for want of funds bears interest on
29 unpaid balances at the rate in effect at the time the warrant
30 is first presented for payment, as established by rule pursuant
31 to section fourteen (14) of this Act. This section does not
32 apply to an obligation which by law bears interest from the
33 time it is issued.

34 Sec. 11. NEW SECTION. INTEREST RATES FOR PUBLIC
* 35 OBLIGATIONS. Except as otherwise provided by law, the rates

1 of interest on obligations issued by this state, or by a
2 county, school district, city special improvement district,
3 or any other governmental body or agency are as follows:

4 1. General obligation bonds, warrants, or other evidences
5 of indebtedness which are payable from general taxation or
6 from the state's sinking fund for public deposits may bear
7 interest at a rate to be set by the issuing governmental body
8 or agency.

9 2. Revenue bonds, warrants, pledge orders or other
10 obligations, the principal and interest of which are to be
11 paid solely from the revenue derived from the operations of
12 the publicly owned enterprise or utility for which the bonds
* 13 or obligations are issued, may bear interest at a rate to
14 be set by the issuing governmental body or agency.

15 3. Special assessment bonds, certificates, warrants or
16 other obligations, the principal and interest of which are
17 payable from special assessments levied against benefited
18 property may bear interest at a rate to be set by the issuing
19 governmental body or agency.

20 Sec. 12. NEW SECTION. MAXIMUM RATES ON SPECIAL
21 ASSESSMENTS. Except as otherwise provided by law, the rate
22 of interest payable on unpaid balances of special assessments
23 levied against benefited properties shall not exceed the
24 maximum rate in effect at the time of adoption of the final
25 assessment schedule, as established by rule pursuant to section
26 fourteen (14) of this Act.

27 Sec. 13. NEW SECTION. RELATIVE RATE ON ASSESSMENT BONDS.
28 Bonds payable from special assessments shall not be sold
29 bearing a higher rate of interest than is payable on the
30 assessments from which those bonds are made payable.

31 Sec. 14. NEW SECTION. RULES TO ESTABLISH RATES.

32 1. The rule-making authority contained in this section
33 shall be exercised by a committee composed of the treasurer
34 of state, the superintendent of banking and the commissioner
35 of insurance.

1 2. The committee shall adopt rules pursuant to chapter
2 seventeen A (17A) of the Code establishing the following
3 recommended rates:

4 a. The annual interest rate to be applicable to obligations
5 referred to in section ten (10) of this Act.

6 b. The maximum annual interest rate to be applicable to
7 obligations referred to in section eleven (11), subsection
8 one (1) of this Act.

9 c. The maximum annual interest rate to be applicable to
10 obligations referred to in section eleven (11), subsection
11 two (2) of this Act.

12 d. The maximum annual interest rate to be applicable to
13 obligations referred to in section eleven (11), subsection
14 three (3) of this Act.

15 e. The maximum annual interest rate to be applicable to
16 obligations referred to in section twelve (12) of this Act.

17 3. The committee shall establish and from time to time
18 modify one or more of the interest rates referred to in sub-
19 section two (2) of this section as may be necessary in the
20 opinion of the committee to permit the orderly financing of
21 governmental activities, and to minimize interest costs to
22 governmental bodies while permitting a fair return to persons
23 whose funds are used to finance governmental activities.
24 The committee shall consider relevant indices of actual
25 interest rates in the economy when establishing rates under
26 this section, including but not necessarily limited to maximum
27 lawful interest rates payable by depository financial
28 institutions on customer deposits, interest rates payable
29 on obligations issued by the United States government, and
30 interest rates payable on obligations issued by governmental
31 bodies other than those of this state.

32 4. An interest rate established by the committee under
33 this section shall be in effect commencing on the date
34 specified in the rule, and until superseded by a subsequent
35 rule.

5505 1 5. The committee shall not establish interest rates for
2 types or categories of obligations other than as specified
3 in subsection two (2) of this section. The committee shall
4 not establish subcategories within any of the categories
5 referred to in paragraphs a through e of subsection two (2)
6 of this section.

* 7 Sec. 15. NEW SECTION. SCHOOL DISTRICT WARRANTS.

8 1. The treasurer of a school district shall sell
9 anticipatory warrants authorized by section one (1), subsection
10 two (2) of this Act at a rate of interest to be determined
11 by the board of the school district.

12 2. The treasurer may offer the warrants for public sale
13 at par, by publishing notice of the sale for two consecutive
14 weeks in a newspaper of general circulation in the jurisdiction
15 of the school district issuing the warrants, giving not less
16 than ten days' notice of the time and place of the sale.
17 The notice shall include a statement of the amount of the
18 warrants offered for sale.

19 3. Sealed bids may be received at any time up to the time
20 all bids are opened. The treasurer shall sell the warrants
21 to the bidder offering the lowest interest rate, provided
22 that the treasurer may reject all bids and readvertise the
23 sale of the warrants pursuant to the provisions of this
24 section.

25 4. This section applies only to school districts whose
26 anticipated receipts allocable to the current budget are at
27 least equal to their legally approved budget for the current
28 year.

29 DIVISION II

30 Sec. 16. Section nineteen point eight (19.8), Code 1979,
31 as amended by Acts of the Sixty-eighth General Assembly, 1979
32 Session, chapter twenty-four (24), section one (1), is amended
33 to read as follows:

34 19.8 ANTICIPATION OF REVENUES. The executive council
35 may anticipate the revenues for any year, when the current

1 revenues for that year are insufficient to pay all warrants
2 issued in that year, by causing state warrants, in an amount
3 not exceeding the estimated state revenues for that year,
4 and ~~drawing-not-to-exceed-six-percent-per-annum~~ bearing
5 interest at a rate not exceeding that permitted by chapter
6 seventy-four A (74A) of the Code, to be issued, advertised,
7 and sold on sealed bids, and to the highest bidder offering
8 the lowest interest rate. All bids and all records pertaining
9 thereto, ~~and the names of all purchasers~~ shall be kept on
10 file. The treasurer of state shall comply with the provisions
11 of chapter seventy-four (74) of the Code.

12 Sec. 17. Section twenty-eight F point eight (28F.8), Code
13 1979, is amended to read as follows:

14 28F.8 DETAILS OF REVENUE BONDS. Revenue bonds issued
15 pursuant to the provisions of this chapter shall bear interest
16 at a rate or rates not exceeding ~~seven-percentum-per-annum~~
17 that permitted by chapter seventy-four A (74A) of the Code,
18 may be in one or more series, may bear such date or dates,
19 may mature at such time or times not exceeding forty years
20 from their respective dates, may be payable in such medium
21 of payment, at such place or places within the state, may
22 carry such registration privileges, may be subject to such
23 terms of prior redemption, with or without premium, may be
24 executed in such manner, may contain such terms, covenants
25 and conditions, and may be in such form otherwise, as such
26 resolution or subsequent resolutions shall provide.

27 Sec. 18. Section thirty-seven point six (37.6), Code 1979,
28 is amended to read as follows:

29 37.6 BONDS. For the purpose of providing funds for the
30 acquisition of necessary ground therefor, and for purchasing,
31 erecting, constructing, or reconstructing such building or
32 monument, and for the necessary equipment therefor, the county
33 may issue bonds to be known as liberty memorial bonds, to
34 be issued and sold as provided by law relative to general
35 county bonds; it shall provide for portions of such bonds

1 to become due at different, definite periods, but none in
2 more than twenty years from date. In issuing such bonds,
3 such county may become indebted in an amount which, added
4 to all other indebtedness, shall not exceed five percent of
5 the actual value of the taxable property in such county as
6 determined by the last state and county tax lists. Such bonds
7 shall bear interest at a rate not exceeding ~~seven-percent~~
8 per-annum that permitted by chapter seventy-four A (74A) of
9 the Code. Bonds issued by a city must be issued in accordance
10 with provisions of law relating to general corporate purpose
11 bonds of a city.

12 Sec. 19. Section thirty-seven point twenty-eight (37.28),
13 Code 1979, as amended by Acts of the Sixty-eighth General
14 Assembly, 1979 Session, chapter twenty-four (24), section
15 two (2), is amended to read as follows:

16 37.28 ANTICIPATORY WARRANTS. If the funds raised under
17 the provisions of this chapter are insufficient for any fiscal
18 year to pay the principal and interest due in that year on
19 any bonds issued for hospital purposes under section 37.6
20 and to pay the expenses of the operation and maintenance of
21 the hospital and any other hospital expenses authorized by
22 this chapter for the fiscal year, the commission may issue
23 tax anticipatory warrants drawn on the funds to be raised
24 by the taxes levied under sections 37.7 and 37.8. The warrants
25 shall be in denominations of one hundred, five hundred and
26 one thousand dollars and shall draw interest at a rate not
27 ~~to-exceed-six-percent-per-annum~~ exceeding that permitted by
28 chapter seventy-four A (74A) of the Code. These warrants
29 shall not be a general obligation of any political subdivision
30 which owns the hospital.

31 Sec. 20. Section one hundred eleven A point six (111A.6),
32 unnumbered paragraph two (2), Code 1979, is amended to read
33 as follows:

34 In order to make immediately available to the county
35 conservation board the proceeds of the annual tax hereinbefore

1 authorized to be levied for recreation and conservation
 2 purposes, bonds of any county may be issued in anticipation
 3 of the collection of such tax in the manner hereinafter
 4 provided. Upon the filing of a petition by the conservation
 5 board with the county board of supervisors asking that bonds
 6 be issued in a specified amount for the purpose of paying
 7 the cost of acquiring land and developing the same for public
 8 museum, park, parkway, preserve, playground, or other
 9 recreation or conservation purposes within the county, then
 10 the board of supervisors may call a special election to be
 11 held in the county to vote on the proposition of issuing such
 12 bonds. Notice of such election shall be published once each
 13 week for at least four consecutive weeks in one of the official
 14 county newspapers, and the election shall be held on a day
 15 not less than five nor more than twenty days after the last
 16 publication of such notice. Voting machines may be used for
 17 the purpose of voting on said proposition or, in the discretion
 18 of the board of supervisors, the proposition may be submitted
 19 to the voters on paper ballots. The proposition shall be
 20 submitted in substantially the following form:

21 "Shall County, Iowa, issue its bonds in the
 22 amount of \$..... for the purpose of"

23 The expenses incurred in connection with the conduct of such
 24 election shall be paid by the conservation board from the
 25 county conservation fund. If the vote in favor of issuing
 26 the bonds is equal to at least sixty percent of the total
 27 votes cast for and against the proposition, the board of
 28 supervisors shall issue the bonds in the amount voted, and
 29 shall provide for the levy of an annual tax, within the limits
 30 of the special tax hereinbefore authorized, sufficient to
 31 pay said bonds and the interest thereon as the same
 32 respectively become due. Said bonds shall mature in not more
 33 than twenty years, shall bear interest at a rate or rates
 34 not exceeding seven-percent-per-annum that permitted by chapter
 35 seventy-four A (74A) of the Code, shall be in such form as

1 the board of supervisors shall by resolution provide, and
2 shall be payable as to both principal and interest from the
3 proceeds of the annual levy of the tax hereinbefore authorized
4 to be levied for recreation and conservation purposes, or
5 so much thereof as will be sufficient to pay the principal
6 thereof and interest thereon, and prior to the authorization
7 and issuance of such bonds the board of supervisors may, with
8 or without notice, negotiate and enter into an agreement or
9 agreements with any bank, investment banker, trust company
10 or insurance company or group thereof whereunder the marketing
11 of such bonds may be assured and consummated. The proceeds
12 of such bonds shall be deposited in a special fund, to be
13 kept separate and apart from all other funds of the county,
14 and shall be paid out upon warrants drawn by the county auditor
15 upon requisition of the conservation board to pay the cost
16 of acquiring land and developing the same for recreation and
17 conservation purposes as specified in the election proposition.

18 Sec. 21. Section one hundred forty-five A point seventeen
19 (145A.17), Code 1979, is amended to read as follows:

20 145A.17 INDEBTEDNESS AND BONDS. Boards of hospital
21 trustees may acquire sites and erect and equip buildings for
22 use by area hospitals and may contract indebtedness and issue
23 bonds bearing interest at a rate not exceeding ~~seven-percent~~
24 per-annum that permitted by chapter seventy-four A (74A) of
25 the Code to raise funds for such purposes in accordance with
26 chapter 75.

27 Sec. 22. Section two hundred two point five (202.5), Code
28 1979, is amended to read as follows:

29 202.5 INTEREST ON INSTALLMENTS. All unpaid installments
30 of the special assessment tax levied against the property
31 described in section 202.4 shall bear interest at ~~the rate~~
32 of-six-percent a rate not exceeding that permitted by chapter
33 seventy-four A (74A) of the Code and all delinquent
34 installments shall be subject to the same penalties as are
35 now applied to delinquent general taxes.

1 Sec. 23. Section two hundred two point six (202.6), Code
2 1979, as amended by Acts of the Sixty-eighth General Assembly,
3 1979 Session, chapter twenty-four (24), section four (4),
4 is amended to read as follows:

5 202.6 ANTICIPATORY WARRANTS. The board shall have the
6 authority for the purpose of financing and carrying out the
7 provisions of this chapter to issue anticipatory warrants
8 drawn on the county, in denominations of one hundred dollars,
9 five hundred dollars and one thousand dollars, which
10 anticipatory warrants shall draw interest at ~~not more than~~
11 ~~six-percent-per-annum~~ a rate not exceeding that permitted
12 by chapter seventy-four A (74A) of the Code; and shall not
13 be a general obligation on the county and be secured only
14 by the special assessment tax levy as herein provided.

15 Sec. 24. Section two hundred eighty A point twenty-two
16 (280A.22), unnumbered paragraph two (2), Code 1979, is amended
17 to read as follows:

18 In order to make immediately available to the merged area
19 the proceeds of the voted tax hereinbefore authorized to be
20 levied, the board of directors of any such merged area is
21 hereby authorized, without the necessity for any further
22 election, to borrow money and enter into loan agreements in
23 anticipation of the collection of such tax, and such board
24 shall, by resolution, provide for the levy of an annual tax,
25 within the limits of the special voted tax hereinbefore
26 authorized, sufficient to pay the amount of any such loan
27 and the interest thereon to maturity as the same becomes due.
28 A certified copy of this resolution shall be filed with the
29 county auditors of the counties in which such merged area
30 is located, and the filing thereof shall make it a duty of
31 such auditors to enter annually this levy for collection until
32 funds are realized to repay the loan and interest thereon
33 in full. Said loan must mature within the number of years
34 for which the tax has been voted and shall bear interest at
35 a rate or rates not exceeding ~~seven-percent-per-annum~~ that

1 permitted by chapter seventy-four A (74A) of the Code. Any
2 loan agreement entered into pursuant to authority herein
3 contained shall be in such form as the board of directors
4 shall by resolution provide and the loan shall be payable
5 as to both principal and interest from the proceeds of the
6 annual levy of the voted tax hereinbefore authorized, or so
7 much thereof as will be sufficient to pay the loan and interest
8 thereon. In furtherance of the foregoing the board of
9 directors of such merged area may, with or without notice,
10 negotiate and enter into a loan agreement or agreements with
11 any bank, investment banker, trust company, insurance company
12 or group thereof, whereunder the borrowing of the necessary
13 funds may be assured and consummated. The proceeds of such
14 loan shall be deposited in a special fund, to be kept separate
15 and apart from all other funds of the merged area, and shall
16 be paid out upon warrants drawn by the president and secretary
17 of the board of directors to pay the cost of acquiring the
18 school facilities for which the tax was voted.

19 Sec. 25. Section two hundred eighty-five point ten
20 (285.10), subsection seven (7), paragraph b, Code 1979, is
21 amended to read as follows:

22 b. May purchase buses and enter into contract to pay for
23 such buses over a five-year period as follows: One-fourth
24 of the cost when bus is delivered and the balance in equal
25 annual installments, plus simple interest due. The interest
26 rate shall be the lowest rate available and shall not exceed
27 ~~four-percent-simple-interest~~ the rate in effect under section
28 ten (10) of this Act. The bus shall serve as security for
29 ~~balance due.~~ Bus bodies and chassis shall be purchased on
30 separate contracts unless the bus is constructed as an integral
31 unit, inseparable as to body and chassis, by the manufacturer
32 or is a used or demonstrator bus.

33 Sec. 26. Section two hundred ninety-six point one (296.1),
34 Code 1979, is amended to read as follows:

35 296.1 INDEBTEDNESS AUTHORIZED. Subject to the approval

1 of the voters thereof, school districts are hereby authorized
2 to contract indebtedness and to issue general obligation bonds
3 to provide funds to defray the cost of purchasing, building,
4 furnishing, reconstructing, repairing, improving or remodeling
5 a schoolhouse or schoolhouses and additions thereto, gymnasium,
6 stadium, field house, school bus garage, teachers' or
7 superintendent's home or homes, and procuring a site or sites
8 therefor, or purchasing land to add to a site already owned,
9 or procuring and improving a site for an athletic field, or
10 improving a site already owned for an athletic field, and
11 for any one or more of such purposes. Taxes for the payment
12 of said bonds shall be levied in accordance with chapter 76,
13 and said bonds shall mature within a period not exceeding
14 twenty years from date of issue, shall bear interest at a
15 rate or rates not exceeding ~~seven-percent-per-annum~~ that
16 permitted by chapter seventy-four A (74A) of the Code and
17 shall be of such form as the board of directors of such school
18 district shall by resolution provide, but the aggregate
19 indebtedness of any school district shall not exceed five
20 percent of the actual value of the taxable property within
21 said school district, as ascertained by the last preceding
22 state and county tax lists.

23 Sec. 27. Section two hundred ninety-eight point twenty-
24 two (298.22), unnumbered paragraph one (1), Code 1979, is
25 amended to read as follows:

26 All of said bonds shall be substantially in the form
27 provided for county bonds, but subject to changes that will
28 conform them to the action of the board providing therefor;
29 shall run not more than twenty years, and may be sooner paid
30 if so nominated in the bond; bear a rate of interest not
31 exceeding ~~seven-percent-per-annum~~ that permitted by chapter
32 seventy-four A (74A) of the Code, payable semiannually; be
33 signed by the president and countersigned by the secretary
34 of the board of directors; and shall not be disposed of for
35 less than par value, nor issued for other purposes than this

1 chapter provides.

2 Sec. 28. Section three hundred two point twelve (302.12),
3 Code 1979, is amended to read as follows:

4 302.12 BONDS TO COVER LOSSES. When any sum not less than
5 one thousand dollars shall be so audited and so become a debt
6 of the state to the fund, as provided by the Constitution,
7 the auditor of state shall issue the bond or bonds of the
8 state in favor of the fund, bearing ~~six-percent~~ interest at
9 a rate not exceeding that permitted by chapter seventy-four
10 A (74A) of the Code, payable semiannually on the first day
11 of January and July after issuance, and the amount to pay
12 the interest as it becomes due is appropriated out of any
13 funds in the state treasury.

14 Sec. 29. Section three hundred nine point forty-seven
15 (309.47), subsection four (4), Code 1979, is amended to read
16 as follows:

17 4. The rate of interest which each certificate shall bear
18 which shall not exceed ~~five-percent-per-annum~~ that permitted
19 by chapter seventy-four A (74A) of the Code, payable annually.

20 Sec. 30. Section three hundred nine point seventy-three
21 (309.73), unnumbered paragraph three (3), Code 1979, is amended
22 to read as follows:

23 Taxes for the payment of county bonds shall be levied in
24 accordance with chapter 76 and said bonds shall be payable
25 in not more than twenty years and bear interest at a rate
26 not exceeding ~~five-percent-per-annum~~ that permitted by chapter
27 seventy-four A (74A) of the Code, and shall be of such form
28 as the respective councils or board of supervisors shall by
29 resolution provide, but no city or county shall become indebted
30 in excess of five percent of the actual value of taxable
31 property within its taxing jurisdiction as shown by the last
32 preceding state and county tax lists. The indebtedness
33 incurred for the purpose provided in this section shall not
34 be considered an indebtedness incurred for general or ordinary
35 purposes.

1 Sec. 31. Section three hundred eleven point sixteen
2 (311.16), unnumbered paragraph two (2), Code 1979, as amended
3 by Acts of the Sixty-eighth General Assembly, 1979 Session,
4 chapter sixty-eight (68), section one (1), is amended to read
5 as follows:

6 On the final determination the board shall levy the
7 assessments and all installments thereof upon the real estate
8 within the district as finally established. The entire amount
9 of the assessment shall be then due and payable, and bear
10 interest at ~~six-percent-per-annum~~ a rate not exceeding that
11 permitted by chapter seventy-four A (74A) of the Code
12 commencing twenty days from the date of the levy, and shall
13 be collected at the succeeding September semiannual payment
14 of ordinary taxes.

15 Sec. 32. Section three hundred eleven point seventeen
16 (311.17), unnumbered paragraph one (1), Code 1979, as amended
17 by Acts of the Sixty-eighth General Assembly, 1979 Session,
18 chapter sixty-eight (68), section two (2), is amended to read
19 as follows:

20 If an owner other than the state or a county or city, of
21 any tracts of land on which the assessment is more than ten
22 dollars, shall, within twenty days from the date of the
23 assessment, agree in writing filed in the office of the county
24 auditor, that in consideration of the owner having the right
25 to pay the assessment in installments, the owner will not
26 make any objection of illegality or irregularity as to the
27 assessment upon the real estate, and will pay the assessment
28 plus ~~six-percent-annual~~ interest, the assessment shall be
29 payable in ten equal installments. The first installment
30 shall be payable on the date of the agreement. The other
31 installments with interest on the whole amount unpaid shall
32 be paid annually at the same time and in the same manner as
33 the September semiannual payment of ordinary taxes. The rate
34 of interest shall be as established by the board, but not
35 exceeding that permitted by chapter seventy-four A (74A) of

1 the Code.

2 Sec. 33. Section three hundred eleven point twenty-eight
3 (311.28), Code 1979, is amended to read as follows:

4 311.28 CERTIFICATES ANTICIPATING ASSESSMENTS. In order
5 to render immediately available that amount of the estimated
6 cost of an improvement which has been specially assessed,
7 the board may issue road certificates in the name of the
8 county in an aggregate amount not exceeding the then unpaid
9 amount of the special assessment levied in said district.
10 Each issue of certificates shall be under, and in accordance
11 with, a duly adopted resolution of the board and which shall
12 recite (1) the name or designation of the road district on
13 account of which the certificates are issued; (2) that a
14 stated amount (naming the amount) has been specially assessed
15 against the lands within said district; (3) that a stated
16 amount of said aggregate special assessment has not yet been
17 paid (naming the unpaid amount); (4) that it is necessary
18 to render such unpaid amount immediately available; (5) the
19 number of road certificates authorized and the specific amount
20 of each certificate; (6) the specific numbering or designation
21 of such certificates; (7) the rate of interest which each
22 certificate shall bear from date, ~~to-wit,~~ not ~~to-exceed-six~~
23 percent-per-annum exceeding that permitted by chapter seventy-
24 four A (74A) of the Code; (8) the fact that said certifi-
25 cates are payable solely from the proceeds of the special
26 assessments which have been levied on the lands within said
27 districts; (9) that each certificate shall be payable on or
28 before the first day of January of the first year following
29 the maturity of the last installment of such special
30 assessments, and that interest thereon shall be paid annually;
31 (10) the authorization to the chairman of the board, and to
32 the county auditor, respectively, to sign and countersign
33 each of said certificates.

34 Sec. 34. Section three hundred thirty point seven (330.7),
35 unnumbered paragraph five (5), Code 1979, is amended to read

1 as follows:

2 Taxes for the payment of said bonds shall be levied in
3 accordance with chapter 76 and said bonds shall be payable
4 in not more than twenty years and bear interest at a rate
5 not exceeding ~~seven-percent-per-annum~~ that permitted by chapter
6 seventy-four A (74A) of the Code and shall be of such form
7 as the governing body shall by resolution provide, but no
8 county or township shall become indebted in excess of five
9 percent of the actual value of its taxable property, as shown
10 by the last preceding state and county tax lists. The
11 indebtedness incurred for the purpose provided in this section
12 shall not be considered an indebtedness incurred for general
13 or ordinary purposes.

14 Sec. 35. Section three hundred thirty point fourteen
15 (330.14), Code 1979, is amended to read as follows:

16 330.14 PAYMENT FROM EARNINGS. All political subdivisions
17 authorized by this chapter to acquire, establish, improve,
18 maintain, and operate airports may, in connection therewith,
19 purchase or construct, or contract for the construction of,
20 and maintain and operate, hangars, administration and office
21 buildings and other aeronautical and commercial facilities
22 for which fees are charged, and pay for the same solely and
23 only out of the earnings thereof. Such political subdivisions
24 are authorized to borrow money for the purpose of purchasing
25 or constructing the improvements herein authorized, and as
26 evidence of such money borrowed to issue their bonds payable
27 solely and only from the revenues derived from such
28 improvements. Such bonds may be issued in such amounts as
29 may be necessary to provide sufficient funds to pay all the
30 costs of construction and operation of such improvement,
31 including engineering and other expenses, together with
32 interest to a date six months subsequent to the estimated
33 date of completion. Bonds issued under the provisions of
34 this section are declared to be negotiable instruments. The
35 principal and interest of said bonds shall be payable solely

1 and only from the special fund herein provided for such
2 payments, and said bonds shall not in any respect be a general
3 obligation of such political subdivision, nor shall they be
4 payable in any manner by taxation. All details pertaining
5 to the issuance of such bonds and the terms and conditions
6 thereof shall be determined by ordinance or resolution duly
7 adopted by the governing body of such political subdivision,
8 which may pledge the property purchased or constructed, and
9 the net earnings thereof, to the payment of said bonds and
10 the interest thereon, and provide that the net earnings thereof
11 shall be set apart as a sinking fund for that purpose. Such
12 political subdivision is authorized and directed to charge
13 the users of such improvements at rates which at all time,
14 shall be sufficient to pay the principal and interest on the
15 bonds issued under the provisions of this chapter, and the
16 cost of operation and maintenance, and to provide an adequate
17 depreciation fund. Bonds issued pursuant to the provisions
18 of this section shall bear interest at a rate not exceeding
19 seven-percent-per-annum that permitted by chapter seventy-
20 four A (74A) of the Code. This section shall be construed
21 as granting additional power, without limiting the power
22 already existing in political subdivisions.

23 Sec. 36. Section three hundred thirty point sixteen
24 (330.16), unnumbered paragraph two (2), Code 1979, is amended
25 to read as follows:

26 Taxes for the payment of said bonds shall be levied in
27 accordance with chapter 76 and said bonds shall be payable
28 in not more than twenty years and bear interest at a rate
29 not exceeding seven-percent-per-annum that permitted by chapter
30 seventy-four A (74A) of the Code and shall be of such form
31 as the governing body shall by resolution provide, but no
32 county or township shall become indebted in excess of five
33 percent of the actual value of its taxable property, as shown
34 by the last preceding state and county tax lists. The
35 indebtedness incurred for the purpose provided in this section

1 shall not be considered an indebtedness incurred for general
2 or ordinary purposes.

3 Sec. 37. Section three hundred thirty A point nine
4 (330A.9), subsection one (1), Code 1979, is amended to read
5 as follows:

6 1. The bonds issued by an authority pursuant to this
7 chapter shall be authorized by resolution of the board thereof
8 and shall be either term or serial bonds, shall bear such
9 date or dates, mature at such time or times, not exceeding
10 forty years from their respective dates, bear interest at
11 such rate or rates, not exceeding ~~eight-per-centum-per-annum~~
12 that permitted by chapter seventy-four A (74A) of the Code,
13 payable semiannually, be in such denominations, be in such
14 form, either coupon or fully registered, shall carry such
15 registration, exchangeability and interchangeability
16 privileges, be payable in such medium of payment and at such
17 place or places, within or without the state, be subject to
18 such terms of redemption and be entitled to such priorities
19 on the revenues, rates, fees, rentals, or other charges or
20 receipts of the authority as such resolution or any resolution
21 subsequent thereto may provide. The bonds shall be executed
22 either by manual or facsimile signature by such officers as
23 an authority shall determine, provided that such bonds shall
24 bear at least one signature which is manually executed thereon,
25 and the coupons attached to such bonds shall bear the facsimile
26 signature or signatures of such officer or officers as shall
27 be designated by an authority and the bonds shall have the
28 seal of the authority, affixed, imprinted, reproduced, or
29 lithographed thereon, all as may be prescribed in such
30 resolution or resolutions. Said bonds shall be sold at public
31 sale at such price or prices as the authority shall determine
32 to be in the best interests of the authority provided that
33 such bonds shall not be sold at less than the par value
34 thereof, plus accrued interest and provided that the net
35 interest cost shall not exceed ~~eight-per-centum-per-annum~~

1 that permitted by chapter seventy-four A (74A) of the Code.
2 Pending the preparation of definitive bonds, interim
3 certificates or temporary bonds may be issued to the purchaser
4 or purchasers of such bonds, and may contain such terms and
5 conditions as the authority may determine.

6 Sec. 38. Section three hundred thirty-two point forty-
7 four (332.44), subsection eight (8), unnumbered paragraph
8 two (2), Code 1979, is amended to read as follows:

9 Bonds issued pursuant to the provisions of this section
10 shall bear interest at a rate not exceeding ~~seven-percent~~
11 ~~per-annum~~ that permitted by chapter seventy-four A (74A) of
12 the Code.

13 Sec. 39. Section three hundred forty-five point sixteen
14 (345.16), Code 1979, is amended to read as follows:

15 345.16 INTEREST RATE ON BONDS. Bonds issued pursuant
16 to the provisions of this chapter shall bear interest at a
17 rate not exceeding ~~seven-percent-per-annum~~ that permitted
18 by chapter seventy-four A (74A) of the Code.

19 Sec. 40. Section three hundred forty-six point three
20 (346.3), unnumbered paragraph one (1), Code 1979, is amended
21 to read as follows:

22 Said bonds shall bear interest ~~not-exceeding-seven-percent~~
23 ~~per-annum~~ at a rate not exceeding that permitted by chapter
24 seventy-four A (74A) of the Code, payable semiannually, and
25 be substantially in the following form, but subject to changes
26 that will conform them to the resolution of said board, to
27 wit:

28 Sec. 41. Section three hundred forty-six point twenty-
29 three (346.23), unnumbered paragraph two (2), Code 1979, is
30 amended to read as follows:

31 Such bonds shall be in denominations of not less than one
32 hundred dollars nor more than ten thousand dollars, and shall
33 draw interest at a rate not ~~to-exceed-seven-percent-per-annum~~
34 exceeding that permitted by chapter seventy-four A (74A) of
35 the Code, payable annually or semiannually. Such bonds shall

1 be due and payable in not more than twenty years from the
2 date of issuance but may be made subject to redemption in
3 such manner and upon such terms as is stated on the face
4 thereof, shall be in such form as the board of supervisors
5 shall by resolution provide, and shall show on their face
6 that they are county sanitary disposal bonds payable from
7 the fund hereinafter provided. Funds available pursuant to
8 the levy authorized by section 455B.81 shall be used to pay
9 the interest and principal of such bonds as they become due.
10 The limitation referred to in section 455B.81 shall not limit
11 the source of payment of bonds and interest but shall only
12 restrict the amount of bonds which may be issued. The money
13 arising from such levies shall be known as the sanitary
14 disposal bond fund and shall be used for the payment of such
15 bonds and interest thereon only; and the treasurer shall open
16 and keep in his or her books a separate account thereof, which
17 shall show the exact condition of such fund. Such bonds shall
18 be sold at public sale and the county treasurer shall comply
19 with and be governed by all provisions of chapter 75.

20 Sec. 42. Section three hundred forty-six point twenty-
21 six (346.26), subsection three (3), Code 1979, is amended
22 to read as follows:

23 3. County bonds may bear interest at a rate not exceeding
24 ~~seven-percent-per-annum~~ that permitted by chapter seventy-
25 four A (74A) of the Code payable semiannually and the principal
26 shall be scheduled to mature in not more than twenty years
27 from the date of the bonds. When a county has issued bonds
28 it shall annually levy on all taxable property in the county,
29 a tax sufficient to pay the interest and principal of the
30 bonds as they become due, and each county may levy taxes
31 sufficient to pay its portion of the cost of operating,
32 maintaining, and keeping insured the building acquired or
33 constructed under this section.

34 Sec. 43. Section three hundred forty-six point twenty-
35 sevn (346.27), subsection fourteen (14), Code 1979, is amended

1 to read as follows:

2 14. Bonds issued under this section may be issued as
3 serial or term bonds, shall be of such denomination or
4 denominations and form, including interest coupons to be
5 attached, shall be payable at such place or places and bear
6 such date as the board of commissioners fix by the resolution
7 authorizing the bonds, shall mature within a period not to
8 exceed fifty years, and may be redeemable prior to maturity
9 with or without premium, at the option of the board of
10 commissioners, upon terms and conditions the board shall fix
11 by the resolution authorizing the issuance of bonds. The
12 board of commissioners may provide for the registration of
13 bonds in the name of the owner as to the principal alone or
14 as to both principal and interest upon terms and conditions
15 the board determines. All bonds issued by an authority shall
16 be sold at a price so that the interest cost to the commission
17 of the proceeds of the bonds shall not exceed ~~seven-percent~~
18 per-annum that permitted by chapter seventy-four A (74A) of
19 the Code, payable semiannually, computed to maturity, and
20 shall be sold in the manner and at the time the board of
21 commissioners determines.

22 Sec. 44. Section three hundred forty-six A point three
23 (346A.3), unnumbered paragraph two (2), Code 1979, is amended
24 to read as follows:

25 "Shall the county of, in the state of Iowa issue
26 bonds in the amount of for the purpose of
27?" No such proposition shall be declared carried
28 unless the vote in favor of the issuance of the bonds is equal
29 to at least sixty percent of the total vote cast for and
30 against the proposition at the election. Before the issuance
31 of bonds under this chapter, the board shall adopt a resolution
32 providing for the levy of annual taxes sufficient to pay
33 maturing installments of the principal of and interest on
34 said bonds in accordance with the provisions of chapter 76,
35 and said bonds shall mature within a period not exceeding

1 twenty years from date of issue, shall bear interest at a
2 rate or rates not exceeding ~~seven-percent-per-annum~~ that
3 permitted by chapter seventy-four A (74A) of the Code and
4 shall be of such form as the board shall by resolution provide,
5 but the aggregate indebtedness of any such county shall not
6 exceed five percent of the actual value of the taxable property
7 within the county as ascertained by the last preceding state
8 and county tax lists.

9 Sec. 45. Section three hundred forty-seven point five
10 (347.5), Code 1979, is amended to read as follows:

11 347.5 BONDS. Should a majority of all the votes cast
12 upon the proposition at a general election be in favor of
13 establishing such hospital, the board of supervisors shall
14 proceed to issue bonds of the county not to exceed the amount
15 specified in said proposition, in denominations of not less
16 than one hundred dollars nor more than one thousand dollars,
17 drawing interest at a rate not ~~to exceed seven-percent-per~~
18 ~~annum~~ exceeding that permitted by chapter seventy-four A (74A)
19 of the Code, payable annually or semiannually. Said bonds
20 shall be due and payable in twenty years from date of issuance,
21 but at the option of the county payable at any time after
22 ten years from such date, and shall be substantially in the
23 form provided for county bonds, and shall show on their face
24 that they are county public hospital bonds payable only from
25 the county public hospital fund as provided for in section
26 347.7.

27 Sec. 46. Section three hundred forty-seven point twenty-
28 seven (347.27), unnumbered paragraphs one (1) and three (3),
29 Code 1979, are amended to read as follows:

30 Any county having theretofore established a county public
31 hospital being operated under the provisions of this chapter
32 may equip, enlarge, and improve the county public hospital
33 and acquire the necessary lands, rights of way, and other
34 property. For the purpose of equipping, enlarging, and
35 improving any such county public hospital, including the

1 acquisition of the necessary lands, rights of way, and other
2 property, any county may, pursuant to resolution of the board
3 of supervisors of the county and after it has been determined
4 by the board of hospital trustees to be advisable, from time
5 to time issue and dispose of its negotiable interest-bearing
6 revenue bonds, payable solely as to both principal and interest
7 from the revenues derived from the operation of the county
8 public hospital. All such bonds may bear such date or dates,
9 may mature at such time or times not exceeding thirty years
10 from their respective dates, may bear interest at such rate
11 or rates not exceeding ~~seven-percent-per-annum~~ that permitted
12 by chapter seventy-four A (74A) of the Code payable
13 semiannually, may be in such form and payable at such place
14 or places, and may be subject to such redemption privileges
15 as are stated on the face thereof and as may be provided in
16 the resolution.

17 Under no circumstances shall any revenue bonds issued under
18 the provisions of this section be or become an indebtedness
19 of the county within the purview of any constitutional or
20 statutory limitation or provision. It shall be plainly stated
21 on the face of each bond that it does not constitute such
22 an indebtedness, but is payable solely from revenues derived
23 from the operation of the county hospital. All the bonds
24 shall be sold in a manner and upon terms prescribed by the
25 resolution authorizing the issuance of the bonds, however
26 no bonds shall be sold upon terms that will result in an
27 interest cost computed to maturity of the bonds according
28 to standard tables of bond values ~~of more than seven-percent~~
29 per-annum which exceeds that permitted by chapter seventy-
30 four A (74A) of the Code. The resolution authorizing the
31 revenue bonds may contain any covenants determined by the
32 board of supervisors to be desirable in connection with the
33 use and application of the bond proceeds, the operation of
34 the county public hospital, and the custody and application
35 of the revenues from this operation. The sole remedy for

1 any breach or default of the terms of any bonds or proceedings
2 for their issuance shall be by mandamus in a court of competent
3 jurisdiction to compel performance and compliance therewith.

4 Sec. 47. Section three hundred forty-seven A point two
5 (347A.2), Code 1979, is amended to read as follows:

6 347A.2 BONDS--AUTHORIZATION--PAYMENT. For the purpose
7 of acquiring, constructing, equipping, enlarging or improving
8 such hospital or any part thereof, any such county may,
9 pursuant to resolution of the board of supervisors of such
10 county, from time to time issue and dispose of its negotiable
11 interest-bearing revenue bonds payable solely as to both
12 principal and interest from the revenues to be derived from
13 the operation of such hospital. All such bonds may bear such
14 date or dates, may mature at such time or times not exceeding
15 thirty years from their respective dates, may bear interest
16 at such rate or rates not exceeding ~~seven-percent-per-annum~~
17 that permitted by chapter seventy-four A (74A) of the Code
18 payable semiannually, may be in such form and payable at such
19 place or places, and may be subject to such redemption
20 privileges as is stated on the face thereof and as may be
21 provided in such resolution. After a resolution authorizing
22 such revenue bonds has been adopted the county auditor shall
23 publish notice of such adoption in at least one newspaper
24 of general circulation in the county at least once each week
25 for two consecutive weeks. Such notice shall identify the
26 resolution by the date of its adoption and shall specify the
27 amount of bonds proposed to be issued, and if within twenty
28 days following the date of the first publication of such
29 notice a petition is filed with the county auditor signed
30 by qualified voters of said county in number equal to or
31 exceeding twenty percent of the total number of votes cast
32 in such county for governor at the last preceding regular
33 election whereat a governor was elected then the bonds
34 authorized by such resolution shall not be issued unless and
35 until the proposition to issue same shall have been submitted

1 at an election throughout the county and approved by not less
2 than sixty percent of the votes cast for and against the
3 proposition. When any such petition is filed it shall be
4 referred to the board of supervisors at its next meeting and
5 thereupon the board of supervisors may either repeal the bond
6 resolution or order the election which shall be called and
7 conducted in the manner provided by chapter 345. If there
8 be no petition filed within the time hereinbefore provided
9 or if there be a petition filed and the proposition of issuing
10 such bonds is approved at such election then the board of
11 supervisors may proceed with the acquisition, construction,
12 equipment, operation and maintenance of the county hospital
13 and the issuance of bonds in connection therewith, all as
14 in this chapter permitted and provided. Under no circumstances
15 shall any revenue bonds issued under the provisions of this
16 chapter be or become an indebtedness of the county within
17 the purview of any constitutional or statutory limitation
18 or provision, and it shall be plainly stated on the face of
19 each bond that it does not constitute such an indebtedness,
20 but is payable solely from the revenues as aforesaid. All
21 such bonds shall be sold in such manner and upon such terms
22 as is prescribed by the resolution authorizing the issuance
23 thereof, provided, that no bonds shall be sold upon terms
24 that will result in an interest cost computed to maturity
25 of the bonds according to standard tables of bond values of
26 ~~more-than-seven-percent-per-annum~~ which exceeds that permitted
27 by chapter seventy-four A (74A) of the Code. The resolution
28 authorizing such revenue bonds may contain such covenants
29 as are determined by the board of supervisors to be desirable
30 in connection with the use and application of the bond
31 proceeds, the operation of the county hospital and the custody
32 and application of the revenues from such operation. The
33 sole remedy for any breach or default of the terms of any
34 such bonds or proceedings for their issuance shall be by
35 mandamus in a court of competent jurisdiction to compel

1 performance and compliance therewith.

2 Sec. 48. Section three hundred forty-seven A point seven
3 (347A.7), unnumbered paragraph one (1), Code 1979, is amended
4 to read as follows:

5 For the purpose of enlarging and improving any county
6 hospital or hospitals theretofore acquired and being operated
7 under the provisions of this chapter, any such county, upon
8 petition and recommendation of the board of hospital trustees,
9 and pursuant to resolution of the board of supervisors of
10 such county, may from time to time incur indebtedness and
11 issue and sell the negotiable interest-bearing general
12 obligation bonds of said county, provided that the principal
13 amount of all such bonds which may be issued and outstanding
14 under this section shall not be in excess of two percent of
15 the assessed value of the taxable property in such county
16 as shown by the latest state and county tax lists. All such
17 bonds may bear such date or dates, may mature at such time
18 or times not exceeding twenty years from their respective
19 dates, may bear interest at such rate or rates not exceeding
20 ~~seven-percent-per-annum~~ that permitted by chapter seventy-
21 four A (74A) of the Code payable semiannually, may be in such
22 form and payable at such place or places, and may be made
23 subject to such privileges of redemption prior to maturity
24 and upon such terms of redemption as are stated on the face
25 of such bonds and as may be provided in such resolution.

26 Sec. 49. Section three hundred fifty-seven point twenty
27 (357.20), Code 1979, is amended to read as follows:

28 357.20 DUE DATE--BONDS. Assessments of less than ten
29 dollars will come due at the first tax-paying date after the
30 approval of the final assessment, and assessments of ten
31 dollars or more may be paid in ten annual installments with
32 interest ~~at six-percent~~ on the unpaid balance at a rate not
33 exceeding that permitted by chapter seventy-four A (74A) of
34 the Code. The board of supervisors shall issue bonds against
35 the completed assessment in an amount equal to the total cost

1 of the project, so that the amount of the assessment will
2 be approximately ten percent greater than the amount of the
3 bonds.

4 Sec. 50. Section three hundred fifty-seven A point eleven
5 (357A.11), subsection eight (8), Code 1979, is amended to
6 read as follows:

7 8. Have power to finance up to ninety-five percent of
8 the cost of the construction or purchase of any project
9 necessary to carry out the purposes for which the district
10 is incorporated, provided the balance of the cost of
11 construction or purchase is acquired by subscription, donation,
12 gift, or otherwise than through the medium of loans, or to
13 refinance up to ninety-five percent of the original cost of
14 any such project, and to evidence such financing by issuance
15 of revenue bonds or notes which shall mature in a period not
16 to exceed forty years from date of issuance, shall bear
17 interest, or combined interest and insurance charges, at a
18 rate not to exceed six-percent-per-annum that permitted by
19 chapter seventy-four A (74A) of the Code, shall be payable
20 only from revenue derived from sale of water by the district,
21 and shall never become or be construed to be a debt against
22 the state of Iowa or any of its political subdivisions other
23 than the district issuing the bonds. A statutory mortgage
24 lien shall exist upon the water system and appurtenances and
25 extensions so acquired in favor of the holders of the bonds
26 and notes.

27 Sec. 51. Section three hundred fifty-seven B point four
28 (357B.4), Code 1979, is amended to read as follows:

29 357B.4 ANTICIPATION OF TAX. The board of trustees of
30 a benefited fire district may anticipate the collection of
31 taxes authorized under section 357B.3 and, for the purpose
32 of providing fire protection, may issue bonds payable in not
33 more than ten equal installments at an interest rate not
34 exceeding seven-percent-per-annum that permitted by chapter
35 seventy-four A (74A) of the Code. The bonds shall be in such

1 form and payable at such place as specified by resolution
2 of the board of trustees. The provisions of sections 23.12
3 to 23.16 and chapter 384 shall apply to such bonds to the
4 extent applicable.

5 Sec. 52. Section three hundred fifty-seven C point ten
6 (357C.10), Code 1979, is amended to read as follows:

7 357C.10 BONDS IN ANTICIPATION OF REVENUE. Benefited
8 street lighting districts may anticipate the collection of
9 taxes by the levy herein provided, and to carry out the
10 purposes of this chapter may issue bonds payable in not more
11 than ten equal installments, with the rate of interest thereon
12 ~~to not exceed seven percent per annum~~ exceeding that permitted
13 by chapter seventy-four A (74A) of the Code. No indebtedness
14 shall be incurred under this Act until authorized by an
15 election. Such election shall be held and notice given in
16 the same manner as the election provided herein for the
17 authorization of a tax levy, and the same sixty percent vote
18 shall be necessary to authorize indebtedness. Both
19 propositions may be submitted to the voters in the same
20 election.

21 Sec. 53. Section three hundred fifty-eight point twenty-
22 one (358.21), unnumbered paragraph four (4), Code 1979, is
23 amended to read as follows:

24 The proceeds of any bond issue made under the provisions
25 of this section shall be used only for the purpose of
26 acquiring, locating, laying out, establishing and construction
27 of drainage facilities, conduits, treatment plants, pumping
28 plants, works, ditches, channels and outlets of such capacity
29 and character as may be required for the treatment, carrying
30 off and disposal of the sewage and industrial wastes and other
31 drainage incidental thereto of such district, or to repair,
32 change, enlarge and add to such facilities as may be necessary
33 or proper to meet the requirements present and future for
34 the purposes aforesaid. Proceeds from such bond issue may
35 also be used for the payment of special assessment

1 deficiencies. Said bonds shall be payable in not more than
2 forty annual installments and ~~at interest not exceeding seven~~
3 ~~percent per annum with interest at a rate not exceeding that~~
4 ~~permitted by chapter seventy-four A (74A) of the Code, and~~
5 shall be made payable at such place and be of such form as
6 the board of trustees shall by resolution designate. Any
7 sanitary district issuing bonds as authorized in this section
8 is hereby granted authority to pledge the future avails of
9 a tax levy ~~not exceeding one dollar and thirty-five cents~~
10 ~~per thousand dollars of assessed value of taxable property~~
11 ~~per annum to the payment of the principal and interest of~~
12 such bonds after the same come due, and the power to impose
13 and certify said levy is hereby granted to the trustees of
14 sanitary districts organized under the provisions of this
15 chapter.

16 Sec. 54. Section three hundred fifty-nine point forty-
17 five (359.45), Code 1979, is amended to read as follows:

18 359.45 ANTICIPATORY BONDS. Townships may anticipate the
19 collection of taxes authorized by section 359.43 and for such
20 purposes may issue bonds payable in not more than ten equal
21 annual installments and at a rate of interest not exceeding
22 ~~seven percent per annum that permitted by chapter seventy-~~
23 ~~four A (74A) of the Code~~ and payable at such place and be
24 in such form as the board of trustees shall designate by
25 resolution. Sections 23.12 to 23.16, inclusive, and provisions
26 of law relating to essential corporate purpose bonds of a
27 city, so far as applicable, shall apply to such bonds.

28 Sec. 55. Section three hundred eighty-four point fifty-
29 seven (384.57), Code 1979, is amended to read as follows:

30 384.57 MONTHLY PAYMENTS. The city may contract to pay
31 not to exceed ninety percent of the engineer's estimated value
32 of the acceptable work completed during the month to the
33 contractor at the end of each month. Payment may be made
34 in warrants drawn on any fund or funds from which payment
35 for the work may be made. ~~The warrants, unless paid upon~~

1 ~~presentation, draw interest at a rate not to exceed seven~~
2 ~~percent per annum from and after the date of presentation~~
3 ~~for payment.~~ If such funds are depleted, anticipatory warrants
4 may be issued bearing a rate of interest not exceeding that
5 permitted by chapter seventy-four A (74A) of the Code, which
6 do not constitute a violation of section 384.10, even if the
7 collection of taxes or special assessments or income from
8 the sale of bonds applicable to the public improvement is
9 after the end of the fiscal year in which the warrants are
10 issued. If the city arranges for the private sale of
11 anticipatory warrants, they may be sold and the proceeds used
12 to pay the contractor. Such warrants may also be used to
13 pay other persons furnishing services constituting a part
14 of the cost of the public improvement.

15 Sec. 56. Section three hundred eighty-four point sixty
16 (384.60), subsections three (3) and five (5), Code 1979, are
17 amended to read as follows:

18 3. Provide for interest on all unpaid installments at
19 ~~not more than seven percent per annum~~ a rate not exceeding
20 that permitted by chapter seventy-four A (74A) of the Code.

21 5. Direct the clerk to certify the final schedule to the
22 auditor of the county or counties in which the assessed
23 property is located, and to publish notice thereof once each
24 week for two consecutive weeks in the manner provided in
25 section 362.3, the first publication of which shall be not
26 more than fifteen days from the date of filing of the final
27 schedule. On or before the second publication of the notice,
28 the clerk shall send by certified mail to each property owner
29 whose property is subject to assessment for the improvement,
30 as shown by the records in the office of the county auditor,
31 a copy of the notice. Such notice shall also include a
32 statement in substance that assessments may be paid in full
33 or in part without interest within thirty days after the date
34 of certification, and thereafter all unpaid special assessments
35 ~~will draw annual interest at seven percent~~ bear interest at

1 the rate specified by the board, but not exceeding that
2 permitted by chapter seventy-four A (74A) of the Code, computed
3 to the December 1 next following the due dates of the
4 respective installments, and each installment will be
5 delinquent on September 30 following its due date, and will
6 draw additionally the same delinquent interest and the same
7 penalties as ordinary taxes. Such notice shall also state
8 substantially that property owners may elect to pay any
9 installment semiannually in advance. If a property is shown
10 by the records to be in the name of more than one owner at
11 the same mailing address, a single notice may be mailed to
12 all owners at that address. Failure to receive a mailed
13 notice is not a defense to the special assessment.

14 The county auditor shall place on the tax list the amounts
15 to be assessed against each lot within the assessment district,
16 as certified.

17 Sec. 57. Section three hundred eighty-four point sixty-
18 eight (384.68), subsections two (2) and four (4), Code 1979,
19 are amended to read as follows:

20 2. All special assessment bonds are negotiable, must state
21 on their face that they are issued under the provisions of
22 this division, and are payable as to both principal and
23 interest from the proceeds of the special assessments levied
24 for the public improvement. Such bonds may bear interest
25 at a rate not exceeding ~~seven-percent-per-annum~~ that permitted
26 by chapter seventy-four A (74A) of the Code payable annually
27 or semiannually, must mature serially on December 1 of the
28 years in which any of the principal is scheduled to become
29 due, and may contain a provision that the city reserves the
30 right and option of calling and redeeming any or all of the
31 bonds prior to maturity on any interest payment date or within
32 forty-five days thereafter upon the terms specified therein.
33 Such bonds must be called "improvement bonds", must designate
34 the general type of improvement or improvements for which
35 issued, and may be issued in any denomination, not exceeding

1 ten thousand dollars. Bonds issued for a public improvement
2 authorized in section 384.38, subsection 2, must be named
3 in a way to distinguish them from other improvement bonds
4 of the city, and to designate the property specially assessed
5 for the improvement. Improvement bonds issued for any one
6 levy must bear the same date and be divided into as many
7 series as there are years in which installments of the special
8 assessment mature, and each series must be as nearly equal
9 in amount as practicable.

10 4. Special assessment bonds must be sold at public or
11 private sale in the manner provided by chapter 75, and may
12 not be sold for less than par value with accrued interest
13 from date to the time of delivery, or if no bids are received
14 at public sale, bonds bearing the same rate of interest as
15 the special assessment may be delivered to the contractor
16 in payment of the cost of the public improvement. The proceeds
17 of the sale must be applied to the payment of the cost of
18 the public improvement.

19 Sec. 58. Section three hundred eighty-four point eighty-
20 three (384.83), subsections three (3) and six (6), Code 1979,
21 are amended to read as follows:

22 3. Revenue bonds may bear dates, bear interest at rates
23 ~~not exceeding any limitations imposed by chapter 75 that~~
24 permitted by chapter seventy-four A (74A) of the Code, mature
25 in one or more installments, be in either coupon or registered
26 form, carry registration and conversion privileges, be payable
27 as to principal and interest at times and places, be subject
28 to terms of redemption prior to maturity with or without
29 premium, and be in one or more denominations, all as provided
30 by the resolution of the governing body authorizing their
31 issuance. The resolution may also prescribe additional
32 provisions, terms, conditions, and covenants which the
33 governing body deems advisable, consistent with the provisions
34 of the city code, including provisions for creating and
35 maintaining reserve funds, the issuance of additional revenue

1 bonds ranking on a parity with such revenue bonds and
2 additional revenue bonds junior and subordinate to such revenue
3 bonds, and that such revenue bonds shall rank on a parity
4 with or be junior and subordinate to any revenue bonds which
5 may be then outstanding. Revenue bonds are a contract between
6 the city and holders and the resolution is a part of the
7 contract.

8 6. A city may issue pledge orders pursuant to a resolution
9 of the governing body of the city utility, combined utility
10 system, city enterprise, or combined city enterprise, adopted
11 by a majority of the total number of members to which the
12 governing body is entitled, at a regular or special meeting,
13 ordering their issuance and delivery in payment for all or
14 part of the cost of a project. Pledge orders may bear interest
15 at rates not exceeding eight-percent-per-annum that permitted
16 by chapter seventy-four A (74A) of the Code.

17 Sec. 59. Section three hundred eighty-six point twelve
18 (386.12), subsection four (4), Code 1979, is amended to read
19 as follows:

20 4. Payment for the costs of an improvement may also be
21 made in warrants drawn on any fund from which payment for
22 the improvement may be made. ~~The warrants, unless paid upon~~
23 ~~presentation, draw interest at a rate not to exceed seven~~
24 ~~percent-per-annum from the date of presentation for payment.~~
25 If such funds are depleted, anticipatory warrants may be
26 issued bearing a rate of interest not exceeding that permitted
27 by chapter seventy-four A (74A) of the Code, which do not
28 constitute a violation of section 384.10, even if the
29 collection of taxes or income from the sale of bonds applicable
30 to the improvement is after the end of the fiscal year in
31 which the warrants are issued. If the city arranges for the
32 private sale of anticipatory warrants, they may be sold and
33 the proceeds used to pay the costs of the improvement. Such
34 warrants may be used to pay other persons furnishing services
35 constituting a part of the cost of the improvement.

1 Sec. 60. Section three hundred ninety-four point one
2 (394.1), unnumbered paragraph two (2), Code 1979, is amended
3 to read as follows:

4 Taxes for the payment of said bonds shall be levied in
5 accordance with chapter 76, and said bonds shall be payable
6 through the debt service fund in not more than twenty years,
7 and bear interest at a rate not exceeding ~~seven-percent-per~~
8 ~~annum~~ that permitted by chapter seventy-four A (74A) of the
9 Code, and shall be of such form as the city council shall
10 by resolution provide, but no city shall become indebted in
11 excess of five percent of the actual value of the taxable
12 property within said city, as shown by the last preceding
13 state and county tax lists. The indebtedness incurred for
14 the purpose provided in this section shall not be considered
15 an indebtedness incurred for general or ordinary purposes.

16 Sec. 61. Section four hundred three point nine (403.9),
17 subsection three (3), Code 1979, is amended to read as follows:

18 3. Bonds issued under this section shall be authorized
19 by resolution or ordinance of the local governing body and
20 may be issued in one or more series and shall bear such date
21 or dates, be payable upon demand or mature at such time or
22 times, bear interest at such rate or rates not exceeding ~~seven~~
23 ~~per-centum-per-annum~~ that permitted by chapter seventy-four
24 (74A) of the Code, be in such denomination or denominations,
25 be in such form either coupon or registered, carry such
26 conversion or registration privileges, have such rank or
27 priority, be executed in such manner, be payable in such
28 medium of payment, at such place or places, and be subject
29 to such terms of redemption, with or without premium, be
30 secured in such manner, and have such other characteristics,
31 as may be provided by such resolution or trust indenture or
32 mortgage issued pursuant thereto.

33 Sec. 62. Section four hundred three A point thirteen
34 (403A.13), unnumbered paragraph one (1), Code 1979, is amended
35 to read as follows:

1 Bonds of a municipality shall be authorized by its
2 resolution and may be issued in one or more series and shall
3 bear such date or dates, mature at such time or times, bear
4 interest at such rate or rates, not exceeding ~~seven-per-centum~~
5 ~~per-annum~~ that permitted by chapter seventy-four A (74A) of
6 the Code, be in such denomination or denominations, be in
7 such form either coupon or registered, carry such conversion
8 or registration privileges, have such rank or priority, be
9 executed in such manner, be payable in such medium of payment,
10 at such place or places, and be subject to such terms of
11 redemption (with or without premium) as such resolution, its
12 trust indenture or mortgage may provide.

13 Sec. 63. Section four hundred fifty-four point twenty
14 (454.20), Code 1979, as amended by Acts of the Sixty-eighth
15 General Assembly, 1979 Session, chapter twenty-four (24),
16 section five (5), is amended to read as follows:

17 454.20 INTEREST. The warrants shall bear interest from
18 date at a rate not to exceed ~~six-percent~~ that permitted by
19 chapter seventy-four A (74A) of the Code, which interest shall
20 be payable at the end of each year, or for such shorter period
21 as the warrants may remain unpaid.

22 Sec. 64. Section four hundred fifty-five point sixty-
23 four (455.64), subsections one (1) and two (2), Code 1979,
24 are amended to read as follows:

25 1. To pay one-third of the amount of such assessment at
26 the time of filing such agreement; one-third within twenty
27 days after the engineer in charge shall certify to the auditor
28 that the improvement is one-half completed; and the remaining
29 one-third within twenty days after the improvement has been
30 completed and accepted by the board. All such installments
31 shall be without interest if paid at said times, otherwise
32 said assessments shall bear interest from the date of the
33 levy at ~~the-rate-of-not-to-exceed-seven-percent-per-annum~~
34 a rate not exceeding that permitted by chapter seventy-four
35 A (74A) of the Code, payable annually, and be collected as

1 other taxes on real estate, with like penalty for delinquency.

2 2. To pay such assessments in not less than ten nor more
3 than twenty equal installments, the number to be fixed by
4 the board and interest at the rate fixed by the board, not
5 ~~exceeding seven-percent-per-annum~~ that permitted by chapter
6 seventy-four A (74A) of the Code. One such installment shall
7 be payable at the September semiannual taxpaying date in each
8 year; provided, however, that the county treasurer shall,
9 at the September semiannual taxpaying date, require only the
10 payment of a sufficient portion of the assessments to meet
11 the interest and the amount maturing on bonds or certificates
12 prior to the regular time for the payment of the second
13 installment of taxes and the balance shall be collected with
14 such second installment and without penalty.

15 Sec. 65. Section four hundred fifty-five point seventy-
16 seven (455.77), unnumbered paragraph one (1), Code 1979, is
17 amended to read as follows:

18 The board may provide by resolution for the payment of
19 assessments in not more than twenty annual installments with
20 interest at ~~not-to-exceed-seven-percent-per-annum~~ a rate not
21 exceeding that permitted by chapter seventy-four A (74A) of
22 the Code. The board may issue warrants bearing interest at
23 the same rate, which warrants shall be numbered and state
24 a maturity date in which event they shall bear interest from
25 the date of issuance without being presented for payment and
26 marked unpaid for want of funds. The warrants may be sold
27 by the board for cash in an amount not less than the face
28 value thereof, together with accrued interest, if any.

29 Sec. 66. Section four hundred fifty-five point seventy-
30 nine (455.79), Code 1979, is amended to read as follows:

31 455.79 INTEREST--PLACE OF PAYMENT. Such certificates
32 shall bear interest ~~not-to-exceed-seven-percent-per-annum~~
33 at a rate not exceeding that permitted by chapter seventy-
34 four A (74A) of the Code, payable annually, and shall be paid
35 by the taxpayer to the county treasurer, who shall receipt

1 for the same and cause the amount to be credited on the
2 certificates issued therefor.

3 Sec. 67. Section four hundred fifty-five point eighty-
4 three (455.83), Code 1979, is amended to read as follows:

5 455.83 AMOUNT--INTEREST--MATURITY. In no case shall the
6 aggregate amount of all bonds issued exceed the benefits
7 assessed. ~~Such~~ The bonds shall not be issued for a greater
8 amount than the aggregate amount of assessments for the payment
9 of which they are issued, nor for a longer period of maturity
10 than twenty years, ~~and bear a rate of interest not to exceed~~
11 ~~seven percent per annum.~~ The bonds shall bear interest at
12 a rate not exceeding that permitted by chapter seventy-four
13 A (74A) of the Code, payable semiannually, on June 1 and
14 December 1 of each year. ~~Whenever the interest on bonds~~
15 ~~issued pursuant to the provisions of this chapter exceeds~~
16 ~~four percent per annum the interest on unpaid assessments~~
17 ~~shall equal the interest on such bonds but not to exceed seven~~
18 ~~percent per annum, the provisions of sections 455-57 and~~
19 ~~455-64 to the contrary notwithstanding.~~ The interest on
20 unpaid assessments shall be at a rate not exceeding that
21 permitted by chapter seventy-four A (74A) of the Code.

22 Sec. 68. Section four hundred fifty-five point one hundred
23 seventy-five (455.175), Code 1979, is amended to read as
24 follows:

25 455.175 FUNDS. Payment to the county auditor for such
26 certificate shall be from the fund of said drainage or levee
27 district, or subdistrict, on a warrant issued against that
28 fund which shall have precedence over all other outstanding
29 warrants drawn against that fund in the order of their payment.
30 Should there not be a sufficient amount in the fund of said
31 district, or subdistrict, to pay said warrant then the board
32 of supervisors, or the trustees of the district, as the case
33 may be, are authorized to borrow a sum of money sufficient
34 for that purpose on a warrant for that amount on the fund
35 of the district, or subdistrict, which warrant shall bear

1 interest from date at ~~six-percent-per-annum~~ a rate not
2 exceeding that permitted by chapter seventy-four A (74A) of
3 the Code and shall have preference in payment over all other
4 unpaid warrants on said fund, and the county treasurer shall
5 so enter the same on the list of warrants in his office and
6 call the same for payment as soon as there is sufficient money
7 in said fund.

8 Sec. 69. Section four hundred fifty-five point one hundred
9 ninety-eight (455.198), Code 1979, is amended to read as
10 follows:

11 455.198 WARRANTS NOT PAID FOR WANT OF FUNDS. Chapter
12 74 shall be applicable to all warrants which are legally drawn
13 on levee and drainage district funds and are not paid for
14 want of funds, ~~--except-that-such-warrants-shall-bear-interest~~
15 ~~at-not-to-exceed-seven-percent-per-annum.~~

16 Sec. 70. Section four hundred fifty-five point two hun-
17 dred thirteen (455.213), Code 1979, is amended to read as
18 follows:

19 455.213 INSTALLMENTS--WARRANTS. The board shall levy
20 the costs contemplated in section 455.202 upon all of the
21 lands of the district on the basis of the classification for
22 benefits as finally established and the assessments so levied
23 shall be paid in one installment unless the board in its
24 discretion shall provide for the payment thereof in not more
25 than twenty equal installments with interest at ~~not-to-exceed~~
26 ~~seven-percent-per-annum~~ a rate not exceeding that permitted
27 by chapter seventy-four A (74A) of the Code. The board may
28 issue anticipatory warrants bearing interest at ~~not-to-exceed~~
29 ~~seven-percent-per-annum-against-assessments~~ a rate not
30 exceeding that permitted by chapter seventy-four A (74A) of
31 the Code. The warrants may be numbered and state a maturity
32 date ~~in-which-event-they-shall-bear-interest-from-the-date~~
33 ~~of-issue-without-being-presented-for-payment-and-marked-unpaid~~
34 ~~for-want-of-funds.~~ The warrants may be sold by the board
35 for cash in an amount not less than the face value thereof,

1 together with accrued interest, if any.

2 Sec. 71. Section four hundred sixty point seven (460.7),
3 Code 1979, is amended to read as follows:

4 460.7 ADVANCED PAYMENTS. The board on construction of
5 such improvement may advance out of the secondary road
6 construction fund or the secondary road maintenance fund,
7 or out of both of said funds that portion to be collected
8 by special assessment, the amount so advanced to be replaced
9 in said road funds as the first special assessments are
10 collected. The board may in lieu of making such advancements,
11 issue warrants to be known as "Drainage Warrants", said
12 warrants to ~~draw-not-to-exceed-four-percent-interest-per-annum~~
13 bear interest at a rate not exceeding that permitted by chapter
14 seventy-four A (74A) of the Code payable annually from the
15 date of issue and to be paid out of the special assessments
16 levied therefor, when the same are collected.

17 Sec. 72. Section four hundred sixty-one point fourteen
18 (461.14), Code 1979, is amended to read as follows:

19 461.14 FORM OF BONDS. Such bonds shall be issued in sums
20 of not less than one hundred dollars or more than one thousand
21 dollars each, running not more than twenty years, bearing
22 interest not exceeding ~~six-percent-per-annum~~ that permitted
23 by chapter seventy-four A (74A) of the Code, payable annually
24 or semiannually, and shall be substantially in the form
25 provided by law for funding bonds issued for drainage purposes.

26 Sec. 73. Section four hundred sixty-three point ten
27 (463.10), Code 1979, is amended to read as follows:

28 463.10 FORM OF BONDS. Drainage refunding bonds shall
29 be issued in denominations of not less than one hundred dollars
30 nor more than one thousand dollars, each, running not more
31 than forty years, bearing interest ~~not-exceeding-six-percent~~
32 per-annum at a rate not exceeding that permitted by chapter
33 seventy-four A (74A) of the Code, payable semiannually, and
34 shall be substantially in the form provided by law relating
35 to drainage bonds, with such changes as shall be necessary

1 to conform with this chapter.

2 Sec. 74. Section four hundred sixty-four point nine
3 (464.9), Code 1979, is amended to read as follows:

4 464.9 REFUNDING BONDS. The court shall direct the board
5 of supervisors to issue bonds in lieu of the outstanding
6 drainage bonds for said drainage district, and additional
7 bonds for the accrued interest and other indebtedness of said
8 drainage district. Said bonds shall be payable in amounts,
9 and at the time and manner, and with priority of payments
10 as has been determined by order of court, as provided by
11 section 464.8, and shall be called "conservator's drainage
12 district bonds". Each bond shall be numbered and shall state
13 on its face that it is a conservator's drainage district bond;
14 that it is issued in pursuance of a resolution adopted by
15 the board of supervisors, under order of court, and giving
16 the name of the court and the county where such court is held;
17 that it is issued to pay indebtedness of the drainage district;
18 shall state the county where such district is located, and
19 the number of the drainage district for which it is issued;
20 shall state the date of maturity of the bond, the rate of
21 interest thereon, which rate shall not ~~be less than three~~
22 ~~and one-half percent per annum~~ exceed that permitted by chapter
23 seventy-four A (74A) of the Code, and that the bond is to
24 be paid only from taxes assessed, levied and collected on
25 the lands within the drainage district for which the bond
26 is issued subject to the provisions of section 464.8. All
27 bonds shall be signed by the chairman of the board of
28 supervisors and countersigned by the conservator designated
29 as such. The interest coupons attached to said bonds shall
30 be attested by the signature of the conservator or a facsimile
31 thereof. When the bonds have been executed as herein required,
32 the conservator may sell said bonds at not less than par with
33 accrued interest thereon, and pay the indebtedness of said
34 drainage district, or may exchange said bonds with the
35 creditors of said drainage district in amounts as have been

1 fixed and determined by the court, and the conservator shall
2 cancel all drainage bonds, improvement certificates, warrants
3 or other evidence of indebtedness received by him in lieu
4 of the conservator's bonds.

5 Sec. 75. Section four hundred sixty-seven A point thirty-
6 three (467A.33), unnumbered paragraph one (1), Code 1979,
7 is amended to read as follows:

8 The governing body upon receiving the reports from three
9 appointed appraisers and after holding the hearings shall
10 transmit and certify the amounts of assessments to the
11 respective boards of supervisors which upon receipt of
12 certification from the governing body of the district, make
13 the necessary levy of such assessments as fixed by the
14 governing body upon the land within such subdistrict and all
15 assessments shall be levied at that time as a tax and shall
16 bear interest at ~~not more than four percent per annum~~ a rate
17 not exceeding that permitted by chapter seventy-four A (74A)
18 of the Code from that date payable annually except as hereafter
19 provided as to cash payments therefor within a specified time.
20 The assessment so levied shall be kept in a separate account
21 by the appropriate county treasurer or treasurers, identified
22 by the official name of the subdistrict and expenditures
23 therefrom shall be made on requisition of the chairman and
24 secretary of the governing body of the subdistrict.

25 Sec. 76. Section four hundred sixty-seven A point thirty-
26 five (467A.35), subsections one (1) and two (2), Code 1979,
27 are amended to read as follows:

28 1. To pay one half of the amount of such assessment at
29 the time of filing such agreement and the remaining one half
30 shall become due and payable one year from the date of filing
31 such agreement. All such installments shall be without
32 interest if paid at said times, otherwise said assessments
33 shall bear interest from the date of the levy at ~~the rate~~
34 of four percent per annum a rate fixed by the governing body
35 of the subdistrict, but not exceeding that permitted by chapter

1 seventy-four A (74A) of the Code, payable annually, and be
2 collected as other taxes on real estate, with like penalty
3 for delinquency.

4 2. To pay such assessments in not less than ten nor more
5 than forty equal installments, the number to be fixed by the
6 governing body of the subdistrict and interest at the rate
7 fixed by the governing body of the subdistrict, not exceeding
8 four-percent-per-annum that permitted by chapter seventy-four
9 A (74A) of the Code. The first installment of each assessment
10 shall become due and payable at the October semiannual tax
11 paying date after the date of filing such agreement, unless
12 the agreement is filed with the county auditor less than
13 thirty days prior to such October semiannual tax paying date,
14 in that event, the first installment shall become due and
15 payable at the next succeeding October semiannual tax paying
16 date. The second and each subsequent installment shall become
17 due and payable at the October semiannual tax paying date
18 each year thereafter. All such installments shall be collected
19 with interest accrued on the unpaid balance to the October
20 semiannual tax paying date and as other taxes on real estate,
21 with like penalty for delinquency.

22 Sec. 77. Sections seventy-four point eight (74.8), seventy-
23 five point eleven (75.11) and seventy-five point twelve
24 (75.12), Code 1979, are repealed. It is the intent of the
25 general assembly that the repeal of these sections, and the
26 enactment of sections eleven (11), thirteen (13) and fifteen
27 (15) of this Act shall be construed as a continuation of prior
28 law, except to the extent amended by sections eleven (11)
29 and fifteen (15) of this Act.

30 Sec. 78. Bonds sold on or after the effective date of
31 this Act to finance an improvement for which a final assessment
32 schedule was adopted prior to the effective date of this Act
33 may bear any rate of interest permitted by rules issued under
34 section fourteen (14) of this Act, and section thirteen (13)
35 of this Act and any similar statutory restrictions do not

1 apply to these bonds.

2 Sec. 79. It is the intent of the general assembly that
3 rules which take effect pursuant to the provisions of section
* 4 fourteen (14) of this Act shall supersede any legislation
5 enacted by the Sixty-eighth General Assembly during the 1980
6 legislative session with respect to interest rates or maximum
7 interest rates payable on public obligations or assessments
8 against benefitted properties.

9 Sec. 80. This Act, being deemed of immediate importance,
10 shall take effect from and after its publication in the
11 Muscatine Journal, a newspaper published in Muscatine, Iowa,
12 and in the Carroll Daily Times-Herald, a newspaper published
13 in Carroll, Iowa.

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HOUSE AMENDMENT TO SENATE FILE 2282

S-5766

- 1 Amend Senate File 2282, as amended, passed and
2 reprinted by the Senate, as follows:
- 3 1. Page 1, line 13, by inserting after the word
4 "municipalities" the words "and cities".
- 5 2. Page 2, by striking line 13 and inserting in
6 lieu thereof the words and figures "tion seventy-four
7 point one (74.1), subsection one (1) of the Code shall
8 bear".
- 9 3. Page 2, line 31, by striking the word "must"
10 and inserting in lieu thereof the word "shall".
- 11 4. Page 4, line 3, by striking the word and figure
12 "seven (7)" and inserting in lieu thereof the word
13 and figure "nine (9)".
- 14 5. Page 4, line 31, by inserting after the figure
15 "(14)" the words and figure ", subsection two (2)".
- 16 6. Page 5, line 26, by inserting after the figure
17 "(14)" the words and figure ", subsection two (2)".
- 18 7. Page 6, by striking lines 1 through 16 and
19 inserting in lieu thereof the following:
20 "2. The committee shall adopt rules pursuant to
21 chapter seventeen A (17A) of the Code establishing
22 the annual interest rate to be applicable to
23 obligations referred to in section ten (10) of this
24 Act, and the maximum annual interest rate to be
25 applicable to obligations referred to in section
26 twelve (12) of this Act.
27 3. The committee shall adopt rules pursuant to
28 section seventeen A (17A) of the Code establishing
29 recommended rates, or formulae for determining
30 recommended rates, to be applicable to obligations
31 referred to in sections eleven (11) and fifteen (15)
32 of this Act."
- 33 8. Page 6, lines 18 and 19, by striking the words
34 and figure "subsection two (2)" and inserting in lieu
35 thereof the words and figures "subsections two (2)
36 and three (3)".
- 37 9. Page 7, by striking lines 3 through 6 and
38 inserting in lieu thereof the words "in this section."
- 39 10. Page 44, lines 33 and 34, by striking the
40 words and figure "rules issued under section fourteen
41 (14)" and inserting in lieu thereof the words and
42 figure "section eleven (11)".
- 43 11. Page 45, by inserting after line 1 the
44 following:
45 "Sec. _____. Commencing on December 1, 1980, the
46 rate of interest payable on the unpaid balance of
47 a special assessment which was levied on or after
48 November 1, 1979, and prior to the effective date
49 of Acts of the Sixty-eighth General Assembly, 1980
50 Session, Senate File 500, shall be increased to the

S-5766
PAGE 2

1 rate of ten percent per annum."
2 12. Page 45, by striking lines 2 through 8 and
3 inserting in lieu thereof the following:
4 "Sec. _____. The provisions of this Act which remove
5 limitations on rates of interest supersede limitations
6 on rates of interest established by Acts of the Sixty-
7 eighth General Assembly, 1980 Session, Senate File
8 five hundred (500), section six (6). Rules adopted
9 pursuant to this Act which establish rates of interest
10 applicable under sections ten (10) and twelve (12)
11 of this Act supersede any rates of interest established
12 by Acts of the Sixty-eighth General Assembly, 1980
13 Session, Senate File five hundred (500), section six
14 (6)."
15 13. By relettering paragraphs and renumbering
16 subsections.

S-5766 FILED
APRIL 17, 1980

RECEIVED FROM THE HOUSE

Senate concurred 4/18 (8/15/80)

SENATE FILE 2282

H-6141

- 1 Amend amendment H-5803 to Senate File 2282 as
- 2 amended, passed and reprinted by the Senate, as
- 3 striking everything after page 1, line 2, and inserting
- 4 in lieu thereof the following:
 - 5 1. Page 1, line 13, by inserting after the word
 - 6 "municipalities" the words "and cities".
 - 7 2. Page 2, by striking line 13 and inserting in
 - 8 lieu thereof the words and figures "tion seventy-four
 - 9 point one (74.1), subsection one (1) of the Code shall
 - 10 bear".
 - 11 3. Page 2, line 31, by striking the word "must"
 - 12 and inserting in lieu thereof the words "shall".
 - 13 4. Page 4, line 3, by striking the word and figure
 - 14 "seven (7)" and inserting in lieu thereof the word
 - 15 and figure "nine (9)".
 - 16 5. By striking page 4, line 34 through page 7,
 - 17 line 12 and inserting in lieu thereof the following:
 - 18 "Sec. 11. NEW SECTION. MAXIMUM RATES FOR PUBLIC
 - 19 OBLIGATIONS. Except as otherwise provided by law,
 - 20 the maximum rates of interest on obligations issued
 - 21 by this state, or by a county, school district, city
 - 22 special improvement district, or any other governmental
 - 23 body or agency are as follows:
 - 24 1. General obligation bonds, warrants, or other
 - 25 evidences of indebtedness which are payable from
 - 26 general taxation or from the state's sinking fund
 - 27 for public deposits may bear interest at a rate not
 - 28 exceeding the maximum rate in effect at the time the
 - 29 obligation is issued, as established by rule pursuant
 - 30 to section fourteen (14) of this Act.
 - 31 2. Revenue bonds, warrants, pledge orders or other
 - 32 obligations, the principal and interest of which are
 - 33 to be paid solely from the revenue derived from the
 - 34 operations of the publicly owned enterprise or utility
 - 35 for which the bonds or obligations are issued, may
 - 36 bear interest at a rate not exceeding the maximum
 - 37 rate in effect at the time the obligation is issued,
 - 38 as established by rule pursuant to section fourteen
 - 39 (14) of this Act. This limitation does not apply
 - 40 to revenue bonds issued pursuant to chapter four
 - 41 hundred nineteen (419) of the Code.
 - 42 3. Special assessment bonds, certificates, warrants
 - 43 or other obligations, the principal and interest of
 - 44 which are payable from special assessments levied
 - 45 against benefited property may bear interest at a
 - 46 rate not exceeding the maximum rate in effect at the
 - 47 time the obligation is issued, as established by rule
 - 48 pursuant to section fourteen (14) of this Act.
 - 49 Sec. 12. NEW SECTION. MAXIMUM RATES ON SPECIAL
 - 50 ASSESSMENTS. Except as otherwise provided by law,

H-6141
Page Two

1 the rate of interest payable on unpaid balances of
2 special assessments levied against benefited properties
3 shall not exceed the maximum rate in effect at the
4 time of adoption of the final assessment schedule,
5 as established by rule pursuant to section fourteen
6 (14) of this Act.

7 Sec. 13. NEW SECTION. RELATIVE RATE ON ASSESSMENT
8 BONDS. Bonds payable from special assessments shall
9 not be sold bearing a higher rate of interest than
10 is payable on the assessments from which those bonds
11 are made payable.

12 Sec. 14. NEW SECTION. RULES TO ESTABLISH RATES.

13 1. The rule-making authority contained in this
14 section shall be exercised by a committee composed
15 of the treasurer of state, the superintendent of
16 banking and the commissioner of insurance.

17 2. The committee shall adopt rules pursuant to
18 chapter seventeen A (17A) of the Code establishing
19 the following:

20 a. The annual interest rate to be applicable to
21 obligations referred to in section ten (10) of this
22 Act.

23 b. The maximum annual interest rate to be
24 applicable to obligations referred to in section
25 eleven (11), subsection one (1) of this Act.

26 c. The maximum annual interest rate to be
27 applicable to obligations referred to in section
28 eleven (11), subsection two (2) of this Act.

29 d. The maximum annual interest rate to be
30 applicable to obligations referred to in section
31 eleven (11), subsection three (3) of this Act.

32 e. The maximum annual interest rate to be
33 applicable to obligations referred to in section
34 twelve (12) of this Act.

35 3. The committee shall establish and from time
36 to time modify one or more of the interest rates
37 referred to in subsection two (2) of this section
38 as may be necessary in the opinion of the committee
39 to permit the orderly financing of governmental
40 activities, and to minimize interest costs to
41 governmental bodies while permitting a fair return
42 to persons whose funds are used to finance governmental
43 activities. The committee shall consider relevant
44 indices of actual interest rates in the economy when
45 establishing rates under this section, including but
46 not necessarily limited to maximum lawful interest
47 rates payable by depository financial institutions
48 on customer deposits, interest rates payable on
49 obligations issued by the United States government,
50 and interest rates payable on obligations issued by

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Page Three

1 governmental bodies other than those of this state.
2 4. An interest rate established by the committee
3 under this section shall be in effect commencing on
4 the date specified in the rule, and until superseded
5 by a subsequent rule.

6 5. The committee shall not establish interest
7 rates for types or categories of obligations other
8 than as specified in subsection two (2) of this
9 section. The committee shall not establish
10 subcategories within any of the categories referred
11 to in paragraphs a through e of subsection two (2)
12 of this section.

13 Sec. 15. NEW SECTION. EMERGENCY VARIANCE.

14 1. If following the adoption of an ordinance or
15 resolution authorizing the issuance of interest-bearing
16 obligations, the issuing governmental body or agency
17 finds that the obligations are not marketable because
18 of the interest-rate limitations contained in section
19 eleven (11) or thirteen (13) of this Act, the
20 governmental body or agency, upon compliance with
21 the requirements of subsection two (2) of this section,
22 may by special resolution authorize the sale of those
23 obligations at a rate of interest not more than two
24 percentage points above the rate otherwise permitted
25 under section eleven (11) or thirteen (13) of this
26 Act.

27 2. A governmental body or agency may use the
28 emergency authority contained in subsection one (1)
29 of this section upon satisfaction of the following
30 conditions:

31 a. The governmental agency or body receives from
32 bond counsel a written certification based upon good
33 faith efforts to sell the obligations that it is
34 reasonable to conclude that the obligations are not
35 marketable at the maximum lawful rate of interest.

36 b. The governmental agency or body publishes a
37 notice of its intended action, specifying the date,
38 time and place of the meeting at which the intended
39 action is to be taken, the reason for the intended
40 action, the rate of interest originally authorized,
41 and the proposed rate of interest.

42 c. The governmental body or agency maintains for
43 public inspection on and after the date of publication
44 of the notice of its intended action, and until the
45 date action is taken, a copy of the statement of bond
46 counsel referred to in paragraph a of this subsection.

47 d. The governmental body or agency receives and
48 considers oral or written objections which may be
49 presented by affected taxpayers at the meeting as
50 scheduled or at any adjournment thereof.

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Page Four

- 1 3. The notice specified in subsection two (2)
2 of this section shall be published in the manner
3 provided by law for the publication by the governing
4 body of a notice of intent to institute original
5 proceedings for the issuance of the obligations.
6 4. This section does not apply to anticipatory
7 warrants issued by a school district.
8 Sec. 16. NEW SECTION. SCHOOL DISTRICT WARRANTS.
9 1. The treasurer of a school district shall sell
10 anticipatory warrants authorized by section one (1),
11 subsection two (2) of this Act at the maximum rate
12 of interest provided in section eleven (11) of this
13 Act or at a lower rate of interest.
14 2. Each bank or other business entity authorized
15 by law to loan money which refuses to purchase warrants
16 at a rate of interest permitted by subsection one
17 (1) of this section shall submit a certificate of
18 refusal to the treasurer of the school district.
19 3. If the treasurer of a school district is unable
20 to sell the warrants at a rate of interest permitted
21 by subsection one (1) of this section and receives
22 at least two certificates of refusal, the treasurer
23 may offer the warrants for public sale at par, by
24 publishing notice of the sale for two consecutive
25 weeks in a newspaper of general circulation in the
26 jurisdiction of the school district issuing the
27 warrants, giving not less than ten days' notice of
28 the time and place of the sale. The notice shall
29 include a statement of the amount of the warrants
30 offered for sale."
31 6. Page 13, line 27, by striking the word "under"
32 and inserting in lieu thereof the words "for
33 obligations referred to in".
34 7. Page 45, by striking lines 4 through 6 and
35 inserting in lieu thereof the words "fourteen (14)
36 of this Act supersede the provisions of Acts of the
37 Sixty-eighth General Assembly, 1980 Session, Senate
38 File five hundred (500) insofar as that Act establishes
39 interest rates or maximum".
40 8. By renumbering sections.

H-6141 FILED
APRIL 16, 1980

BY NORLAND of Worth
MILLER of Buchanan

Lost 4/17 (p. 1706)

1 Amend Senate File 2282, as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 1, line 13, by inserting after the word
4 "municipalities" the words "and cities".

5 2. Page 2, by striking line 13 and inserting in
6 lieu thereof the words and figures "tion seventy-four
7 point one (74.1), subsection one (1) of the Code shall
8 bear".

9 3. Page 2, line 31, by striking the word "must"
10 and inserting in lieu thereof the word "shall".

11 4. Page 4, line 3, by striking the word and figure
12 "seven (7)" and inserting in lieu thereof the word
13 and figure "nine (9)".

14 5. Page 4, line 31, by inserting after the figure
15 "(14)" the words and figure ", subsection two (2)".

16 6. Page 5, line 26, by inserting after the figure
17 "(14)" the words and figure ", subsection two (2)".

18 7. Page 6, by striking lines 1 through 16 and
19 inserting in lieu thereof the following:

20 "2. The committee shall adopt rules pursuant to
21 chapter seventeen A (17A) of the Code establishing
22 the annual interest rate to be applicable to
23 obligations referred to in section ten (10) of this
24 Act, and the maximum annual interest rate to be
25 applicable to obligations referred to in section
26 twelve (12) of this Act.

27 3. The committee shall adopt rules pursuant to
28 section seventeen A (17A) of the Code establishing
29 recommended rates, or formulae for determining
30 recommended rates, to be applicable to obligations
31 referred to in sections eleven (11) and fifteen (15)
32 of this Act."

33 8. Page 6, lines 18 and 19, by striking the words
34 and figure "subsection two (2)" and inserting in lieu
35 thereof the words and figures "subsections two (2)
36 and three (3)".

37 9. Page 7, by striking lines 3 through 6 and
38 inserting in lieu thereof the words "in this section."

9 10. Page 44, lines 33 and 34, by striking the
0 words and figure "rules issued under section fourteen
1 (14)" and inserting in lieu thereof the words and
2 figure "section eleven (11)".

3 11. Page 45, by striking lines 2 through 8 and
4 inserting in lieu thereof the following:

5 "Sec. ____ . The provisions of this Act which remove
6 limitations on rates of interest supersede limitations
7 on rates of interest established by Acts of the Sixty-
8 eighth General Assembly, 1980 Session, Senate File
9 five hundred (500), section six (6). Rules adopted
0 pursuant to this Act which establish rates of interest

H- 5803

1 applicable under sections ten (10) and twelve (12)
2 of this Act supersede any rates of interest established
3 by Acts of the Sixty-eighth General Assembly, 1980
4 Session, Senate File five hundred (500), section six
5 (6)."

6 12. By relettering paragraphs and renumbering
7 subsections.

SENATE FILE 2282

H-6089

1 Amend Senate File 2282, as amended, passed and
2 reprinted by the Senate, as follows:
3 1. Page 45, by inserting after line 1 the
4 following:
5 "Sec. ____ . Commencing on December 1, 1980, the
6 rate of interest payable on the unpaid balance of
7 a special assessment which was levied on or after
8 November 1, 1979, and prior to the effective date
9 of Acts of the Sixty-eighth General Assembly, 1980
10 Session, Senate File 500, shall be increased to the
11 rate of ten percent per annum."
12 2. By renumbering sections.

H-6089 FILED
APRIL 15, 1980

BY COMMITTEE ON WAYS AND MEANS
WEST, Chair

Adapted 4/17/80 (p. 1702)

SENATE FILE 2282

H-6153

1 Amend amendment H-5803 to Senate File 2282 as
2 follows:
3 1. Page 1, line 26, by inserting after the word
4 "Act." the following: " A rule adopted by the com-
5 mittee may be rescinded by a resolution adopted
6 by either house of the general assembly. The reso-
7 lution shall be included in the next publication of
8 the Iowa administrative bulletin."
9 2. Page 1, line 32, by inserting after the word
10 "Act." the following: "A rule adopted by the com-
11 mittee may be rescinded by a resolution adopted
12 by either house of the general assembly. The reso-
13 lution shall be included in the next publication of
14 the Iowa administrative bulletin."

H-6153 FILED & LOST (p. 1707) By BRUNER of Story
APRIL 17, 1980 MILLER of Buchanan

SENATE FILE 2282

AN ACT

RELATING TO THE RATES OF INTEREST PAYABLE ON INTEREST-BEARING OBLIGATIONS ISSUED BY PUBLIC AGENCIES AND ON SPECIAL ASSESSMENTS LEVIED BY PUBLIC AGENCIES, AND INCLUDING A CORRELATING AMENDMENT REMOVING THE LIMITATION ON THE TAX LEVY AUTHORIZED BY SECTION THREE HUNDRED FIFTY-EIGHT POINT TWENTY-ONE (358.21) OF THE CODE WITH RESPECT TO INTEREST-BEARING OBLIGATIONS ISSUED UNDER THAT SECTION.

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

DIVISION I

Section 1. Section seventy-four point one (74.1), Code 1979, is amended to read as follows:

74.1 APPLICABILITY.

1. ~~This~~ The procedures of this chapter shall apply to all warrants which are legally drawn on a public treasury, including the treasury of a city, and which, when presented for payment, are not paid for want of funds.

2. ~~This~~ The procedures of this chapter and its procedures shall also apply whenever a municipality, as defined in section 24.2, or a city shall determine that there are not or will not be sufficient funds on hand to pay the legal obligations of a fund. ~~Said-municipality~~ Each of these municipalities

and cities is authorized to provide for the payment of such present and future obligations by drawing one or more anticipatory warrants payable to a bank or other business entity authorized by law to loan money in an amount or amounts legally available and believed to be sufficient to cover the anticipated deficiencies. The duties imposed on the treasurer by this chapter may be assigned by ~~the~~ a city council to another city officer.

3. The procedures of this chapter also apply to the issuance of anticipatory warrants by the state under section nineteen point eight (19.8) of the Code.

4. The procedures of this chapter also apply to anticipatory warrants, pledge orders, improvement certificates, anticipatory certificates or similar obligations payable from special assessments against benefited properties, or payable from charges, fees or other operating income from a publicly owned enterprise or utility.

Sec. 2. Section seventy-four point two (74.2), Code 1979, as amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter twenty-four (24), section three (3), is amended to read as follows:

74.2 ENDORSEMENT AND INTEREST. ~~Except-as-provided-in section-74.0, when-any-such~~ If a warrant other than an anticipatory warrant is presented for payment, and ~~is~~ is not paid for want of funds, or ~~is~~ is only partially paid, the treasurer shall endorse the fact thereon, with the date of presentation, and sign the endorsement, and thereafter the warrant or the balance due thereon, shall ~~draw bear~~ draw bear interest at ~~six-percent-per-annum-on-state-and-county-warrants, and six-percent-per-annum-on-city-and-school-warrants, unless the-treasurer-arranges-for-the-sale-of-said-warrant-at-per~~ at a lower rate of interest ~~the rate specified in section ten (10) of this Act.~~

An anticipatory warrant issued under the authority of section seventy-four point one (74.1), subsection one (1) of

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the Code shall bear interest at a rate determined by the issuing governmental body, but not exceeding that permitted by chapter seventy-four A (74A) of the Code.

Sec. 3. Section seventy-four point three (74.3), Code 1979, is amended to read as follows:

74.3 RECORD OF WARRANTS OBLIGATIONS. The treasurer shall keep a record of ~~all warrants so endorsed, each interest-bearing obligation~~ which record shall show the number and amount, the date ~~of presentation~~ interest commences, the rate of interest, and the name and post-office address of the holder ~~of each warrant of the obligation.~~

Sec. 4. Section seventy-four point four (74.4), Code 1979, is amended to read as follows:

74.4 ASSIGNMENT OF WARRANT OBLIGATION. When ~~any warrant shall be a nonnegotiable interest-bearing obligation is assigned or transferred after being so endorsed,~~ the assignee or transferee ~~shall be under duty for his own protection,~~ to shall notify the treasurer in writing of such the assignment or transfer and of ~~his~~ the post-office address of the assignee or transferee. Upon receiving such notification, the treasurer accordingly shall correct the aforesaid record accordingly the record maintained under section three (3) of this Act.

Sec. 5. Section seventy-four point five (74.5), Code 1979, is amended by striking the section and inserting in lieu thereof the following:

74.5 CALL FOR PAYMENT. When a fund contains sufficient money to pay one or more interest-bearing obligations which are outstanding against the fund, the treasurer shall call those obligations for payment. Obligations may be paid in the order of presentation. This section does not authorize a fixed-term obligation to be called at a date earlier than is provided by the conditions and terms upon which it was issued.

Sec. 6. Section seventy-four point six (74.6), Code 1979, is amended by striking the section and inserting in lieu thereof the following:

74.6 NOTICE OF CALL--TERMINATION OF INTEREST.

1. The treasurer shall make a call for payment under section five (5) of this Act by mailing to the holder of the obligation, as shown in the records maintained under section three (3) of this Act, a notice of call which describes the obligation by number and amount, and which specifies a date, not more than ten days thereafter when interest ceases to accrue on the obligation. The treasurer shall enter the date of mailing of the notice in the records maintained under section three (3) of this Act.

2. Interest on an interest-bearing obligation shall cease to accrue as of the date specified in the notice of call issued under subsection one (1) of this section.

3. This section does not apply if the parties have otherwise agreed in writing.

Sec. 7. Section seventy-four point seven (74.7), Code 1979, is amended to read as follows:

74.7 ENDORSEMENT OF INTEREST. When ~~a warrant an obligation~~ which legally draws interest is paid, the treasurer shall endorse upon it the date of payment, and the amount of interest ~~allowed paid.~~ The treasurer also shall enter into the records maintained under section three (3) of this Act the date of payment and the amount of interest paid.

Sec. 8. Sections nine (9) through fifteen (15) of this Act are enacted as a new chapter seventy-four A (74A) of the Code, which shall be entitled "INTEREST RATES FOR PUBLIC OBLIGATIONS AND ASSESSMENTS".

Sec. 9. NEW SECTION. APPLICABILITY.

1. Except as otherwise provided by law, this chapter establishes the interest rates which are applicable to all bonds, warrants, anticipatory warrants, pledge orders, improvement certificates, and anticipation certificates issued by a governmental body or agency under the laws of this state, and the interest rates which are applicable to assessments levied by a governmental body or agency under the laws of

this state against benefited properties for the retirement of public debt.

2. This chapter does not authorize the issuance of a public obligation or the levying of an assessment, and does not create an obligation to pay interest, and does not determine when interest commences or ceases to accrue.

3. This chapter does not impose an interest rate or interest rate limitation where by law the rate of interest payable on an obligation is within the discretion of the governmental body or agency, unless that discretion is expressly made subject to the limitations contained in this chapter.

Sec. 10. NEW SECTION. UNPAID WARRANTS. A warrant not paid upon presentation for want of funds bears interest on unpaid balances at the rate in effect at the time the warrant is first presented for payment, as established by rule pursuant to section fourteen (14), subsection two (2) of this Act. This section does not apply to an obligation which by law bears interest from the time it is issued.

Sec. 11. NEW SECTION. INTEREST RATES FOR PUBLIC OBLIGATIONS. Except as otherwise provided by law, the rates of interest on obligations issued by this state, or by a county, school district, city special improvement district, or any other governmental body or agency are as follows:

1. General obligation bonds, warrants, or other evidences of indebtedness which are payable from general taxation or from the state's sinking fund for public deposits may bear interest at a rate to be set by the issuing governmental body or agency.

2. Revenue bonds, warrants, pledge orders or other obligations, the principal and interest of which are to be paid solely from the revenue derived from the operations of the publicly owned enterprise or utility for which the bonds or obligations are issued, may bear interest at a rate to be set by the issuing governmental body or agency.

3. Special assessment bonds, certificates, warrants or other obligations, the principal and interest of which are payable from special assessments levied against benefited property may bear interest at a rate to be set by the issuing governmental body or agency.

Sec. 12. NEW SECTION. MAXIMUM RATES ON SPECIAL ASSESSMENTS. Except as otherwise provided by law, the rate of interest payable on unpaid balances of special assessments levied against benefited properties shall not exceed the maximum rate in effect at the time of adoption of the final assessment schedule, as established by rule pursuant to section fourteen (14), subsection two (2) of this Act.

Sec. 13. NEW SECTION. RELATIVE RATE ON ASSESSMENT BONDS. Bonds payable from special assessments shall not be sold bearing a higher rate of interest than is payable on the assessments from which those bonds are made payable.

Sec. 14. NEW SECTION. RULES TO ESTABLISH RATES.

1. The rule-making authority contained in this section shall be exercised by a committee composed of the treasurer of state, the superintendent of banking and the commissioner of insurance.

2. The committee shall adopt rules pursuant to chapter seventeen A (17A) of the Code establishing the annual interest rate to be applicable to obligations referred to in section ten (10) of this Act, and the maximum annual interest rate to be applicable to obligations referred to in section twelve (12) of this Act.

3. The committee shall adopt rules pursuant to section seventeen A (17A) of the Code establishing recommended rates, or formulae for determining recommended rates, to be applicable to obligations referred to in sections eleven (11) and fifteen (15) of this Act.

4. The committee shall establish and from time to time modify one or more of the interest rates referred to in subsections two (2) and three (3) of this section as may be

necessary in the opinion of the committee to permit the orderly financing of governmental activities, and to minimize interest costs to governmental bodies while permitting a fair return to persons whose funds are used to finance governmental activities. The committee shall consider relevant indices of actual interest rates in the economy when establishing rates under this section, including but not necessarily limited to maximum lawful interest rates payable by depository financial institutions on customer deposits, interest rates payable on obligations issued by the United States government, and interest rates payable on obligations issued by governmental bodies other than those of this state.

5. An interest rate established by the committee under this section shall be in effect commencing on the date specified in the rule, and until superseded by a subsequent rule.

6. The committee shall not establish interest rates for types or categories of obligations other than as specified in this section.

Sec. 15. NEW SECTION. SCHOOL DISTRICT WARRANTS.

1. The treasurer of a school district shall sell anticipatory warrants authorized by section one (1), subsection two (2) of this Act at a rate of interest to be determined by the board of the school district.

2. The treasurer may offer the warrants for public sale at par, by publishing notice of the sale for two consecutive weeks in a newspaper of general circulation in the jurisdiction of the school district issuing the warrants, giving not less than ten days' notice of the time and place of the sale. The notice shall include a statement of the amount of the warrants offered for sale.

3. Sealed bids may be received at any time up to the time all bids are opened. The treasurer shall sell the warrants to the bidder offering the lowest interest rate, provided that the treasurer may reject all bids and readvertise the

sale of the warrants pursuant to the provisions of this section.

4. This section applies only to school districts whose anticipated receipts allocable to the current budget are at least equal to their legally approved budget for the current year.

DIVISION II

Sec. 16. Section nineteen point eight (19.8), Code 1979, as amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter twenty-four (24), section one (1), is amended to read as follows:

19.8 ANTICIPATION OF REVENUES. The executive council may anticipate the revenues for any year, when the current revenues for that year are insufficient to pay all warrants issued in that year, by causing state warrants, in an amount not exceeding the estimated state revenues for that year, and ~~drawing not to exceed six percent per annum~~ bearing interest at a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code, to be issued, advertised, and sold on sealed bids, and to the highest bidder offering the lowest interest rate. All bids and all records pertaining thereto, ~~and the names of all purchasers~~ shall be kept on file. The treasurer of state shall comply with the provisions of chapter seventy-four (74) of the Code.

Sec. 17. Section twenty-eight F point eight (28F.8), Code 1979, is amended to read as follows:

28F.8 DETAILS OF REVENUE BONDS. Revenue bonds issued pursuant to the provisions of this chapter shall bear interest at a rate or rates not exceeding ~~seven percentum per annum~~ that permitted by chapter seventy-four A (74A) of the Code, may be in one or more series, may bear such date or dates, may mature at such time or times not exceeding forty years from their respective dates, may be payable in such medium of payment, at such place or places within the state, may carry such registration privileges, may be subject to such

terms of prior redemption, with or without premium, may be executed in such manner, may contain such terms, covenants and conditions, and may be in such form otherwise, as such resolution or subsequent resolutions shall provide.

Sec. 18. Section thirty-seven point six (37.6), Code 1979, is amended to read as follows:

37.6 BONDS. For the purpose of providing funds for the acquisition of necessary ground therefor, and for purchasing, erecting, constructing, or reconstructing such building or monument, and for the necessary equipment therefor, the county may issue bonds to be known as liberty memorial bonds, to be issued and sold as provided by law relative to general county bonds; it shall provide for portions of such bonds to become due at different, definite periods, but none in more than twenty years from date. In issuing such bonds, such county may become indebted in an amount which, added to all other indebtedness, shall not exceed five percent of the actual value of the taxable property in such county as determined by the last state and county tax lists. Such bonds shall bear interest at a rate not exceeding ~~seven-percent per-annum~~ that permitted by chapter seventy-four A (74A) of the Code. Bonds issued by a city must be issued in accordance with provisions of law relating to general corporate purpose bonds of a city.

Sec. 19. Section thirty-seven point twenty-eight (37.28), Code 1979, as amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter twenty-four (24), section two (2), is amended to read as follows:

37.28 ANTICIPATORY WARRANTS. If the funds raised under the provisions of this chapter are insufficient for any fiscal year to pay the principal and interest due in that year on any bonds issued for hospital purposes under section 37.6 and to pay the expenses of the operation and maintenance of the hospital and any other hospital expenses authorized by this chapter for the fiscal year, the commission may issue

tax anticipatory warrants drawn on the funds to be raised by the taxes levied under sections 37.7 and 37.8. The warrants shall be in denominations of one hundred, five hundred and one thousand dollars and shall draw interest at a rate not ~~to exceed six-percent-per-annum~~ exceeding that permitted by chapter seventy-four A (74A) of the Code. These warrants shall not be a general obligation of any political subdivision which owns the hospital.

Sec. 20. Section one hundred eleven A point six (111A.6), unnumbered paragraph two (2), Code 1979, is amended to read as follows:

In order to make immediately available to the county conservation board the proceeds of the annual tax hereinbefore authorized to be levied for recreation and conservation purposes, bonds of any county may be issued in anticipation of the collection of such tax in the manner hereinafter provided. Upon the filing of a petition by the conservation board with the county board of supervisors asking that bonds be issued in a specified amount for the purpose of paying the cost of acquiring land and developing the same for public museum, park, parkway, preserve, playground, or other recreation or conservation purposes within the county, then the board of supervisors may call a special election to be held in the county to vote on the proposition of issuing such bonds. Notice of such election shall be published once each week for at least four consecutive weeks in one of the official county newspapers, and the election shall be held on a day not less than five nor more than twenty days after the last publication of such notice. Voting machines may be used for the purpose of voting on said proposition or, in the discretion of the board of supervisors, the proposition may be submitted to the voters on paper ballots. The proposition shall be submitted in substantially the following form:

"Shall County, Iowa, issue its bonds in the amount of \$..... for the purpose of"

The expenses incurred in connection with the conduct of such election shall be paid by the conservation board from the county conservation fund. If the vote in favor of issuing the bonds is equal to at least sixty percent of the total votes cast for and against the proposition, the board of supervisors shall issue the bonds in the amount voted, and shall provide for the levy of an annual tax, within the limits of the special tax hereinbefore authorized, sufficient to pay said bonds and the interest thereon as the same respectively become due. Said bonds shall mature in not more than twenty years, shall bear interest at a rate or rates not exceeding ~~seven-percent-per-annum~~ that permitted by chapter seventy-four A (74A) of the Code, shall be in such form as the board of supervisors shall by resolution provide, and shall be payable as to both principal and interest from the proceeds of the annual levy of the tax hereinbefore authorized to be levied for recreation and conservation purposes, or so much thereof as will be sufficient to pay the principal thereof and interest thereon, and prior to the authorization and issuance of such bonds the board of supervisors may, with or without notice, negotiate and enter into an agreement or agreements with any bank, investment banker, trust company or insurance company or group thereof whereunder the marketing of such bonds may be assured and consummated. The proceeds of such bonds shall be deposited in a special fund, to be kept separate and apart from all other funds of the county, and shall be paid out upon warrants drawn by the county auditor upon requisition of the conservation board to pay the cost of acquiring land and developing the same for recreation and conservation purposes as specified in the election proposition.

Sec. 21. Section one hundred forty-five A point seventeen (145A.17), Code 1979, is amended to read as follows:

145A.17 INDEBTEDNESS AND BONDS. Boards of hospital trustees may acquire sites and erect and equip buildings for use by area hospitals and may contract indebtedness and issue

bonds bearing interest at a rate not exceeding ~~seven-percent per-annum~~ that permitted by chapter seventy-four A (74A) of the Code to raise funds for such purposes in accordance with chapter 75.

Sec. 22. Section two hundred two point five (202.5), Code 1979, is amended to read as follows:

202.5 INTEREST ON INSTALLMENTS. All unpaid installments of the special assessment tax levied against the property described in section 202.4 shall bear interest at ~~the rate of six-percent~~ a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code and all delinquent installments shall be subject to the same penalties as are now applied to delinquent general taxes.

Sec. 23. Section two hundred two point six (202.6), Code 1979, as amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter twenty-four (24), section four (4), is amended to read as follows:

202.6 ANTICIPATORY WARRANTS. The board shall have the authority for the purpose of financing and carrying out the provisions of this chapter to issue anticipatory warrants drawn on the county, in denominations of one hundred dollars, five hundred dollars and one thousand dollars, which anticipatory warrants shall draw interest at ~~not more than six-percent-per-annum~~ a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code; and shall not be a general obligation on the county and be secured only by the special assessment tax levy as herein provided.

Sec. 24. Section two hundred eighty A point twenty-two (280A.22), unnumbered paragraph two (2), Code 1979, is amended to read as follows:

In order to make immediately available to the merged area the proceeds of the voted tax hereinbefore authorized to be levied, the board of directors of any such merged area is hereby authorized, without the necessity for any further election, to borrow money and enter into loan agreements in

anticipation of the collection of such tax, and such board shall, by resolution, provide for the levy of an annual tax, within the limits of the special voted tax hereinbefore authorized, sufficient to pay the amount of any such loan and the interest thereon to maturity as the same becomes due. A certified copy of this resolution shall be filed with the county auditors of the counties in which such merged area is located, and the filing thereof shall make it a duty of such auditors to enter annually this levy for collection until funds are realized to repay the loan and interest thereon in full. Said loan must mature within the number of years for which the tax has been voted and shall bear interest at a rate or rates not exceeding seven-percent-per-annum that permitted by chapter seventy-four A (74A) of the Code. Any loan agreement entered into pursuant to authority herein contained shall be in such form as the board of directors shall by resolution provide and the loan shall be payable as to both principal and interest from the proceeds of the annual levy of the voted tax hereinbefore authorized, or so much thereof as will be sufficient to pay the loan and interest thereon. In furtherance of the foregoing the board of directors of such merged area may, with or without notice, negotiate and enter into a loan agreement or agreements with any bank, investment banker, trust company, insurance company or group thereof, whereunder the borrowing of the necessary funds may be assured and consummated. The proceeds of such loan shall be deposited in a special fund, to be kept separate and apart from all other funds of the merged area, and shall be paid out upon warrants drawn by the president and secretary of the board of directors to pay the cost of acquiring the school facilities for which the tax was voted.

Sec. 25. Section two hundred eighty-five point ten (285.10), subsection seven (7), paragraph b, Code 1979, is amended to read as follows:

b. May purchase buses and enter into contract to pay for such buses over a five-year period as follows: One-fourth of the cost when bus is delivered and the balance in equal annual installments, plus simple interest due. The interest rate shall be the lowest rate available and shall not exceed four-percent-simple-interest the rate in effect under section ten (10) of this Act. The bus shall serve as security for balance due. Bus bodies and chassis shall be purchased on separate contracts unless the bus is constructed as an integral unit, inseparable as to body and chassis, by the manufacturer or is a used or demonstrator bus.

Sec. 26. Section two hundred ninety-six point one (296.1), Code 1979, is amended to read as follows:

296.1 INDEBTEDNESS AUTHORIZED. Subject to the approval of the voters thereof, school districts are hereby authorized to contract indebtedness and to issue general obligation bonds to provide funds to defray the cost of purchasing, building, furnishing, reconstructing, repairing, improving or remodeling a schoolhouse or schoolhouses and additions thereto, gymnasium, stadium, field house, school bus garage, teachers' or superintendent's home or homes, and procuring a site or sites therefor, or purchasing land to add to a site already owned, or procuring and improving a site for an athletic field, or improving a site already owned for an athletic field, and for any one or more of such purposes. Taxes for the payment of said bonds shall be levied in accordance with chapter 76, and said bonds shall mature within a period not exceeding twenty years from date of issue, shall bear interest at a rate or rates not exceeding seven-percent-per-annum that permitted by chapter seventy-four A (74A) of the Code and shall be of such form as the board of directors of such school district shall by resolution provide, but the aggregate indebtedness of any school district shall not exceed five percent of the actual value of the taxable property within said school district, as ascertained by the last preceding state and county tax lists.

Sec. 27. Section two hundred ninety-eight point twenty-two (298.22), unnumbered paragraph one (1), Code 1979, is amended to read as follows:

All of said bonds shall be substantially in the form provided for county bonds, but subject to changes that will conform them to the action of the board providing therefor; shall run not more than twenty years, and may be sooner paid if so nominated in the bond; bear a rate of interest not exceeding ~~seven-percent-per-annum~~ that permitted by chapter seventy-four A (74A) of the Code, payable semiannually; be signed by the president and countersigned by the secretary of the board of directors; and shall not be disposed of for less than par value, nor issued for other purposes than this chapter provides.

Sec. 28. Section three hundred two point twelve (302.12), Code 1979, is amended to read as follows:

302.12 BONDS TO COVER LOSSES. When any sum not less than one thousand dollars shall be so audited and so become a debt of the state to the fund, as provided by the Constitution, the auditor of state shall issue the bond or bonds of the state in favor of the fund, bearing ~~six-percent~~ interest at a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code, payable semiannually on the first day of January and July after issuance, and the amount to pay the interest as it becomes due is appropriated out of any funds in the state treasury.

Sec. 29. Section three hundred nine point forty-seven (309.47), subsection four (4), Code 1979, is amended to read as follows:

4. The rate of interest which each certificate shall bear which shall not exceed ~~five-percent-per-annum~~ that permitted by chapter seventy-four A (74A) of the Code, payable annually.

Sec. 30. Section three hundred nine point seventy-three (309.73), unnumbered paragraph three (3), Code 1979, is amended to read as follows:

Taxes for the payment of county bonds shall be levied in accordance with chapter 76 and said bonds shall be payable in not more than twenty years and bear interest at a rate not exceeding ~~five-percent-per-annum~~ that permitted by chapter seventy-four A (74A) of the Code, and shall be of such form as the respective councils or board of supervisors shall by resolution provide, but no city or county shall become indebted in excess of five percent of the actual value of taxable property within its taxing jurisdiction as shown by the last preceding state and county tax lists. The indebtedness incurred for the purpose provided in this section shall not be considered an indebtedness incurred for general or ordinary purposes.

Sec. 31. Section three hundred eleven point sixteen (311.16), unnumbered paragraph two (2), Code 1979, as amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter sixty-eight (68), section one (1), is amended to read as follows:

On the final determination the board shall levy the assessments and all installments thereof upon the real estate within the district as finally established. The entire amount of the assessment shall be then due and payable, and bear interest at ~~six-percent-per-annum~~ a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code commencing twenty days from the date of the levy, and shall be collected at the succeeding September semiannual payment of ordinary taxes.

Sec. 32. Section three hundred eleven point seventeen (311.17), unnumbered paragraph one (1), Code 1979, as amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter sixty-eight (68), section two (2), is amended to read as follows:

If an owner other than the state or a county or city, of any tracts of land on which the assessment is more than ten dollars, shall, within twenty days from the date of the

assessment, agree in writing filed in the office of the county auditor, that in consideration of the owner having the right to pay the assessment in installments, the owner will not make any objection of illegality or irregularity as to the assessment upon the real estate, and will pay the assessment plus ~~six-percent-annual~~ interest, the assessment shall be payable in ten equal installments. The first installment shall be payable on the date of the agreement. The other installments with interest on the whole amount unpaid shall be paid annually at the same time and in the same manner as the September semiannual payment of ordinary taxes. The rate of interest shall be as established by the board, but not exceeding that permitted by chapter seventy-four A (74A) of the Code.

Sec. 33. Section three hundred eleven point twenty-eight (311.28), Code 1979, is amended to read as follows:

311.28 CERTIFICATES ANTICIPATING ASSESSMENTS. In order to render immediately available that amount of the estimated cost of an improvement which has been specially assessed, the board may issue road certificates in the name of the county in an aggregate amount not exceeding the then unpaid amount of the special assessment levied in said district. Each issue of certificates shall be under, and in accordance with, a duly adopted resolution of the board and which shall recite (1) the name or designation of the road district on account of which the certificates are issued; (2) that a stated amount (naming the amount) has been specially assessed against the lands within said district; (3) that a stated amount of said aggregate special assessment has not yet been paid (naming the unpaid amount); (4) that it is necessary to render such unpaid amount immediately available; (5) the number of road certificates authorized and the specific amount of each certificate; (6) the specific numbering or designation of such certificates; (7) the rate of interest which each certificate shall bear from date, ~~to-wit, not to exceed six~~

percent-per-annum exceeding that permitted by chapter seventy-four A (74A) of the Code; (8) the fact that said certificates are payable solely from the proceeds of the special assessments which have been levied on the lands within said districts; (9) that each certificate shall be payable on or before the first day of January of the first year following the maturity of the last installment of such special assessments, and that interest thereon shall be paid annually; (10) the authorization to the chairman of the board, and to the county auditor, respectively, to sign and countersign each of said certificates.

Sec. 34. Section three hundred thirty point seven (330.7), unnumbered paragraph five (5), Code 1979, is amended to read as follows:

Taxes for the payment of said bonds shall be levied in accordance with chapter 76 and said bonds shall be payable in not more than twenty years and bear interest at a rate not exceeding seven-percent-per-annum that permitted by chapter seventy-four A (74A) of the Code and shall be of such form as the governing body shall by resolution provide, but no county or township shall become indebted in excess of five percent of the actual value of its taxable property, as shown by the last preceding state and county tax lists. The indebtedness incurred for the purpose provided in this section shall not be considered an indebtedness incurred for general or ordinary purposes.

Sec. 35. Section three hundred thirty point fourteen (330.14), Code 1979, is amended to read as follows:

330.14 PAYMENT FROM EARNINGS. All political subdivisions authorized by this chapter to acquire, establish, improve, maintain, and operate airports may, in connection therewith, purchase or construct, or contract for the construction of, and maintain and operate, hangars, administration and office buildings and other aeronautical and commercial facilities for which fees are charged, and pay for the same solely and

only out of the earnings thereof. Such political subdivisions are authorized to borrow money for the purpose of purchasing or constructing the improvements herein authorized, and as evidence of such money borrowed to issue their bonds payable solely and only from the revenues derived from such improvements. Such bonds may be issued in such amounts as may be necessary to provide sufficient funds to pay all the costs of construction and operation of such improvement, including engineering and other expenses, together with interest to a date six months subsequent to the estimated date of completion. Bonds issued under the provisions of this section are declared to be negotiable instruments. The principal and interest of said bonds shall be payable solely and only from the special fund herein provided for such payments, and said bonds shall not in any respect be a general obligation of such political subdivision, nor shall they be payable in any manner by taxation. All details pertaining to the issuance of such bonds and the terms and conditions thereof shall be determined by ordinance or resolution duly adopted by the governing body of such political subdivision, which may pledge the property purchased or constructed, and the net earnings thereof, to the payment of said bonds and the interest thereon, and provide that the net earnings thereof shall be set apart as a sinking fund for that purpose. Such political subdivision is authorized and directed to charge the users of such improvements at rates which at all time, shall be sufficient to pay the principal and interest on the bonds issued under the provisions of this chapter, and the cost of operation and maintenance, and to provide an adequate depreciation fund. Bonds issued pursuant to the provisions of this section shall bear interest at a rate not exceeding seven-percent-per-annum that permitted by chapter seventy-four A (74A) of the Code. This section shall be construed as granting additional power, without limiting the power already existing in political subdivisions.

Sec. 36. Section three hundred thirty point sixteen (330.16), unnumbered paragraph two (2), Code 1979, is amended to read as follows:

Taxes for the payment of said bonds shall be levied in accordance with chapter 76 and said bonds shall be payable in not more than twenty years and bear interest at a rate not exceeding seven-percent-per-annum that permitted by chapter seventy-four A (74A) of the Code and shall be of such form as the governing body shall by resolution provide, but no county or township shall become indebted in excess of five percent of the actual value of its taxable property, as shown by the last preceding state and county tax lists. The indebtedness incurred for the purpose provided in this section shall not be considered an indebtedness incurred for general or ordinary purposes.

Sec. 37. Section three hundred thirty A point nine (330A.9), subsection one (1), Code 1979, is amended to read as follows:

1. The bonds issued by an authority pursuant to this chapter shall be authorized by resolution of the board thereof and shall be either term or serial bonds, shall bear such date or dates, mature at such time or times, not exceeding forty years from their respective dates, bear interest at such rate or rates, not exceeding eight-percent-per-annum that permitted by chapter seventy-four A (74A) of the Code, payable semiannually, be in such denominations, be in such form, either coupon or fully registered, shall carry such registration, exchangeability and interchangeability privileges, be payable in such medium of payment and at such place or places, within or without the state, be subject to such terms of redemption and be entitled to such priorities on the revenues, rates, fees, rentals, or other charges or receipts of the authority as such resolution or any resolution subsequent thereto may provide. The bonds shall be executed either by manual or facsimile signature by such officers as

an authority shall determine, provided that such bonds shall bear at least one signature which is manually executed thereon, and the coupons attached to such bonds shall bear the facsimile signature or signatures of such officer or officers as shall be designated by an authority and the bonds shall have the seal of the authority, affixed, imprinted, reproduced, or lithographed thereon, all as may be prescribed in such resolution or resolutions. Said bonds shall be sold at public sale at such price or prices as the authority shall determine to be in the best interests of the authority provided that such bonds shall not be sold at less than the par value thereof, plus accrued interest and provided that the net interest cost shall not exceed ~~eight-per-centum-per-annum~~ that permitted by chapter seventy-four A (74A) of the Code. Pending the preparation of definitive bonds, interim certificates or temporary bonds may be issued to the purchaser or purchasers of such bonds, and may contain such terms and conditions as the authority may determine.

Sec. 38. Section three hundred thirty-two point forty-four (332.44), subsection eight (8), unnumbered paragraph two (2), Code 1979, is amended to read as follows:

Bonds issued pursuant to the provisions of this section shall bear interest at a rate not exceeding ~~seven-percent-per-annum~~ that permitted by chapter seventy-four A (74A) of the Code.

Sec. 39. Section three hundred forty-five point sixteen (345.16), Code 1979, is amended to read as follows:

345.16 INTEREST RATE ON BONDS. Bonds issued pursuant to the provisions of this chapter shall bear interest at a rate not exceeding ~~seven-percent-per-annum~~ that permitted by chapter seventy-four A (74A) of the Code.

Sec. 40. Section three hundred forty-six point three (346.3), unnumbered paragraph one (1), Code 1979, is amended to read as follows:

Said bonds shall bear interest ~~not-exceeding-seven-percent-per-annum~~ at a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code, payable semiannually, and be substantially in the following form, but subject to changes that will conform them to the resolution of said board, to wit:

Sec. 41. Section three hundred forty-six point twenty-three (346.23), unnumbered paragraph two (2), Code 1979, is amended to read as follows:

Such bonds shall be in denominations of not less than one hundred dollars nor more than ten thousand dollars, and shall draw interest at a rate not ~~to-exceed-seven-percent-per-annum~~ exceeding that permitted by chapter seventy-four A (74A) of the Code, payable annually or semiannually. Such bonds shall be due and payable in not more than twenty years from the date of issuance but may be made subject to redemption in such manner and upon such terms as is stated on the face thereof, shall be in such form as the board of supervisors shall by resolution provide, and shall show on their face that they are county sanitary disposal bonds payable from the fund hereinafter provided. Funds available pursuant to the levy authorized by section 455B.81 shall be used to pay the interest and principal of such bonds as they become due. The limitation referred to in section 455B.81 shall not limit the source of payment of bonds and interest but shall only restrict the amount of bonds which may be issued. The money arising from such levies shall be known as the sanitary disposal bond fund and shall be used for the payment of such bonds and interest thereon only; and the treasurer shall open and keep in his or her books a separate account thereof, which shall show the exact condition of such fund. Such bonds shall be sold at public sale and the county treasurer shall comply with and be governed by all provisions of chapter 75.

Sec. 42. Section three hundred forty-six point twenty-six (346.26), subsection three (3), Code 1979, is amended to read as follows:

3. County bonds may bear interest at a rate not exceeding seven-percent-per-annum that permitted by chapter seventy-four A (74A) of the Code payable semiannually and the principal shall be scheduled to mature in not more than twenty years from the date of the bonds. When a county has issued bonds it shall annually levy on all taxable property in the county, a tax sufficient to pay the interest and principal of the bonds as they become due, and each county may levy taxes sufficient to pay its portion of the cost of operating, maintaining, and keeping insured the building acquired or constructed under this section.

Sec. 43. Section three hundred forty-six point twenty-seven (346.27), subsection fourteen (14), Code 1979, is amended to read as follows:

14. Bonds issued under this section may be issued as serial or term bonds, shall be of such denomination or denominations and form, including interest coupons to be attached, shall be payable at such place or places and bear such date as the board of commissioners fix by the resolution authorizing the bonds, shall mature within a period not to exceed fifty years, and may be redeemable prior to maturity with or without premium, at the option of the board of commissioners, upon terms and conditions the board shall fix by the resolution authorizing the issuance of bonds. The board of commissioners may provide for the registration of bonds in the name of the owner as to the principal alone or as to both principal and interest upon terms and conditions the board determines. All bonds issued by an authority shall be sold at a price so that the interest cost to the commission of the proceeds of the bonds shall not exceed seven-percent per-annum that permitted by chapter seventy-four A (74A) of the Code, payable semiannually, computed to maturity, and shall be sold in the manner and at the time the board of commissioners determines.

Sec. 44. Section three hundred forty-six A point three (346A.3), unnumbered paragraph two (2), Code 1979, is amended to read as follows:

"Shall the county of in the state of Iowa issue bonds in the amount of for the purpose of?" No such proposition shall be declared carried unless the vote in favor of the issuance of the bonds is equal to at least sixty percent of the total vote cast for and against the proposition at the election. Before the issuance of bonds under this chapter, the board shall adopt a resolution providing for the levy of annual taxes sufficient to pay maturing installments of the principal of and interest on said bonds in accordance with the provisions of chapter 76, and said bonds shall mature within a period not exceeding twenty years from date of issue, shall bear interest at a rate or rates not exceeding seven-percent-per-annum that permitted by chapter seventy-four A (74A) of the Code and shall be of such form as the board shall by resolution provide, but the aggregate indebtedness of any such county shall not exceed five percent of the actual value of the taxable property within the county as ascertained by the last preceding state and county tax lists.

Sec. 45. Section three hundred forty-seven point five (347.5), Code 1979, is amended to read as follows:

347.5 BONDS. Should a majority of all the votes cast upon the proposition at a general election be in favor of establishing such hospital, the board of supervisors shall proceed to issue bonds of the county not to exceed the amount specified in said proposition, in denominations of not less than one hundred dollars nor more than one thousand dollars, drawing interest at a rate not ~~to exceed seven-percent-per-annum~~ exceeding that permitted by chapter seventy-four A (74A) of the Code, payable annually or semiannually. Said bonds shall be due and payable in twenty years from date of issuance, but at the option of the county payable at any time after

ten years from such date, and shall be substantially in the form provided for county bonds, and shall show on their face that they are county public hospital bonds payable only from the county public hospital fund as provided for in section 347.7.

Sec. 46. Section three hundred forty-seven point twenty-seven (347.27), unnumbered paragraphs one (1) and three (3), Code 1979, are amended to read as follows:

Any county having theretofore established a county public hospital being operated under the provisions of this chapter may equip, enlarge, and improve the county public hospital and acquire the necessary lands, rights of way, and other property. For the purpose of equipping, enlarging, and improving any such county public hospital, including the acquisition of the necessary lands, rights of way, and other property, any county may, pursuant to resolution of the board of supervisors of the county and after it has been determined by the board of hospital trustees to be advisable, from time to time issue and dispose of its negotiable interest-bearing revenue bonds, payable solely as to both principal and interest from the revenues derived from the operation of the county public hospital. All such bonds may bear such date or dates, may mature at such time or times not exceeding thirty years from their respective dates, may bear interest at such rate or rates not exceeding seven-percent-per-annum that permitted by chapter seventy-four A (74A) of the Code payable semiannually, may be in such form and payable at such place or places, and may be subject to such redemption privileges as are stated on the face thereof and as may be provided in the resolution.

Under no circumstances shall any revenue bonds issued under the provisions of this section be or become an indebtedness of the county within the purview of any constitutional or statutory limitation or provision. It shall be plainly stated on the face of each bond that it does not constitute such

an indebtedness, but is payable solely from revenues derived from the operation of the county hospital. All the bonds shall be sold in a manner and upon terms prescribed by the resolution authorizing the issuance of the bonds, however no bonds shall be sold upon terms that will result in an interest cost computed to maturity of the bonds according to standard tables of bond values ~~of more than seven-percent per-annum which exceeds that permitted by chapter seventy-four A (74A) of the Code~~. The resolution authorizing the revenue bonds may contain any covenants determined by the board of supervisors to be desirable in connection with the use and application of the bond proceeds, the operation of the county public hospital, and the custody and application of the revenues from this operation. The sole remedy for any breach or default of the terms of any bonds or proceedings for their issuance shall be by mandamus in a court of competent jurisdiction to compel performance and compliance therewith.

Sec. 47. Section three hundred forty-seven A point two (347A.2), Code 1979, is amended to read as follows:

347A.2 BONDS--AUTHORIZATION--PAYMENT. For the purpose of acquiring, constructing, equipping, enlarging or improving such hospital or any part thereof, any such county may, pursuant to resolution of the board of supervisors of such county, from time to time issue and dispose of its negotiable interest-bearing revenue bonds payable solely as to both principal and interest from the revenues to be derived from the operation of such hospital. All such bonds may bear such date or dates, may mature at such time or times not exceeding thirty years from their respective dates, may bear interest at such rate or rates not exceeding seven-percent-per-annum that permitted by chapter seventy-four A (74A) of the Code payable semiannually, may be in such form and payable at such place or places, and may be subject to such redemption privileges as is stated on the face thereof and as may be provided in such resolution. After a resolution authorizing

such revenue bonds has been adopted the county auditor shall publish notice of such adoption in at least one newspaper of general circulation in the county at least once each week for two consecutive weeks. Such notice shall identify the resolution by the date of its adoption and shall specify the amount of bonds proposed to be issued, and if within twenty days following the date of the first publication of such notice a petition is filed with the county auditor signed by qualified voters of said county in number equal to or exceeding twenty percent of the total number of votes cast in such county for governor at the last preceding regular election whereat a governor was elected then the bonds authorized by such resolution shall not be issued unless and until the proposition to issue same shall have been submitted at an election throughout the county and approved by not less than sixty percent of the votes cast for and against the proposition. When any such petition is filed it shall be referred to the board of supervisors at its next meeting and thereupon the board of supervisors may either repeal the bond resolution or order the election which shall be called and conducted in the manner provided by chapter 345. If there be no petition filed within the time hereinbefore provided or if there be a petition filed and the proposition of issuing such bonds is approved at such election then the board of supervisors may proceed with the acquisition, construction, equipment, operation and maintenance of the county hospital and the issuance of bonds in connection therewith, all as in this chapter permitted and provided. Under no circumstances shall any revenue bonds issued under the provisions of this chapter be or become an indebtedness of the county within the purview of any constitutional or statutory limitation or provision, and it shall be plainly stated on the face of each bond that it does not constitute such an indebtedness, but is payable solely from the revenues as aforesaid. All such bonds shall be sold in such manner and upon such terms

as is prescribed by the resolution authorizing the issuance thereof, provided, that no bonds shall be sold upon terms that will result in an interest cost computed to maturity of the bonds according to standard tables of bond values of ~~more-than-seven-percent-per-annum~~ which exceeds that permitted by chapter seventy-four A (74A) of the Code. The resolution authorizing such revenue bonds may contain such covenants as are determined by the board of supervisors to be desirable in connection with the use and application of the bond proceeds, the operation of the county hospital and the custody and application of the revenues from such operation. The sole remedy for any breach or default of the terms of any such bonds or proceedings for their issuance shall be by mandamus in a court of competent jurisdiction to compel performance and compliance therewith.

Sec. 48. Section three hundred forty-seven A point seven (347A.7), unnumbered paragraph one (1), Code 1979, is amended to read as follows:

For the purpose of enlarging and improving any county hospital or hospitals theretofore acquired and being operated under the provisions of this chapter, any such county, upon petition and recommendation of the board of hospital trustees, and pursuant to resolution of the board of supervisors of such county, may from time to time incur indebtedness and issue and sell the negotiable interest-bearing general obligation bonds of said county, provided that the principal amount of all such bonds which may be issued and outstanding under this section shall not be in excess of two percent of the assessed value of the taxable property in such county as shown by the latest state and county tax lists. All such bonds may bear such date or dates, may mature at such time or times not exceeding twenty years from their respective dates, may bear interest at such rate or rates not exceeding ~~seven-percent-per-annum~~ that permitted by chapter seventy-four A (74A) of the Code payable semiannually, may be in such

form and payable at such place or places, and may be made subject to such privileges of redemption prior to maturity and upon such terms of redemption as are stated on the face of such bonds and as may be provided in such resolution.

Sec. 49. Section three hundred fifty-seven point twenty (357.20), Code 1979, is amended to read as follows:

357.20 DUE DATE--BONDS. Assessments of less than ten dollars will come due at the first tax-paying date after the approval of the final assessment, and assessments of ten dollars or more may be paid in ten annual installments with interest ~~at six percent~~ on the unpaid balance at a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code. The board of supervisors shall issue bonds against the completed assessment in an amount equal to the total cost of the project, so that the amount of the assessment will be approximately ten percent greater than the amount of the bonds.

Sec. 50. Section three hundred fifty-seven A point eleven (357A.11), subsection eight (8), Code 1979, is amended to read as follows:

8. Have power to finance up to ninety-five percent of the cost of the construction or purchase of any project necessary to carry out the purposes for which the district is incorporated, provided the balance of the cost of construction or purchase is acquired by subscription, donation, gift, or otherwise than through the medium of loans, or to refinance up to ninety-five percent of the original cost of any such project, and to evidence such financing by issuance of revenue bonds or notes which shall mature in a period not to exceed forty years from date of issuance, shall bear interest, or combined interest and insurance charges, at a rate not to exceed ~~six percent per annum~~ that permitted by chapter seventy-four A (74A) of the Code, shall be payable only from revenue derived from sale of water by the district, and shall never become or be construed to be a debt against

the state of Iowa or any of its political subdivisions other than the district issuing the bonds. A statutory mortgage lien shall exist upon the water system and appurtenances and extensions so acquired in favor of the holders of the bonds and notes.

Sec. 51. Section three hundred fifty-seven B point four (357B.4), Code 1979, is amended to read as follows:

357B.4 ANTICIPATION OF TAX. The board of trustees of a benefited fire district may anticipate the collection of taxes authorized under section 357B.3 and, for the purpose of providing fire protection, may issue bonds payable in not more than ten equal installments at an interest rate not exceeding ~~seven percent per annum~~ that permitted by chapter seventy-four A (74A) of the Code. The bonds shall be in such form and payable at such place as specified by resolution of the board of trustees. The provisions of sections 23.12 to 23.16 and chapter 384 shall apply to such bonds to the extent applicable.

Sec. 52. Section three hundred fifty-seven C point ten (357C.10), Code 1979, is amended to read as follows:

357C.10 BONDS IN ANTICIPATION OF REVENUE. Benefited street lighting districts may anticipate the collection of taxes by the levy herein provided, and to carry out the purposes of this chapter may issue bonds payable in not more than ten equal installments, with the rate of interest thereon ~~to not exceed seven percent per annum~~ exceeding that permitted by chapter seventy-four A (74A) of the Code. No indebtedness shall be incurred under this Act until authorized by an election. Such election shall be held and notice given in the same manner as the election provided herein for the authorization of a tax levy, and the same sixty percent vote shall be necessary to authorize indebtedness. Both propositions may be submitted to the voters in the same election.

Sec. 53. Section three hundred fifty-eight point twenty-one (358.21), unnumbered paragraph four (4), Code 1979, is amended to read as follows:

The proceeds of any bond issue made under the provisions of this section shall be used only for the purpose of acquiring, locating, laying out, establishing and construction of drainage facilities, conduits, treatment plants, pumping plants, works, ditches, channels and outlets of such capacity and character as may be required for the treatment, carrying off and disposal of the sewage and industrial wastes and other drainage incidental thereto of such district, or to repair, change, enlarge and add to such facilities as may be necessary or proper to meet the requirements present and future for the purposes aforesaid. Proceeds from such bond issue may also be used for the payment of special assessment deficiencies. Said bonds shall be payable in not more than forty annual installments and ~~at interest not exceeding seven percent per annum with interest at a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code,~~ and shall be made payable at such place and be of such form as the board of trustees shall by resolution designate. Any sanitary district issuing bonds as authorized in this section is hereby granted authority to pledge the future avails of a tax levy ~~not exceeding one dollar and thirty-five cents per thousand dollars of assessed value of taxable property per annum~~ to the payment of the principal and interest of such bonds after the same come due, and the power to impose and certify said levy is hereby granted to the trustees of sanitary districts organized under the provisions of this chapter.

Sec. 54. Section three hundred fifty-nine point forty-five (359.45), Code 1979, is amended to read as follows:

359.45 ANTICIPATORY BONDS. Townships may anticipate the collection of taxes authorized by section 359.43 and for such purposes may issue bonds payable in not more than ten equal

annual installments and at a rate of interest not exceeding ~~seven percent per annum that permitted by chapter seventy-four A (74A) of the Code~~ and payable at such place and be in such form as the board of trustees shall designate by resolution. Sections 23.12 to 23.16, inclusive, and provisions of law relating to essential corporate purpose bonds of a city, so far as applicable, shall apply to such bonds.

Sec. 55. Section three hundred eighty-four point fifty-seven (384.57), Code 1979, is amended to read as follows:

384.57 MONTHLY PAYMENTS. The city may contract to pay not to exceed ninety percent of the engineer's estimated value of the acceptable work completed during the month to the contractor at the end of each month. Payment may be made in warrants drawn on any fund or funds from which payment for the work may be made. ~~The warrants, unless paid upon presentation, draw interest at a rate not to exceed seven percent per annum from and after the date of presentation for payment.~~ If such funds are depleted, anticipatory warrants may be issued bearing a rate of interest not exceeding that permitted by chapter seventy-four A (74A) of the Code, which do not constitute a violation of section 384.10, even if the collection of taxes or special assessments or income from the sale of bonds applicable to the public improvement is after the end of the fiscal year in which the warrants are issued. If the city arranges for the private sale of anticipatory warrants, they may be sold and the proceeds used to pay the contractor. Such warrants may also be used to pay other persons furnishing services constituting a part of the cost of the public improvement.

Sec. 56. Section three hundred eighty-four point sixty (384.60), subsections three (3) and five (5), Code 1979, are amended to read as follows:

3. Provide for interest on all unpaid installments at ~~not more than seven percent per annum~~ a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code.

5. Direct the clerk to certify the final schedule to the auditor of the county or counties in which the assessed property is located, and to publish notice thereof once each week for two consecutive weeks in the manner provided in section 362.3, the first publication of which shall be not more than fifteen days from the date of filing of the final schedule. On or before the second publication of the notice, the clerk shall send by certified mail to each property owner whose property is subject to assessment for the improvement, as shown by the records in the office of the county auditor, a copy of the notice. Such notice shall also include a statement in substance that assessments may be paid in full or in part without interest within thirty days after the date of certification, and thereafter all unpaid special assessments ~~will draw annual interest at seven percent~~ will draw annual interest at seven percent bear interest at the rate specified by the board, but not exceeding that permitted by chapter seventy-four A (74A) of the Code, computed to the December 1 next following the due dates of the respective installments, and each installment will be delinquent on September 30 following its due date, and will draw additionally the same delinquent interest and the same penalties as ordinary taxes. Such notice shall also state substantially that property owners may elect to pay any installment semiannually in advance. If a property is shown by the records to be in the name of more than one owner at the same mailing address, a single notice may be mailed to all owners at that address. Failure to receive a mailed notice is not a defense to the special assessment.

The county auditor shall place on the tax list the amounts to be assessed against each lot within the assessment district, as certified.

Sec. 57. Section three hundred eighty-four point sixty-eight (384.68), subsections two (2) and four (4), Code 1979, are amended to read as follows:

2. All special assessment bonds are negotiable, must state on their face that they are issued under the provisions of this division, and are payable as to both principal and interest from the proceeds of the special assessments levied for the public improvement. Such bonds may bear interest at a rate not exceeding ~~seven-percent-per-annum~~ that permitted by chapter seventy-four A (74A) of the Code payable annually or semiannually, must mature serially on December 1 of the years in which any of the principal is scheduled to become due, and may contain a provision that the city reserves the right and option of calling and redeeming any or all of the bonds prior to maturity on any interest payment date or within forty-five days thereafter upon the terms specified therein. Such bonds must be called "improvement bonds", must designate the general type of improvement or improvements for which issued, and may be issued in any denomination, not exceeding ten thousand dollars. Bonds issued for a public improvement authorized in section 384.38, subsection 2, must be named in a way to distinguish them from other improvement bonds of the city, and to designate the property specially assessed for the improvement. Improvement bonds issued for any one levy must bear the same date and be divided into as many series as there are years in which installments of the special assessment mature, and each series must be as nearly equal in amount as practicable.

4. Special assessment bonds must be sold at public or private sale in the manner provided by chapter 75, and may not be sold for less than par value with accrued interest from date to the time of delivery, or if no bids are received at public sale, bonds bearing the same rate of interest as the special assessment may be delivered to the contractor in payment of the cost of the public improvement. The proceeds of the sale must be applied to the payment of the cost of the public improvement.

Sec. 58. Section three hundred eighty-four point eighty-three (384.83), subsections three (3) and six (6), Code 1979, are amended to read as follows:

3. Revenue bonds may bear dates, bear interest at rates not exceeding ~~any limitations imposed by chapter 76 that permitted by chapter seventy-four A (74A) of the Code~~, mature in one or more installments, be in either coupon or registered form, carry registration and conversion privileges, be payable as to principal and interest at times and places, be subject to terms of redemption prior to maturity with or without premium, and be in one or more denominations, all as provided by the resolution of the governing body authorizing their issuance. The resolution may also prescribe additional provisions, terms, conditions, and covenants which the governing body deems advisable, consistent with the provisions of the city code, including provisions for creating and maintaining reserve funds, the issuance of additional revenue bonds ranking on a parity with such revenue bonds and additional revenue bonds junior and subordinate to such revenue bonds, and that such revenue bonds shall rank on a parity with or be junior and subordinate to any revenue bonds which may be then outstanding. Revenue bonds are a contract between the city and holders and the resolution is a part of the contract.

6. A city may issue pledge orders pursuant to a resolution of the governing body of the city utility, combined utility system, city enterprise, or combined city enterprise, adopted by a majority of the total number of members to which the governing body is entitled, at a regular or special meeting, ordering their issuance and delivery in payment for all or part of the cost of a project. Pledge orders may bear interest at rates not exceeding ~~eight-percent-per-annum~~ that permitted by chapter seventy-four A (74A) of the Code.

Sec. 59. Section three hundred eighty-six point twelve (386.12), subsection four (4), Code 1979, is amended to read as follows:

4. Payment for the costs of an improvement may also be made in warrants drawn on any fund from which payment for the improvement may be made. ~~The warrants, unless paid upon presentation, draw interest at a rate not to exceed seven percent per annum from the date of presentation for payment.~~ If such funds are depleted, anticipatory warrants may be issued bearing a rate of interest not exceeding that permitted by chapter seventy-four A (74A) of the Code, which do not constitute a violation of section 384.10, even if the collection of taxes or income from the sale of bonds applicable to the improvement is after the end of the fiscal year in which the warrants are issued. If the city arranges for the private sale of anticipatory warrants, they may be sold and the proceeds used to pay the costs of the improvement. Such warrants may be used to pay other persons furnishing services constituting a part of the cost of the improvement.

Sec. 60. Section three hundred ninety-four point one (394.1), unnumbered paragraph two (2), Code 1979, is amended to read as follows:

Taxes for the payment of said bonds shall be levied in accordance with chapter 76, and said bonds shall be payable through the debt service fund in not more than twenty years, and bear interest at a rate not exceeding ~~seven-percent-per-annum~~ that permitted by chapter seventy-four A (74A) of the Code, and shall be of such form as the city council shall by resolution provide, but no city shall become indebted in excess of five percent of the actual value of the taxable property within said city, as shown by the last preceding state and county tax lists. The indebtedness incurred for the purpose provided in this section shall not be considered an indebtedness incurred for general or ordinary purposes.

Sec. 61. Section four hundred three point nine (403.9), subsection three (3), Code 1979, is amended to read as follows:

3. Bonds issued under this section shall be authorized by resolution or ordinance of the local governing body and

may be issued in one or more series and shall bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates not exceeding seven per-centum-per-annum that permitted by chapter seventy-four A (74A) of the Code, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, with or without premium, be secured in such manner, and have such other characteristics, as may be provided by such resolution or trust indenture or mortgage issued pursuant thereto.

Sec. 62. Section four hundred three A point thirteen (403A.13), unnumbered paragraph one (1), Code 1979, is amended to read as follows:

Bonds of a municipality shall be authorized by its resolution and may be issued in one or more series and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, not exceeding seven-per-centum per-annum that permitted by chapter seventy-four A (74A) of the Code, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption (with or without premium) as such resolution, its trust indenture or mortgage may provide.

Sec. 63. Section four hundred fifty-four point twenty (454.20), Code 1979, as amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter twenty-four (24), section five (5), is amended to read as follows:

454.20 INTEREST. The warrants shall bear interest from date at a rate not to exceed six-percent that permitted by chapter seventy-four A (74A) of the Code, which interest shall

be payable at the end of each year, or for such shorter period as the warrants may remain unpaid.

Sec. 64. Section four hundred fifty-five point sixty-four (455.64), subsections one (1) and two (2), Code 1979, are amended to read as follows:

1. To pay one-third of the amount of such assessment at the time of filing such agreement; one-third within twenty days after the engineer in charge shall certify to the auditor that the improvement is one-half completed; and the remaining one-third within twenty days after the improvement has been completed and accepted by the board. All such installments shall be without interest if paid at said times, otherwise said assessments shall bear interest from the date of the levy at ~~the rate of not to exceed seven-percent-per-annum~~ a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code, payable annually, and be collected as other taxes on real estate, with like penalty for delinquency.

2. To pay such assessments in not less than ten nor more than twenty equal installments, the number to be fixed by the board and interest at the rate fixed by the board, not exceeding seven-percent-per-annum that permitted by chapter seventy-four A (74A) of the Code. One such installment shall be payable at the September semiannual taxpaying date in each year; provided, however, that the county treasurer shall, at the September semiannual taxpaying date, require only the payment of a sufficient portion of the assessments to meet the interest and the amount maturing on bonds or certificates prior to the regular time for the payment of the second installment of taxes and the balance shall be collected with such second installment and without penalty.

Sec. 65. Section four hundred fifty-five point seventy-seven (455.77), unnumbered paragraph one (1), Code 1979, is amended to read as follows:

The board may provide by resolution for the payment of assessments in not more than twenty annual installments with

~~interest at not-to-exceed-seven-percent-per-annum a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code.~~ The board may issue warrants bearing interest at the same rate, which warrants shall be numbered and state a maturity date in which event they shall bear interest from the date of issuance without being presented for payment and marked unpaid for want of funds. The warrants may be sold by the board for cash in an amount not less than the face value thereof, together with accrued interest, if any.

Sec. 66. Section four hundred fifty-five point seventy-nine (455.79), Code 1979, is amended to read as follows:

455.79 INTEREST--PLACE OF PAYMENT. Such certificates shall bear interest ~~not-to-exceed-seven-percent-per-annum~~ at a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code, payable annually, and shall be paid by the taxpayer to the county treasurer, who shall receipt for the same and cause the amount to be credited on the certificates issued therefor.

Sec. 67. Section four hundred fifty-five point eighty-three (455.83), Code 1979, is amended to read as follows:

455.83 AMOUNT--INTEREST--MATURITY. In no case shall the aggregate amount of all bonds issued exceed the benefits assessed. ~~Such~~ The bonds shall not be issued for a greater amount than the aggregate amount of assessments for the payment of which they are issued, nor for a longer period of maturity than twenty years, ~~and bear a rate of interest not to exceed seven-percent-per-annum.~~ The bonds shall bear interest at a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code, payable semiannually, on June 1 and December 1 of each year. ~~Whenever the interest on bonds issued pursuant to the provisions of this chapter exceeds four-percent-per-annum the interest on unpaid assessments shall equal the interest on such bonds but not to exceed seven percent-per-annum, the provisions of sections 455.57 and 455.64 to the contrary notwithstanding.~~ The interest on

unpaid assessments shall be at a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code.

Sec. 68. Section four hundred fifty-five point one hundred seventy-five (455.175), Code 1979, is amended to read as follows:

455.175 FUNDS. Payment to the county auditor for such certificate shall be from the fund of said drainage or levee district, or subdistrict, on a warrant issued against that fund which shall have precedence over all other outstanding warrants drawn against that fund in the order of their payment. Should there not be a sufficient amount in the fund of said district, or subdistrict, to pay said warrant then the board of supervisors, or the trustees of the district, as the case may be, are authorized to borrow a sum of money sufficient for that purpose on a warrant for that amount on the fund of the district, or subdistrict, which warrant shall bear interest from date at ~~six-percent-per-annum a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code~~ and shall have preference in payment over all other unpaid warrants on said fund, and the county treasurer shall so enter the same on the list of warrants in his office and call the same for payment as soon as there is sufficient money in said fund.

Sec. 69. Section four hundred fifty-five point one hundred ninety-eight (455.198), Code 1979, is amended to read as follows:

455.198 WARRANTS NOT PAID FOR WANT OF FUNDS. Chapter 74 shall be applicable to all warrants which are legally drawn on levee and drainage district funds and are not paid for want of funds, ~~except that such warrants shall bear interest at not-to-exceed-seven-percent-per-annum.~~

Sec. 70. Section four hundred fifty-five point two hundred thirteen (455.213), Code 1979, is amended to read as follows:

455.213 INSTALLMENTS--WARRANTS. The board shall levy the costs contemplated in section 455.202 upon all of the lands of the district on the basis of the classification for benefits as finally established and the assessments so levied shall be paid in one installment unless the board in its discretion shall provide for the payment thereof in not more than twenty equal installments with interest at ~~not-to-exceed seven-percent-per-annum a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code.~~ The board may issue anticipatory warrants bearing interest at ~~not-to-exceed seven-percent-per-annum-against-assessments a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code.~~ The warrants may be numbered and state a maturity date ~~in-which-event-they-shall-bear-interest-from-the-date-of-issue-without-being-presented-for-payment-and-marked-unpaid-for-want-of-funds.~~ The warrants may be sold by the board for cash in an amount not less than the face value thereof, together with accrued interest, if any.

Sec. 71. Section four hundred sixty point seven (460.7), Code 1979, is amended to read as follows:

460.7 ADVANCED PAYMENTS. The board on construction of such improvement may advance out of the secondary road construction fund or the secondary road maintenance fund, or out of both of said funds that portion to be collected by special assessment, the amount so advanced to be replaced in said road funds as the first special assessments are collected. The board may in lieu of making such advancements, issue warrants to be known as "Drainage Warrants", said warrants to ~~draw-not-to-exceed-four-percent-interest-per-annum bear interest at a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code~~ payable annually from the date of issue and to be paid out of the special assessments levied therefor, when the same are collected.

Sec. 72. Section four hundred sixty-one point fourteen (461.14), Code 1979, is amended to read as follows:

461.14 FORM OF BONDS. Such bonds shall be issued in sums of not less than one hundred dollars or more than one thousand dollars each, running not more than twenty years, bearing interest not exceeding ~~six-percent-per-annum~~ that permitted by chapter seventy-four A (74A) of the Code, payable annually or semiannually, and shall be substantially in the form provided by law for funding bonds issued for drainage purposes.

Sec. 73. Section four hundred sixty-three point ten (463.10), Code 1979, is amended to read as follows:

463.10 FORM OF BONDS. Drainage refunding bonds shall be issued in denominations of not less than one hundred dollars nor more than one thousand dollars, each, running not more than forty years, bearing interest ~~not-exceeding-six-percent per-annum~~ at a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code, payable semiannually, and shall be substantially in the form provided by law relating to drainage bonds, with such changes as shall be necessary to conform with this chapter.

Sec. 74. Section four hundred sixty-four point nine (464.9), Code 1979, is amended to read as follows:

464.9 REFUNDING BONDS. The court shall direct the board of supervisors to issue bonds in lieu of the outstanding drainage bonds for said drainage district, and additional bonds for the accrued interest and other indebtedness of said drainage district. Said bonds shall be payable in amounts, and at the time and manner, and with priority of payments as has been determined by order of court, as provided by section 464.8, and shall be called "conservator's drainage district bonds". Each bond shall be numbered and shall state on its face that it is a conservator's drainage district bond; that it is issued in pursuance of a resolution adopted by the board of supervisors, under order of court, and giving the name of the court and the county where such court is held; that it is issued to pay indebtedness of the drainage district; shall state the county where such district is located, and

the number of the drainage district for which it is issued; shall state the date of maturity of the bond, the rate of interest thereon, which rate shall not ~~be less than three and one-half percent per annum~~ exceed that permitted by chapter seventy-four A (74A) of the Code, and that the bond is to be paid only from taxes assessed, levied and collected on the lands within the drainage district for which the bond is issued subject to the provisions of section 464.8. All bonds shall be signed by the chairman of the board of supervisors and countersigned by the conservator designated as such. The interest coupons attached to said bonds shall be attested by the signature of the conservator or a facsimile thereof. When the bonds have been executed as herein required, the conservator may sell said bonds at not less than par with accrued interest thereon, and pay the indebtedness of said drainage district, or may exchange said bonds with the creditors of said drainage district in amounts as have been fixed and determined by the court, and the conservator shall cancel all drainage bonds, improvement certificates, warrants or other evidence of indebtedness received by him in lieu of the conservator's bonds.

Sec. 75. Section four hundred sixty-seven A point thirty-three (467A.33), unnumbered paragraph one (1), Code 1979, is amended to read as follows:

The governing body upon receiving the reports from three appointed appraisers and after holding the hearings shall transmit and certify the amounts of assessments to the respective boards of supervisors which upon receipt of certification from the governing body of the district, make the necessary levy of such assessments as fixed by the governing body upon the land within such subdistrict and all assessments shall be levied at that time as a tax and shall bear interest at ~~not more than four percent per annum~~ a rate not exceeding that permitted by chapter seventy-four A (74A) of the Code from that date payable annually except as hereafter

provided as to cash payments therefor within a specified time. The assessment so levied shall be kept in a separate account by the appropriate county treasurer or treasurers, identified by the official name of the subdistrict and expenditures therefrom shall be made on requisition of the chairman and secretary of the governing body of the subdistrict.

Sec. 76. Section four hundred sixty-seven A point thirty-five (467A.35), subsections one (1) and two (2), Code 1979, are amended to read as follows:

1. To pay one half of the amount of such assessment at the time of filing such agreement and the remaining one half shall become due and payable one year from the date of filing such agreement. All such installments shall be without interest if paid at said times, otherwise said assessments shall bear interest from the date of the levy at ~~the rate of four percent per annum~~ a rate fixed by the governing body of the subdistrict, but not exceeding that permitted by chapter seventy-four A (74A) of the Code, payable annually, and be collected as other taxes on real estate, with like penalty for delinquency.

2. To pay such assessments in not less than ten nor more than forty equal installments, the number to be fixed by the governing body of the subdistrict and interest at the rate fixed by the governing body of the subdistrict, not exceeding ~~four percent per annum~~ that permitted by chapter seventy-four A (74A) of the Code. The first installment of each assessment shall become due and payable at the October semiannual tax paying date after the date of filing such agreement, unless the agreement is filed with the county auditor less than thirty days prior to such October semiannual tax paying date, in that event, the first installment shall become due and payable at the next succeeding October semiannual tax paying date. The second and each subsequent installment shall become due and payable at the October semiannual tax paying date each year thereafter. All such installments shall be collected

with interest accrued on the unpaid balance to the October semiannual tax paying date and as other taxes on real estate, with like penalty for delinquency.

Sec. 77. Sections seventy-four point eight (74.8), seventy-five point eleven (75.11) and seventy-five point twelve (75.12), Code 1979, are repealed. It is the intent of the general assembly that the repeal of these sections, and the enactment of sections eleven (11), thirteen (13) and fifteen (15) of this Act shall be construed as a continuation of prior law, except to the extent amended by sections eleven (11) and fifteen (15) of this Act.

Sec. 78. Bonds sold on or after the effective date of this Act to finance an improvement for which a final assessment schedule was adopted prior to the effective date of this Act may bear any rate of interest permitted by section eleven (11) of this Act, and section thirteen (13) of this Act and any similar statutory restrictions do not apply to these bonds.

Sec. 79. Commencing on December 1, 1980, the rate of interest payable on the unpaid balance of a special assessment which was levied on or after November 1, 1979, and prior to the effective date of Acts of the Sixty-eighth General Assembly, 1980 Session, Senate File 500, shall be increased to the rate of ten percent per annum.

Sec. 80. The provisions of this Act which remove limitations on rates of interest supersede limitations on rates of interest established by Acts of the Sixty-eighth General Assembly, 1980 Session, Senate File five hundred (500), section six (6). Rules adopted pursuant to this Act which establish rates of interest applicable under sections ten (10) and twelve (12) of this Act supersede any rates of interest established by Acts of the Sixty-eighth General Assembly, 1980 Session, Senate File five hundred (500), section six (6).

Sec. 81. This Act, being deemed of immediate importance, shall take effect from and after its publication in the Muscatine Journal, a newspaper published in Muscatine, Iowa, and in the Carroll Daily Times-Herald, a newspaper published in Carroll, Iowa.

TERRY E. BRANSTAD
President of the Senate

WILLIAM H. HARBOR
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2282, Sixty-eighth General Assembly.

FRANK J. STORK
Secretary of the Senate

Approved 5/20, 1980

ROBERT D. RAY
Governor