

INTEREST RATES FOR PUBLIC OBLIGATIONS AND ASSESSMENTS

74A.1 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.

[C81, § 74A.1]

74A.2 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 74A.6, subsection 2. This section does not apply to an obligation which by law bears interest from the time it is issued.

[C51, § 65, 153; R60, § 86, 361; C73, § 78, 328, 1748, 1824; C97, § 104, 483, 660, 2768; S13, § 104, 483; C24, 27, 31, § 135, 4318, 5160, 5645, 7496; C35, § 1171-f2; C39, § **1171.12**; C46, 50, 54, 58, 62, 66, § 74.2; C71, 73, 75, 77, 79, § 74.2, 455.198; C81, § 74A.2]

74A.3 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.

The interest rates authorized by this section to be set by the issuing governmental body or agency shall be set in each instance by the governing body which, in accordance with applicable provisions of law then in effect, authorizes the issuance of the bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness.

[C73, § 289, 1821, 1822, 1843]

[C97, § 403, 827, 843, 982, 987, 1953, 2812, 2847]

[S13, § 170-a, 403, 409-f, 825, 1989-a26, -a27, 2812-e, 2820-d4]

[SS15, § 1989-a12, 2812-e]

[C24, § 287, 488, 4407, 4480, 4717, 5277, 5351, 6113, 6261, 6923, 7484, 7501, 7505, 7644, 7664]

[C27, § 287, 488, 1090-b4, 4407, 4480, 4753-a9, 5277, 5351, 6113, 6261, 6923, 7484, 7501, 7505, 7644, 7664, 7714-b10]

[C31, § 287, 488, 4407, 4480, 4644-c49, 4753-a9, 5277, 5351, 6113, 6249, 6261, 6610-c65, 6923, 7420-b4, 7484, 7501, 7505, 7590-c4, 7644, 7664, 7714-b10]

[C35, § 287, 488, 4407, 4480, 4644-c49, 4753-a9, 5277, 5351, 6113, 6249, 6261, 6610-c65, 6923, 7420-b4, 7484, 7501, 7505, 7590-c4, 7644, 7664, 7714-b10, 7714-f10]

[C39, § 287, 488, 3142.14, 4407, 4480, 4644.47, 4753.09, 5277, 5351, 5570.4, 6113, 6249, 6261, 6610.71, 6923, 7420.28, 7484, 7501, 7505, 7590.4, 7644, 7664, 7714.10, 7714.37]

[C46, § 19.8, 37.6, 202.6, 298.22, 302.12, 309.47, 311.19, 346.3, 347.5, 357.20, 359.45, 396.10, 408.10, 417.68, 420.276, 454.20, 455.64, 455.79, 455.83, 455.175, 460.7, 461.14, 463.10, 464.9]

[C50, § 19.8, 37.6, 202.6, 298.22, 302.12, 309.47, 311.28, 346.3, 347.5, 347A.2, 357.20, 359.45, 368.59, 391A.19, 391A.30, 396.10, 408.10, 417.68, 420.276, 454.20, 455.64, 455.175, 455.212, 460.7, 461.14, 463.10, 464.9]

[C54, § 19.8, 37.6, 202.6, 298.22, 302.12, 309.47, 311.28, 330.7, 330.16, 346.3, 347.5, 347A.2, 357.20, 358.21, 359.45, 368.21, 391A.22, 391A.33, 396.10, 417.68, 420.276, 454.20, 455.64, 455.79, 455.83, 455.175, 455.212, 460.7, 461.14, 463.10, 464.9]

[C58, § 19.8, 37.6, 202.6, 298.22, 302.12, 309.47, 311.28, 330.7, 330.16, 346.3, 347.5, 347A.2, 357.20, 357A.12, 358.21, 359.45, 368.21, 386B.10, 391A.22, 391A.33, 396.10, 403.9, 417.68, 420.276, 454.20, 455.64, 455.79, 455.83, 455.175, 455.212, 460.7, 461.14, 463.10, 464.9]

[C62, § 19.8, 37.6, 111A.6, 202.6, 298.22, 302.12, 309.47, 311.28, 330.7, 330.16, 346.3, 347.5, 347A.7, 357.20, 357A.12, 358.21, 359.45, 368.21, 386B.10, 391A.22, 391A.33, 396.10, 403.9, 403A.13, 417.68, 420.276, 454.20, 455.64, 455.79, 455.83, 455.175, 455.212, 460.7, 461.14, 463.10, 464.9, 467A.33, 467A.35]

[C66, § 19.8, 37.6, 111A.6, 202.6, 296.1, 298.22, 302.12, 309.47, 309.73, 311.28, 330.7, 330.16, 346.3, 347.5, 347A.2, 347A.7, 357.20, 357A.12, 358.21, 359.45, 368.21, 368.66, 386B.10, 391A.22, 391A.33, 396.10, 403.9, 403A.13, 417.68, 420.276, 454.20, 455.64, 455.79, 455.83, 455.175, 455.212, 460.7, 461.14, 463.10, 464.9, 467A.33, 467A.35]

[C71, § 19.8, 28F.8, 37.6, 111A.6, 145A.17, 202.6, 296.1, 298.22, 302.12, 309.47, 309.73, 311.28, 330.7, 330.14, 330.16, 330A.9, 345.16, 346.3, 346.23, 346A.3, 347.5, 347A.2, 347A.7, 357.20, 357A.11, 357B.12, 357C.10, 358.21, 359.45, 368.21, 368.66, 386B.10, 391A.22, 391A.33, 394.13, 396.10, 403.9, 403A.13, 417.68, 420.276, 454.20, 455.64, 455.77, 455.79, 455.83, 455.175, 455.213, 460.7, 461.14, 463.10, 464.9, 467A.33, 467A.35]

[C73, § 19.8, 28F.8, 37.6, 111A.6, 145A.17, 202.6, 280A.22, 296.1, 298.22, 302.12, 309.47, 309.73, 311.28, 330.7, 330.14, 330.16, 330A.9, 345.16, 346.3, 346.23, 346A.3, 347.5, 347.27, 347A.2, 347A.7, 357.20, 357A.11, 357B.12, 357C.10, 358.21, 359.45, 368.21, 368.66, 386B.10, 391A.22, 391A.33, 394.13, 396.10, 403.9, 403A.13, 417.68, 420.276, 454.20, 455.64, 455.77, 455.79, 455.83, 455.175, 455.213, 460.7, 461.14, 463.10, 464.9, 467A.33, 467A.35]

[C75, § 19.8, 28F.8, 37.6, 111A.6, 145A.17, 202.6, 280A.22, 296.1, 298.22, 302.12, 309.47, 309.73, 311.28, 330.7, 330.14, 330.16, 330A.9, 332.44, 345.16, 346.3, 346.23, 346.26, 346.27, 346A.3, 347.5, 347.27, 347A.2, 347A.7, 357.20, 357A.11, 357B.12, 357C.10, 358.21, 359.45, 384.57, 384.60, 384.68, 384.83, 394.1, 403.9, 403A.13, 454.20, 455.64, 455.77, 455.79, 455.83, 455.175, 455.213, 460.7, 461.14, 463.10, 464.9, 467A.33, 467A.35]

[C77, § 19.8, 28F.8, 37.6, 75.12, 111A.6, 145A.17, 202.6, 280A.22, 296.1, 298.22, 302.12, 309.47, 309.73, 311.28, 330.7, 330.14, 330.16, 330A.9, 332.44, 345.16, 346.3, 346.23, 346.26, 346.27, 346A.3, 347.5, 347.27, 347A.2, 347A.7, 357.20, 357A.11, 357B.4, 357C.10, 358.21, 359.45, 384.57, 384.60, 384.68, 384.83, 386.12, 394.1, 403.9, 403A.13, 454.20, 455.64, 455.77, 455.79, 455.83, 455.175, 455.213, 460.7, 461.14, 463.10, 464.9, 467A.33, 467A.35]

[C79, § 19.8, 28F.8, 37.6, 37.28, 75.12, 111A.6, 145A.17, 202.6, 280A.22, 296.1, 298.22, 302.12, 309.47, 309.73, 311.28, 330.7, 330.14, 330.16, 330A.9, 332.44, 345.16, 346.3, 346.23, 346.26, 346.27, 346A.3, 347.5, 347.27, 347A.2, 347A.7, 357.20, 357A.11, 357B.4, 357C.10, 358.21, 359.45, 384.57, 384.60, 384.68, 384.83, 386.12, 394.1, 403.9, 403A.13, 454.20, 455.64, 455.77, 455.79, 455.83, 455.175, 455.213, 460.7, 461.14, 463.10, 464.9, 467A.33, 467A.35]

[C81, § 74A.3]

83 Acts, ch 90, § 11

Footnotes

See construction by 80 Acts, ch 1025, § 77

See 80 Acts, ch 1025, § 78 for bonds sold on or after June 11, 1980 to finance an improvement

74A.4 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 74A.6, subsection 2.

[C24, § 47.10; C27, 31, 35, § 4753-a3; C39, § **3142.13, 4753.03**; C46, § 202.5, 311.13; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, § 202.5, 311.16, 311.17; C81, § 74A.4]

74A.5 Relative rate on assessment bonds. Repealed by 87 Acts, ch 104, §6.

74A.6 Rates established.

1. The authority contained in this section shall be exercised by a committee composed of the treasurer of state, the superintendent of banking, the superintendent of credit unions, and the auditor of state or a designee.

2. The committee shall establish the maximum interest rate to be applicable to obligations referred to in

section 74A.2, and this rate shall apply unless the parties agree to a lesser interest rate. The committee shall establish the maximum interest rate to be applicable to obligations referred to in section 74A.4.

3. The committee shall establish recommended interest rates, or formulae for determining recommended interest rates, to be applicable to obligations referred to in sections 74A.3 and 74A.7.

4. The committee from time to time shall establish one or more of the interest rates referred to in subsections 2 and 3 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 eighth calendar day following the day the rate is established and until a new rate is established and takes effect. The committee shall give advisory notice of an interest rate established under this section. This notice may be given by publication in one or more newspapers, by publication in the Iowa administrative bulletin, by ordinary mail to persons directly affected by any other method determined by the committee, or by a combination of these. Actions of the committee under this section are exempt from chapter 17A.

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

[C81, § 74A.6; 81 Acts, ch 39, § 1]

97 Acts, ch 33, §1

Footnotes

See § 12C.6 for interest rates on public deposits

74A.7 School district warrants.

1. The treasurer of a school district shall sell anticipatory warrants authorized by section 74.1, subsection 2 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.

[C71, 73, 75, 77, 79, § 74.8; C81, § 74A.7]

Footnotes

See construction by 80 Acts, ch 1025, § 77

74A.8 Interest rate on issue date.

An interest rate limit, provision that no interest rate limit exists, or authorization to set interest rates, as provided by this chapter or any other law, applies to all bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness issued and delivered after the effective date of the provision, regardless of whether the bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness were authorized to be issued pursuant to election, public hearing, or otherwise before the effective date of the provision. This section operates both retroactively and prospectively.

83 Acts, ch 90, § 12