

384.4 Debt service fund.

1. A city shall establish a debt service fund and shall certify taxes to be levied for the debt service fund in the amount necessary to pay:

a. Judgments against the city, except those authorized by state law to be paid from other funds.

b. Interest as it becomes due and the amount necessary to pay, or to create a sinking fund to pay, the principal at maturity of all general obligation bonds issued by the city or to pay, or to create a sinking fund to pay, amounts as due on loans received through the former Iowa community development loan program pursuant to section 15E.120.

c. Payments required to be made from the debt service fund under a lease or lease-purchase agreement.

d. Payments required to be made from the debt service fund under a loan agreement.

2. Moneys pledged or available to service general obligation bonds, and received from sources other than property taxes, must be deposited in the debt service fund.

3. If a final judgment is entered against a city with a population of five hundred or less for an amount in excess of eighty-eight thousand dollars over and above what is covered by liability insurance, such city may spread the budgeting and payment of that portion not covered by insurance over a period of time not to exceed ten years. Interest shall be paid by the city on the unpaid balance. This subsection shall only apply to final judgments entered but not fully satisfied prior to March 25, 1976.

[C97, §894; SS15, §879-s, 894; C24, 27, 31, 35, 39, §6211, 6603; C46, 50, §404.5, 416.132; C54, 58, 62, 66, 71, 73, §404.13; C75, 77, 79, 81, §384.4]

83 Acts, ch 207, §52, 93; 85 Acts, ch 156, §4; 87 Acts, ch 103, §5; 2007 Acts, ch 22, §72; 2010 Acts, ch 1069, §126

Section amended