

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.

e. Payments authorized to be made from the debt service fund to a flood project fund under section 418.14, subsection 4.

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.

4. The taxes realized from the tax levy imposed under section 346.27, subsection 22, for a joint county-city building shall be deposited into a separate account in the city's debt service fund for the payment of the annual rent and shall be disbursed pursuant to section 346.27, subsection 22.

[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; 2012 Acts, ch 1060, §4, 7; 2012 Acts, ch 1094, §3, 18

Referred to in §357E.11A, 384.24, 384.32, 384.74

[SP] Subsection 4 applies to property taxes due and payable in fiscal years beginning on or after July 1, 2013; 2012 Acts, ch 1060, §7

[T] Subsection 1, NEW paragraph e

[T] NEW subsection 4