

January 14, 1970
Place on Calendar
Commerce (S. 1-23, Res 2-6

HOUSE FILE 1052

By COMMITTEE ON COMMERCE

Passed House, Date *1-19-70* Passed Senate, Date *2-13-70*

Vote: Ayes *101* Nays *13* Vote: Ayes *43* Nays *8*

Approved *3-4-70*

*Passed as amended 2-11
101-13*

Motion to reconsider tabled 2-13

A BILL FOR

- 1 An Act relating to the maximum rate of interest on general
- 2 obligation bonds issued by the school corporations.
- 3 *Be It Enacted by the General Assembly of the State of Iowa:*
- 4 Section 1. Chapter one hundred ninety-two (192), section
- 5 one (1), Acts of the Sixty-third General Assembly, First Ses-
- 6 sion, amending section two hundred ninety-six point one
- 7 (296.1), Code 1966, is hereby amended by inserting in line
- 8 three (3) after the word "six" the words "and one-half".
- 9 Sec. 2. Chapter one hundred ninety-two (192), section two
- 10 (2), Acts of the Sixty-third General Assembly, First Session,
- 11 amending section two hundred ninety-eight point twenty-two
- 12 (298.22), Code 1966, is hereby amended by inserting in line
- 13 three (3) after the word "six" the words "and one-half".
- 14 Sec. 3. This Act being deemed of immediate importance
- 15 shall take effect and be in force from and after its publica-
- 16 tion in The Sioux City Journal, a newspaper published in Sioux
- 17 City, Iowa, and in The Reinbeck Courier, Inc., a newspaper
- 18 published in Reinbeck, Iowa.

*Proof of publication
3/25*

EXPLANATION

This Bill would increase the maximum rate of interest of general obligation bonds issued by school corporations from six percent annum to six and one-half percent per annum. The Bond Market Index for a good part of the year 1969 and currently in the year 1970 is above six percent, and many school districts are in a position that bonds have been voted but cannot be issued because of the interest rate limitation. Increasing the interest rate to six and one-half percent per annum will facilitate sale of authorized but unissued school bonds and assure the continued growth of Iowa schools.

SENATE AMENDMENT TO HOUSE FILE 1052

- 1 Amend House File 1052, as amended and passed by the House,
- 2 page 1, by striking lines 16 through 32, inclusive.

Received from the Senate
February 16, 1970

*House concurred
2-17-70*

- 1 Amend House File 1052 as follows:
- 2 1. By striking from line seven (7) the words "inserting
- 3 in line", and striking all of line eight (8), and inserting
- 4 in lieu thereof the following: "striking in line three (3)
- 5 the word "six" and inserting in lieu thereof the word "seven"."
- 6 2. By striking from line twelve (12) the words "inserting
- 7 in line", and striking all of line thirteen (13), and inserting
- 8 in lieu thereof the following: "striking in line three (3)
- 9 the word "six" and inserting in lieu thereof the word "seven"."

Filed - *Adopted 1-19*
January 15, 1970

McINTYRE of Linn

- 1 Amend House File 1052 as follows:
- 2 Add at the end of section two (2) a new paragraph as follows:
- 3 Further amend said section by adding at the end of line fif-
- 4 teen (15) the following: "Said bonds may bear a rate of interest
- 5 in excess of the rate set herein and in section two hundred
- 6 ninety-six point one (296.1) of the Code as amended upon approval
- 7 by the treasurer of state to fund construction required to
- 8 replace or repair buildings destroyed or damaged by fire, tor-
- 9 nado, or natural disaster or for additional buildings in a
- 10 school corporation where the pupil enrollment exceeds the enroll-
- 11 ment of the previous school year by twenty percent or more.
- 12 When the millage levy required for payment of principal and
- 13 interest on the total bonded indebtedness exceeds ten mills,
- 14 due to the issuance of said emergency bonds, the board of dir-
- 15 ectors of the issuing school corporation may, by resolution,
- 16 and with annual approval of the treasurer of state, levy an
- 17 additional amount sufficient to pay the amount required in
- 18 excess of the ten-mill levy."

Filed - *Adopted 1-19*
January 16, 1970

FISCHER of Grundy
LANGLAND of Winneshiek
ALT of Polk
HUFF of Polk
MENEFEЕ of Fayette
KOCH of Woodbury

- 1 Amend House File 1052, as amended and passed by the
- 2 House, as follows:
- 3 1. Page 1, by striking lines 16 through 32,
- 4 inclusive.

Filed and adopted
February 13, 1970

COMMITTEE ON COMMERCE