

March 9, 1970

HOUSE FILE 1322

Place on Calendar

*Sen. Ways & Means 3/17, Passed 3/26* By COMMITTEE ON WAYS AND MEANS

Passed House, Date *3-16-70* Passed Senate, Date *4-9-70*

Vote: Ayes *86* Nays *20* Vote: Ayes *53* Nays *1*

Approved.....

*Passed House as amended by Senate  
4-13-70  
aye 97, nays 4*

## A BILL FOR

- 1 A Act relating to the issuance of public warrants to cover
- 2 deficiencies in a public fund.
- 3 *Be It Enacted by the General Assembly of the State of Iowa:*
- 4 Section 1. Chapter ninety-six (96), section one (1),
- 5 Acts of the Sixty-third General Assembly, First Session,
- 6 amending section seventy-four point one (74.1), Code 1966,
- 7 is hereby amended by striking from line eight (8) the word
- 8 "banks" and inserting in lieu thereof the words "other
- 9 business entity authorized by law to loan money".
- 10 Sec. 2. Section seventy-four point two (74.2), Code 1966,
- 11 as amended by chapter ninety-six (96), section two (2), and
- 12 chapter two hundred sixty (260), section one (1), Acts of the
- 13 Sixty-third General Assembly, First Session, is hereby further
- 14 amended by striking from line one (1) the word "When" and in-
- 15 serting in lieu thereof the words "Except as provided in sec-
- 16 tion three (3) of this Act, when".
- 17 Sec. 3. Chapter seventy-four (74), Code 1966, is hereby
- 18 amended by adding at the end thereof the following new
- 19 section:
- 20 "The treasurer of a school district shall sell the warrants
- 21 at the maximum rate of interest provided in section seventy-
- 22 four point two (74.2) of the Code or at a lower rate of interest
- 23 unless at least two certificates of refusal are submitted to
- 24 the treasurer by a bank or other business entity authorized by
- 25 law to loan money.

1 Each bank or other business entity authorized by law to  
2 loan money which refuses to purchase such warrants at the  
3 rate of interest provided in this section or at a lower rate  
4 of interest, shall submit a certificate of refusal to the  
5 treasurer of the school district.

6 If the treasurer of a school district is unable to sell the  
7 warrants at the maximum rate of interest provided in this  
8 section or at a lower rate of interest and receives at least  
9 two certificates of refusal, the treasurer may offer the  
10 warrants for public sale, by publishing notice of the sale  
11 for two consecutive weeks in a newspaper of general circula-  
12 tion in the jurisdiction of the governing body issuing the  
13 warrants, giving not less than ten days notice of the time  
14 and place of the sale. The notice shall include a statement  
15 of the amount of the warrants offered for sale.

16 Sealed bids may be received at any time up to the time all  
17 bids are opened. The treasurer shall sell the warrants to  
18 the lowest bidder, however, the treasurer may reject all bids  
19 and readvertise the sale of such warrants pursuant to the  
20 provisions of this section.

21 This provision shall apply only to school districts whose  
22 anticipated receipts allocable to the current budget are at  
23 least equal to their legally approved budget for the current  
24 year."

#### EXPLANATION

This bill provides that public warrants may be sold by a treasurer of a school district by sealed bid if the school district is unable to sell the warrants at the maximum rate of 5 percent interest, and the treasurer receives at least two certificates of refusal.

The bill also provides that the warrants may be sold to any bank or other business entity authorized by law to loan money.

The provision of this bill apply 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.

SENATE AMENDMENT TO HOUSE FILE 1322

- 1 Amend House File 1322, page 1, by inserting a period after
- 2 the word "interest" in line 22, and by striking all of
- 3 lines 23, 24 and 25.

*House  
conferred  
4/13*

Received from the Senate  
April 9, 1970

- 1 Amend House File 1322, as passed by the House,
- 2 as follows:
- 3 Page 1, line 22, by inserting a period (.)
- 4 after the word "interest" and by striking all of
- 5 lines 23, 24 and 25.

Filed and adopted  
April 9, 1970

By GLENN and RIGLER