

FILLED JAN 27 1972

*Schools 1-31-a, b, 2/3 (220)  
Revised Higher Education 2/3, pass 3/7*

SENATE FILE 1059

By GROSS  
(Waugh, Sargisson, Doyle,  
and Andersen)

Passed Senate, Date 3-21-72

Passed House, Date 3-24-72

Vote: Ayes 36 Nays 11

Vote: Ayes 86 Nays 5

Approved \_\_\_\_\_

*Repassed House after receding from amendment  
3-24-72*

**A BILL FOR** *aye 82, nays 6*

1 An Act relating to the authority of merged areas to borrow  
2 money in anticipation of the collection of a voted tax  
3 for school facilities.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section two hundred eighty A point twenty-two  
2 (280A.22), Code 1971, is amended to read as follows:

3 280A.22 ADDITIONAL TAX. In addition to the tax autho-  
4 rized under section 280A.17, the voters in any merged area  
5 may at the annual school election vote a tax not exceeding  
6 three-fourths mill on the dollar in any one year for a period  
7 not to exceed five years for the purchase of grounds, con-  
8 struction of buildings, payment of debts contracted for the  
9 construction of buildings, purchase of buildings and equip-  
10 ment for buildings, and the acquisition of libraries, and  
11 for the purpose of maintaining, remodeling, improving, or  
12 expanding the area vocational school or area community col-  
13 lege of the merged area which tax shall be collected by the  
14 county treasurers and remitted to the treasurer of the merged  
15 area as other taxes are collected and remitted, and the  
16 proceeds of said tax shall be deposited in a separate and  
17 distinct fund to be known as the voted tax fund, to be paid  
18 out upon warrants drawn by the president and secretary of  
19 the board of directors of the merged area district for the  
20 payment of costs incurred in providing the school facili-  
21 ties for which the tax was voted.

22 In order to make immediately available to the merged area  
23 the proceeds of the voted tax hereinbefore authorized to be  
24 levied, the board of directors of any such merged area is  
25 hereby authorized, without the necessity for any further  
26 election, to borrow money and enter into loan agreements in  
27 anticipation of the collection of such tax, and such board  
28 shall, by resolution, provide for the levy of an annual tax,  
29 within the limits of the special voted tax hereinbefore autho-  
30 rized, sufficient to pay the amount of any such loan and the  
31 interest thereon to maturity as the same becomes due. A  
32 certified copy of this resolution shall be filed with the  
33 county auditors of the counties in which such merged area  
34 is located, and the filing thereof shall make it a duty of  
35 such auditors to enter annually this levy for collection until

1 funds are realized to repay the loan and interest thereon  
2 in full. Said loan must mature within the number of years  
3 for which the tax has been voted and shall bear interest at  
4 a rate or rates not exceeding seven percent per annum. Any  
5 loan agreement entered into pursuant to authority herein con-  
6 tained shall be in such form as the board of directors shall  
7 by resolution provide and the loan shall be payable as to  
8 both principal and interest from the proceeds of the annual  
9 levy of the voted tax hereinbefore authorized, or so much  
10 thereof as will be sufficient to pay the loan and interest  
11 thereon. In furtherance of the foregoing the board of di-  
12 rectors of such merged area may, with or without notice,  
13 negotiate and enter into a loan agreement or agreements with  
14 any bank, investment banker, trust company, insurance company,  
15 or group thereof, whereunder the borrowing of the necessary  
16 funds may be assured and consummated. The proceeds of such  
17 loan shall be deposited in a special fund, to be kept separate  
18 and apart from all other funds of the merged area, and shall  
19 be paid out upon warrants drawn by the president and secre-  
20 tary of the board of directors to pay the cost of acquiring  
21 the school facilities for which the tax was voted.

22 Nothing herein contained shall be construed to limit the  
23 authority of the board of directors to levy the full amount  
24 of the voted tax, but if and to whatever extent said tax is  
25 levied in any year in excess of the amount of principal and  
26 interest falling due in such year under any loan agreement,  
27 the first available proceeds thereof, to an amount sufficient  
28 to meet maturing installments of principal and interest under  
29 the loan agreement, shall be paid into the sinking fund for  
30 such loan before any of such taxes are otherwise made avail-  
31 able to the merged area for other school purposes, and the  
32 amount required to be annually set aside to pay the principal  
33 of and interest on the money borrowed under such loan agree-  
34 ment shall constitute a first charge upon all of the proceeds  
35 of such annual special voted tax, which tax shall be pledged

1 to pay said loan and the interest thereon.  
2 This law shall be construed as supplemental and in addition  
3 to existing statutory authority and as providing an indepen-  
4 dent method of financing the cost of acquiring school facili-  
5 ties for which a tax has been voted under this section and  
6 for the borrowing of money and execution of loan agreements  
7 in connection therewith and shall not be construed as subject  
8 to the provisions of any other law. The fact that a merged  
9 area may have previously borrowed money and entered into loan  
10 agreements under authority herein contained shall not prevent  
11 such merged area from borrowing additional money and enter-  
12 ing into further loan agreements provided that the aggregate  
13 of the amount payable under all of such loan agreements does  
14 not exceed the proceeds of the voted tax. All acts and pro-  
15 ceedings heretofore taken by the board of directors or by  
16 any official of any merged area for the exercise of any of  
17 the powers granted by this section are hereby legalized and  
18 validated in all respects.

19 Sec. 2. This Act, being deemed of immediate importance,  
20 shall take effect and be in force from and after its publica-  
21 tion in \_\_\_\_\_, a newspaper published  
22 in \_\_\_\_\_, Iowa, and in \_\_\_\_\_,  
23 a newspaper published in \_\_\_\_\_, Iowa.

24 EXPLANATION

25 This bill provides that the taxes received from the annual  
26 maximum levy of three-fourths mill of merged areas, or a  
27 portion of such taxes, shall be deposited in a special fund  
28 known as the voted tax fund and be subject to warrant of the  
29 designated officials of the board for costs of providing  
30 school facilities.

31 It also authorizes the merged area to borrow money and  
32 enter into loan agreements in anticipation of the tax autho-  
33 rized by section 280A.22 without an additional election.  
34 The loan must mature within the number of years for which  
35 the tax is voted and shall bear interest at 7% per annum.

1 The bill authorizes the board of directors to negotiate  
2 a loan agreement with any bank, investment banker, trust  
3 company, insurance company, or group thereof.

4 The bill legalizes proceedings which are authorized under  
5 the bill when such proceedings may have taken place prior  
6 to the effective date of the bill.

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9 1 Amend Senate File 1059 as follows:  
2 Page 4, by striking lines 19 through 23 inclusive  
10 3 and inserting in lieu thereof:

11 4 "Sec. \_\_\_\_\_. This Act, being deemed of immediate  
12 5 importance, shall take effect and be in force from  
13 6 and after its publication in The Sioux City Journal,  
14 7 a newspaper published in Sioux City, Iowa, and in  
8 The Denison Bulletin, a newspaper published in  
9 Denison, Iowa."

15 Filed *accepted 3/21/72 (1070)* By GROSS  
16 January 28, 1972

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*House*

1 Amend Senate File 1059, as passed by the Senate,  
2 page 3, line 12, by striking the words "or without".

Offered from the floor and adopted  
March 24, 1972

By MONROE of Des Moines  
SCHMEISER of Des Moines  
WELDEN of Hardin  
REX of Hamilton

1 Amend the Kreamer, et al., amendment to Senate  
2 File 1059, filed March 23, 1972, line 10, by insert-  
3 ing after the word "centers" the words "in excess of  
4 15 miles from an existing facility".

Offered from the floor and lost  
March 24, 1972

By CLARK of Lee

1 Amend Senate File 1059, as amended and passed by  
2 the Senate, by adding the following new section:  
3 "Sec. \_\_\_\_\_. No funds obtained under the authority  
4 of this Act shall be used to expand the curriculum  
5 of an area vocational school in order for such area  
6 vocational school within a merged area to qualify as  
7 an area community college; nor shall the board of  
8 any merged area, through funds obtained under the  
9 authority of this Act, approve the establishment of  
10 any additional attendance centers which offer liberal  
11 arts, pre-professional, or other instruction partially  
12 fulfilling the requirements for a baccalaureate  
13 degree."

Filed *Adopted 3-24*

By KREAMER of Polk  
MILLEN of Van Buren  
HANSEN of Black Hawk  
KENNEDY of Chickasaw  
RADL of Linn  
SKINNER of Polk

# Senate

## HOUSE AMENDMENT TO SENATE FILE 1059

- 1 Amend Senate File 1059 as amended and passed by the Senate  
2 as follows:  
3 1. Page 3, line 12, by striking the words "or without".  
4 2. By adding the following new section:  
5 Sec. 2. No funds obtained under the authority of this  
6 Act shall be used to expand the curriculum of an area  
7 vocational school in order for such area vocational school  
8 within a merged area to qualify as an area community college;  
9 nor shall the board of any merged area, through funds  
10 obtained under the authority of this Act, approve the  
11 establishment of any additional attendance centers which  
12 offer liberal arts, pre-professional, or other instruction  
13 partially fulfilling the requirements for a baccalaureate  
14 degree.  
15 3. By renumbering the subsequent section.

Received from the House  
March 24, 1972

*Senate refused to concur 3/24  
(1170)  
House receded 3/24 (1435)*