

1-21-75, Pass 1-23
1-27

SENATE FILE 33

FILED JAN 20 1975

By MURRAY
(Crawford and Hines)

Substituted for H.F. 47 2-3

Passed Senate, Date 1-27-75 (195) Passed House, Date 2-3-75 (p. 168)
Vote: Ayes 46 Nays 1 Vote: Ayes 90 Nays 3
Approved 2-12-75

A BILL FOR

1 An Act relating to sanitary disposal bonds.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section four hundred four point nineteen
2 (404.19), subsection two (2), as it appears in Code 1973,
3 as amended by Acts of the Sixty-fifth General Assembly, 1973
4 Session, chapter two hundred twenty-eight (228), section three
5 (3), is amended to read as follows:

6 2. Dump grounds. Cities and towns are hereby authorized
7 to contract indebtedness and to issue general obligation bonds
8 to provide funds to pay the cost of establishing, constructing,
9 acquiring, purchasing, equipping, improving, extending,
10 reconstructing and repairing sanitary disposal projects as
11 defined in section four hundred fifty-five B point seventy-
12 five (455B.75) of the Code or acquiring land for dump ground
13 purposes. Taxes for the payment of said bonds shall be levied
14 in accordance with chapter 76 and said bonds shall be payable
15 through the debt service fund in not more than twenty years
16 and bear interest at a rate not exceeding ~~five~~ seven percent
17 per annum, and shall be of such form as the city or town
18 council shall by resolution provide. The indebtedness incurred
19 for the purpose herein provided in this section shall not
20 be considered an indebtedness incurred for general or ordinary
21 purposes.

22 Sec. 2. This Act, being deemed of immediate importance,
23 shall take effect and be in force from and after its publica-
24 tion in Ames Daily Tribune, ^{2-14-75 (p. 393)} a newspaper published in Ames,
25 Iowa, and in The Nevada Evening Journal, ^{2-14-75 (p. 393)} a newspaper published
26 in Nevada, Iowa.

27 EXPLANATION

28 Most provisions in the Code for interest rates on bonds
29 were raised to 7% by the last General Assembly, but this
30 provision was apparently missed. If a city has commenced
31 proceedings for a bond issue for sanitary disposal facilities
32 under this section, it is now unable to sell the bonds because
33 of the current market. The new City Code of Iowa does not
34 regulate interest rates on general obligation bonds, but many
35 cities have not yet adopted the new law. However, because

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the new City Code of Iowa is printed in the 1975 Code and the existing city law which is set to be repealed July 1, 1975, is not printed in the 1975 Code, it was necessary to refer to the section as printed in the 1973 Code.

LSB 672
jb/rh/31