

Finance Do Pass 5/10/83

House File 643

Finance: Doderer, Chair; Branstad and Halvorson of Webster.

MAY 3 1983

See Report Measure 5/10/83 Do Pass 5/10 (p. 1644)
FINANCE

HOUSE FILE 643

BY COMMITTEE ON WAYS AND MEANS

(Formerly Study Bill 288)

Passed House, Date May 9, 1983 (p. 1641) Passed Senate, Date 5-11-83 (p. 1663)
Vote: Ayes 97 Nays 0 Vote: Ayes 43 Nays 6
Approved May 24, 1983

A BILL FOR

1 An Act relating to the payment of principal and interest on
2 public bonds by providing for a mandatory levy of taxes
3 and the determination of certain interest rates.

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

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HF 643

1 Section 1. Section 76.2, unnumbered paragraph 1, Code
2 1983, is amended to read as follows:

3 The governing authority of these political subdivisions
4 before issuing bonds shall, by resolution, provide for the
5 assessment of an annual levy upon all the taxable property
6 in ~~such public corporation~~ the political subdivision sufficient
7 to pay the interest and principal of ~~such~~ the bonds within
8 a period named not exceeding twenty years. A certified copy
9 of this resolution shall be filed with the county auditor
10 or the auditors of the counties, ~~as the case may be,~~ in which
11 ~~such public corporation~~ the political subdivision is located;
12 and the filing thereof shall make it a duty of ~~such officer~~
13 ~~or officers~~ the auditors to enter annually this levy for
14 collection from the taxable property within the boundaries
15 of the political subdivision until funds are realized to pay
16 the bonds in full. The levy shall continue to be made against
17 property that is severed from the political subdivision after
18 the filing of the resolution until funds are realized to pay
19 the bonds in full.

20 If the resolution is filed prior to April 1 the annual
21 levy shall begin with the tax levy for collection commencing
22 July 1 of that year. If the resolution is filed after April
23 1, the annual levy shall begin with the tax levy for collection
24 in the next succeeding fiscal year. However, the governing
25 authority of a political subdivision may adjust a levy of
26 taxes made under this section for the purpose of adjusting
27 the annual levies and collections for property severed from
28 the political subdivision, subject to the approval of the
29 state comptroller.

30 Sec. 2. Section 280A.20, Code 1983, is amended to read
31 as follows:

32 280A.20 PAYMENT OF BONDS. Taxes for the payment of bonds
33 issued under section 280A.19 shall be levied in accordance
34 with chapter 76. The bonds shall be payable from a fund
35 created from the proceeds of ~~such~~ the taxes in not more than

1 twenty years and bear interest at a rate not exceeding seven
2 percent-per-annum the rate permitted by chapter 74A, and shall
3 be of such the form as the board issuing the bonds shall by
4 resolution provide. Any indebtedness incurred shall not be
5 considered an indebtedness incurred for general and ordinary
6 purposes.

7 EXPLANATION

8 This bill provides that the collection of property taxes
9 for the payment of principal and interest on bonds will
10 continue on property severed from a political subdivision
11 until the bonds are paid in full. It provides for the
12 adjustment of levies, subject to the approval of the state
13 comptroller.

14 It also provides that the interest rate on bonds issued
15 by the board of directors of merged areas created for area
16 vocational schools or area community colleges is to be deter-
17 mined by the board of directors subject to the limitations
18 provided in chapter 74A. This change is consistent with the
19 method of determining the interest rate for other public bonds
20 or obligations.

21 This bill takes effect July 1 following its enactment.

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HOUSE FILE 643

AN ACT

RELATING TO THE PAYMENT OF PRINCIPAL AND INTEREST ON PUBLIC BONDS BY PROVIDING FOR A MANDATORY LEVY OF TAXES AND THE DETERMINATION OF CERTAIN INTEREST RATES.

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

Section 1. Section 76.2, unnumbered paragraph 1, Code 1983, is amended to read as follows:

The governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in ~~such public corporation~~ the political subdivision sufficient to pay the interest and principal of ~~such the~~ bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or ~~the auditors of the counties, as the case may be,~~ in which ~~such public corporation~~ the political subdivision is located; and the filing thereof shall make it a duty of ~~such officers or officers~~ the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full. The levy shall continue to be made against property that is severed from the political subdivision after the filing of the resolution until funds are realized to pay the bonds in full.

If the resolution is filed prior to April 1 the annual levy shall begin with the tax levy for collection commencing July 1 of that year. If the resolution is filed after April 1, the annual levy shall begin with the tax levy for collection in the next succeeding fiscal year. However, the governing authority of a political subdivision may adjust a levy of taxes made under this section for the purpose of adjusting the annual levies and collections for property severed from the political subdivision, subject to the approval of the state comptroller.

Sec. 2. Section 280A.20, Code 1983, is amended to read as follows:

280A.20 PAYMENT OF BONDS. Taxes for the payment of bonds issued under section 280A.19 shall be levied in accordance with chapter 76. The bonds shall be payable from a fund created from the proceeds of ~~such the~~ taxes in not more than twenty years and bear interest at a rate not exceeding seven percent-per-annum the rate permitted by chapter 74A, and shall be of ~~such the~~ form as the board issuing the bonds shall by resolution provide. Any indebtedness incurred shall not be considered an indebtedness incurred for general and ordinary purposes.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 643, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 24, 1983

TERRY E. BRANSTAD
Governor

H.F. 643