

2/6/96 W.d.m.

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SENATE FILE 2129
BY MURPHY

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to bond issuance elections and authorizing a
2 political subdivision to impose a local tax, in addition to
3 property taxes, to partially fund certain bonds, providing a
4 property tax credit, and providing for the Act's
5 applicability.

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

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S.F. 2129

1 Section 1. Section 75.1, Code 1995, is amended to read as
2 follows:

3 75.1 BONDS -- ELECTION -- VOTE REQUIRED.

4 1. When a proposition to authorize an issuance of bonds by
5 a county, township, school corporation, city, or by any local
6 board or commission, is submitted to the electors, such the
7 proposition shall not be deemed carried or adopted, anything
8 in the statutes to the contrary notwithstanding, unless is
9 adopted if the vote in favor of such authorization the
10 proposition is equal to at least sixty percent of the total
11 vote cast for and against said the proposition at said the
12 election.

13 2. Notwithstanding subsection 1, if principal and interest
14 on bonds issued by a county, school corporation, or city are
15 to be paid in part with revenue from a local income surtax
16 imposed under section 76.19, the proposition shall so state
17 and the proposition is adopted if the vote in favor of the
18 proposition is equal to a majority of the total vote cast for
19 and against the proposition at the election. However, a bond
20 issuance proposition proposing imposition of an income surtax
21 shall not be presented to the electors if in the first year
22 the income surtax is imposed the total of all income surtaxes
23 authorized by law and imposed in that year on any taxpayer in
24 the political subdivision imposing the surtax would exceed
25 twenty percent. Upon request of the governing authority, the
26 department of management shall certify the cumulative rate of
27 income surtax being imposed in the political subdivision.

28 3. All ballots cast and not counted as a vote for or
29 against the proposition shall not be used in computing the
30 total vote cast for and against said the proposition.

31 4. When a proposition to authorize an issuance of bonds
32 has been submitted to the electors under this section and the
33 proposal fails to gain approval by the required percentage of
34 votes, such proposal, or any proposal which incorporates any
35 portion of the defeated proposal, shall not be submitted to

1 the electors for a period of ~~six~~ twelve months from the date
2 of such regular or special election.

3 Sec. 2. Section 76.1, Code 1995, is amended to read as
4 follows:

5 76.1 MANDATORY RETIREMENT.

6 ~~Hereafter-issues~~ Issues of bonds ~~of-every-kind-and~~
7 ~~character~~ by counties, cities, and school corporations shall
8 be consecutively numbered. The annual levy of property tax,
9 or combination of property tax levy and income surtax imposed
10 as provided in section 76.19, shall be sufficient to pay the
11 interest and approximately ~~such that~~ portion of the principal
12 of the bonds as will retire them in a period not exceeding
13 twenty twenty-two years from date of issue. Each issue of
14 bonds shall be scheduled to mature serially in the same order
15 as numbered.

16 Sec. 3. Section 76.2, Code 1995, is amended to read as
17 follows:

18 76.2 MANDATORY LEVY -- OBLIGATIONS IN ANTICIPATION OF
19 LEVY.

20 The governing authority of these political subdivisions
21 before issuing bonds shall, by resolution, provide for the
22 assessment of an annual levy upon all the taxable property in
23 the political subdivision, or the assessment of an annual
24 property tax levy and imposition of an income surtax under
25 section 76.19, sufficient to pay the ~~interest-and~~ principal
26 and interest of the bonds within a period named not exceeding
27 twenty-years that provided in section 76.1. A certified copy
28 of this resolution shall be filed with the county auditor or
29 the auditors of the counties in which the political
30 subdivision is located; and the filing shall make it a duty of
31 the auditors to enter annually this levy for collection from
32 the taxable property within the boundaries of the political
33 subdivision until funds are realized to pay the bonds in full.
34 The property tax levy shall continue to be made against
35 property that is severed from the political subdivision and

1 the income surtax shall continue to be imposed upon the
2 residents of any area severed from the political subdivision
3 after the filing of the resolution until funds are realized to
4 pay the bonds in full.

5 If the a resolution which does not include imposition of an
6 income surtax is filed prior to April 1, or May 17, if the
7 political subdivision is a school district, the annual levy
8 shall begin with the tax levy for collection commencing July 1
9 of that year. If the resolution is filed after April 1, or
10 May 17, in the case of a school district, or if the resolution
11 includes imposition of an income surtax, the annual property
12 tax levy shall begin with the tax levy for collection in the
13 next succeeding fiscal year. If the resolution includes the
14 imposition of a local income surtax and it is filed with the
15 department of revenue and finance prior to August 1, the
16 imposition of the surtax is retroactive to January 1 of that
17 calendar year. If the resolution is filed with the department
18 of revenue and finance on or after August 1, the imposition of
19 the income surtax begins on January 1 of the next calendar
20 year. However, the governing authority of a political
21 subdivision may adjust a levy of taxes made under this section
22 for the purpose of adjusting the annual levies and collections
23 and income surtax rate for property severed from the political
24 subdivision, subject to the approval of the director of the
25 department of management.

26 If funds, including reserves and amounts available for
27 temporary transfer, are ~~found-to-be~~ insufficient to pay in
28 full any installment of principal or interest, a public issuer
29 of bonds may anticipate the next levy of property taxes
30 pursuant to this section or the imposition of an income surtax
31 under section 76.19 in the manner provided in chapter 74,
32 whether the taxes so anticipated are to be collected in the
33 same or a future fiscal year.

34 To further secure the payment of the bonds, the governing
35 authority shall, by resolution, provide for the assessment of

1 an annual levy of a standby tax upon all taxable property
2 within the political subdivision. A copy of the resolution
3 shall be sent to the county auditor of each county in which
4 the political subdivision is located. The revenues from the
5 standby tax shall be deposited in a special fund and shall be
6 expended only for the payment of principal and interest on the
7 bonds issued as provided in this section, when the revenue
8 from an income surtax as provided in section 76.19 is
9 insufficient. Reserves shall not be built up in this fund in
10 anticipation of a projected default. The governing authority
11 shall adjust the annual standby property tax levy for each
12 year to reflect the amount of revenues in the special fund and
13 the amount of principal and interest which is due in that
14 year.

15 Sec. 4. Section 76.4, Code 1995, is amended to read as
16 follows:

17 76.4 PERMISSIVE APPLICATION OF FUNDS.

18 ~~Whenever~~ If the governing authority of ~~such a~~ a political
19 subdivision ~~shall have~~ has on hand funds derived from ~~any~~
20 ~~other a~~ source other than taxation which may be appropriated
21 to the payment either of ~~interest-or~~ principal or interest, or
22 both principal and interest of such bonds, ~~such the~~ the funds may
23 be ~~so~~ appropriated and used and the property tax levy and
24 income surtax rate, if imposed, for the payment of the bonds
25 correspondingly reduced.

26 Sec. 5. Section 76.7, Code 1995, is amended to read as
27 follows:

28 76.7 PARTICULAR BONDS AFFECTED -- PAYMENT.

29 Counties, cities, and school corporations may at any time
30 ~~or-times~~ extend or renew any legal indebtedness or any part
31 ~~thereof~~ of the indebtedness they may have represented by bonds
32 or certificates where ~~such the~~ the indebtedness is payable from a
33 limited annual property tax or from a voted annual property
34 tax, or from an income surtax imposed under section 76.19, and
35 may by resolution fund or refund the ~~same~~ legal indebtedness

1 and issue bonds ~~therefor~~ running not more than twenty years to
2 be known as funding or refunding bonds, and make provision for
3 the payment of the principal and interest ~~thereof~~ from the
4 proceeds of an annual property tax, or annual property tax and
5 income surtax, for the period covered by such the bonds
6 similar to the tax authorized by law or by the electors for
7 the payment of the indebtedness ~~so~~ extended or renewed.

8 Sec. 6. NEW SECTION. 76.19 INCOME SURTAX.

9 1. An income surtax may be imposed by a political
10 subdivision as provided in this section, but only if
11 authorized by the electors as provided in section 75.1.

12 2. The income surtax shall be imposed upon state income
13 taxes computed under section 422.5, less credits allowed in
14 sections 422.11A, 422.11B, 422.11C, 422.12, and 422.12B, and
15 shall be imposed upon the state income tax for each calendar
16 year, or for a taxpayer's fiscal year ending during the second
17 half of that calendar year or the first half of the succeeding
18 calendar year, and shall be imposed on all taxpayers residing
19 in the political subdivision on the last day of the applicable
20 tax year, and on taxpayers residing in areas severed from the
21 political subdivision as provided in section 76.2.

22 3. The income surtax shall be imposed to collect an amount
23 that is equivalent to sixty percent of the sum of the prin-
24 cipal and interest of the bonds over the life of the bonds.
25 The rate of the income surtax may be adjusted in any year for
26 the sole purpose of ensuring that an amount equivalent to
27 sixty percent of the principal and interest over the life of
28 the bonds is collected.

29 4. At the time of the annual levy under section 76.2, the
30 governing authority of the political subdivision shall also
31 provide in the resolution for the imposition of the income
32 surtax and shall certify to the department of management such
33 sum expressed in dollars. The department shall determine the
34 rate of income surtax to be imposed based upon the most recent
35 available figures from state income taxes paid by taxpayers

1 residing in the political subdivision. The department shall
2 continue to make such calculations and certify the income
3 surtax rate to the county auditor or the auditors of the
4 counties in which the political subdivision is located with
5 adjustments as provided in this section until the principal
6 and interest on the bonds are paid in full. On or before
7 November 1 of each year in which the income surtax is
8 collected the director of revenue and finance shall deposit
9 with the treasurer of the political subdivision the entire
10 amount of income surtax collected from taxpayers residing in
11 the political subdivision.

12 5. The costs of administration shall be determined by the
13 department of revenue and finance, and shall be based on a
14 share of the total cost of administering the department, in
15 the same proportion as the amount of income surtax collected
16 is to the amount of state income taxes collected.

17 6. The director of revenue and finance shall administer
18 the income surtax imposed under this chapter and sections
19 422.4, 422.20 to 422.31, 422.68, and 422.72 to 422.75 shall
20 apply with respect to administration of the income surtax.

21 Sec. 7. NEW SECTION. 76.20 INCOME TAX RETURNS.

22 An income surtax imposed under section 76.19 shall be made
23 a part of the Iowa individual income tax return subject to the
24 conditions and restrictions set forth in section 422.21. The
25 director of revenue and finance shall provide on income tax
26 returns a requirement that each person required to file a re-
27 turn numerically identify the city of residence of the tax-
28 payer and the merged area in which the taxpayer resides.

29 Sec. 8. NEW SECTION. 76.21 PROPERTY TAX CREDIT --
30 AGRICULTURAL AND RESIDENTIAL PROPERTY.

31 Local income surtax revenues collected under section 76.19
32 shall be distributed in the following manner:

33 Upon receipt of the revenues collected from the income
34 surtax, the county treasurer shall notify the county auditor
35 of the amount of income surtax revenues received. The auditor

1 shall determine the amount to be credited to each parcel of
2 real property located in the political subdivision and
3 assessed as agricultural or residential, and shall enter such
4 amount upon the tax lists as a credit against the tax levied
5 on each parcel of real property assessed as agricultural or
6 residential. The county treasurer shall show on each tax
7 receipt the amount of tax credit to be applied against
8 property taxes payable in the fiscal year following the year
9 in which the surtax was collected for each parcel of real
10 property assessed as agricultural or residential. In case of
11 change of ownership, the credit shall remain with the parcel.
12 The amount of the credit funded by revenues from the income
13 surtax imposed under section 76.19 shall be an amount equal to
14 a pro rata share based upon the ratio of the taxable value of
15 each parcel to receive the credit to the total taxable value
16 of the property to receive the credit.

17 Sec. 9. NEW SECTION. 76.22 DESIGNATION OF TAX.

18 An income surtax imposed under section 76.19 by a school
19 district shall be designated as a school debt service income
20 surtax, an income surtax imposed by a merged area shall be
21 designated as a merged area debt service income surtax, an
22 income surtax imposed under section 76.19 by a city shall be
23 designated a city debt service income surtax, and an income
24 surtax imposed under section 76.19 by a county shall be
25 designated a county debt service income surtax.

26 Sec. 10. Section 260C.21, Code 1995, is amended to read as
27 follows:

28 260C.21 ELECTION TO INCUR INDEBTEDNESS.

29 1. No indebtedness shall be incurred under section 260C.19
30 until authorized by an election. A proposition to incur
31 indebtedness and issue bonds for community college purposes
32 shall be deemed carried adopted in a merged area if approved
33 by a sixty percent majority of all voters voting on the
34 proposition in the area. However, if the board elects to
35 partially fund the bonds with revenues from a local income

1 surtax, in addition to property tax revenues, the ballot
2 proposition to authorize the issuance of the bonds shall be
3 submitted to the electorate pursuant to section 75.1,
4 subsection 2.

5 2. Notwithstanding subsection 1, if the costs of utilities
6 are paid by a community college with funds derived from the
7 levy authorized under section 260C.22, the community college
8 may use the general fund moneys that would have been used to
9 pay the costs of utilities for capital expenditures, may
10 invest the funds, or may incur indebtedness without an
11 election, provided that the payments on the indebtedness
12 incurred, and any interest on the indebtedness, can be made
13 using general funds of the community college and the total
14 payments on the principal and interest on the indebtedness do
15 not exceed the amount of the costs of the utilities.

16 Sec. 11. Section 296.1, Code 1995, is amended to read as
17 follows:

18 296.1 INDEBTEDNESS AUTHORIZED.

19 Subject to the approval of the voters thereof, school
20 districts are hereby authorized to contract indebtedness and
21 to issue general obligation bonds to provide funds to defray
22 the cost of purchasing, building, furnishing, reconstructing,
23 repairing, improving or remodeling a schoolhouse or
24 schoolhouses and additions thereto, gymnasium, stadium, field
25 house, school bus garage, teachers' or superintendent's home
26 or homes, and procuring a site or sites therefor, or
27 purchasing land to add to a site already owned, or procuring
28 and improving a site for an athletic field, or improving a
29 site already owned for an athletic field, and for any one or
30 more of such purposes. Taxes for the payment of said the
31 bonds shall be levied or imposed in accordance with chapter
32 76, and said the bonds shall mature within a-period-not
33 exceeding-twenty-years-from-date-of-issue the period provided
34 in section 76.1, shall bear interest at a rate or rates not
35 exceeding that permitted by chapter 74A and shall be of such

1 form as the board of directors of ~~such~~ the school district
2 shall by resolution provide, but the aggregate indebtedness of
3 any school district shall not exceed five percent of the
4 actual value of the taxable property within ~~said~~ the school
5 district, as ascertained by the last preceding state and
6 county tax lists.

7 Sec. 12. Section 296.6, Code 1995, is amended to read as
8 follows:

9 296.6 BONDS.

10 If the vote in favor of the issuance of such bonds is equal
11 to at least sixty percent of the total vote cast for and
12 against ~~said~~ the proposition at ~~said~~ the election, the board
13 of directors shall issue the ~~same~~ bonds and make provision for
14 payment ~~thereof~~ of the bonds. However, if the board of
15 directors of a school district elects to partially fund the
16 bonds with revenues from an income surtax, in addition to
17 property tax revenues, the ballot proposition to authorize the
18 issuance of the bonds shall be submitted to the electorate
19 pursuant to section 75.1, subsection 2.

20 Sec. 13. Section 298.14, unnumbered paragraph 1, Code
21 1995, is amended to read as follows:

22 For each fiscal year, the cumulative total of the percents
23 of surtax approved by the board of directors of a school
24 district and collected by the department of revenue and
25 finance under sections 257.21, 257.29, 279.54, and 298.2, and
26 the enrichment surtax under section 442.15, Code 1989, and an
27 income surtax collected by a political subdivision under
28 chapter 422D, shall not exceed twenty percent. In addition,
29 if an income surtax is imposed under section 76.19, the
30 cumulative total of percents of surtax imposed on any taxpayer
31 in a school district under sections 76.19, 257.21, 257.29,
32 279.54, 298.2, 442.15, Code 1989, and chapter 422D shall not
33 exceed twenty percent in the first year in which one or more
34 of these income surtaxes is imposed.

35 Sec. 14. Section 298.18, unnumbered paragraph 2, Code

1 1995, is amended to read as follows:

2 The amount estimated ~~and-certified-to-apply-on~~ to pay
3 principal and interest for any one year shall not exceed an
4 amount that could be raised by a property tax levy equal to
5 two dollars and seventy cents per thousand dollars of the
6 assessed valuation of the taxable property of the school
7 corporation except as hereinafter provided.

8 Sec. 15. Section 298.18, unnumbered paragraph 4, Code
9 1995, is amended to read as follows:

10 The amount estimated ~~and-certified-to-apply-on~~ to pay
11 principal and interest for any one year may exceed an amount
12 that could be raised by a property tax levy equal to two
13 dollars and seventy cents per thousand dollars of assessed
14 value by the amount approved by the voters of the school
15 corporation, but not exceeding four dollars and five cents per
16 thousand of the assessed value of the taxable property within
17 any school corporation, provided that the qualified registered
18 voters of such school corporation have first approved such
19 increased amount at a special election, which may be held at
20 the same time as the regular school election. The proposition
21 submitted to the voters at such special election shall be in
22 substantially the following form:

23 Sec. 16. Section 298.18, unnumbered paragraph 6, Code
24 1995, is amended to read as follows:

25 Notice of the election shall be given by the county
26 commissioner of elections according to section 49.53. The
27 election shall be held on a date not less than four nor more
28 than twenty days after the last publication of the notice. At
29 such the election the ballot used for the submission of said
30 the proposition shall be in substantially the form for
31 submitting special questions at general elections. The county
32 commissioner of elections shall conduct the election pursuant
33 to the provisions of chapters 39 to 53 and certify the results
34 to the board of directors. Such The proposition shall not be
35 deemed ~~carried-or~~ adopted unless the vote in favor of such the

1 proposition is equal to at least sixty percent of the total
2 vote cast for and against ~~said~~ the proposition at ~~said~~ the
3 election. ~~Whenever~~ However, if the board of directors of a
4 school district elects to partially fund the bonds with
5 revenues from an income surtax, in addition to property tax
6 revenues, the ballot proposition shall be submitted to the
7 electorate pursuant to section 75.1, subsection 2. If such a
8 proposition has been approved by the voters of a school
9 corporation as hereinbefore provided, no further approval of
10 the voters of ~~such~~ the school corporation shall be required as
11 a result of any subsequent change in the boundaries of ~~such~~
12 the school corporation.

13 Sec. 17. Section 298.22, unnumbered paragraph 1, Code
14 1995, is amended to read as follows:

15 ~~All-of-said~~ The bonds shall be substantially in the form
16 provided for county bonds, but subject to changes that will
17 conform them to the action of the board ~~providing-therefor;~~
18 ~~shall run-not-more-than-twenty-years~~ mature within the period
19 provided in section 76.1, and may be sooner paid if so
20 nominated in the bond; bear a rate of interest not exceeding
21 that permitted by chapter 74A, payable semiannually; be signed
22 by the president and countersigned by the secretary of the
23 board of directors; and shall not be disposed of for less than
24 par value, nor issued for other purposes than this chapter
25 provides.

26 Sec. 18. Section 331.442, subsection 4, Code Supplement
27 1995, is amended to read as follows:

28 4. The proposition of issuing bonds for a general county
29 purpose is not ~~carried-or~~ adopted unless the vote in favor of
30 the proposition is equal to at least sixty percent of the
31 total vote cast for and against the proposition at the
32 election. However, if the board elects to partially fund the
33 bonds with revenues from a local income surtax, in addition to
34 property tax revenues, the ballot proposition to authorize the
35 issuance of the bonds shall be submitted to the electorate

1 pursuant to section 75.1, subsection 2. If the proposition of
2 issuing the general county purpose bonds is approved by the
3 voters, the board may proceed with the issuance of the bonds.

4 Sec. 19. Section 331.442, subsection 5, paragraph a,
5 unnumbered paragraph 1, Code Supplement 1995, is amended to
6 read as follows:

7 Notwithstanding subsection 2, a board, in lieu of calling
8 an election, may institute proceedings for the issuance of
9 bonds for a general county purpose by causing a notice of the
10 proposal to issue the bonds, including a statement of the
11 amount and purpose of the bonds, the type or types of debt
12 service tax to be levied or imposed to pay principal and
13 interest on the bonds, and the right to petition for an
14 election, to be published as provided in section 331.305 at
15 least ten days prior to the meeting at which it is proposed to
16 take action for the issuance of the bonds subject to the
17 following limitations:

18 Sec. 20. Section 331.447, subsection 1, Code Supplement
19 1995, is amended to read as follows:

20 1. Taxes for the payment of general obligation bonds shall
21 be levied or imposed in accordance with chapter 76, and the
22 bonds are payable from ~~the levy of unlimited ad valorem taxes~~
23 ~~on all the taxable property within the county through its debt~~
24 ~~service fund required by section 331.430~~ a debt service
25 property tax or combination of a debt service property tax and
26 a debt service local income surtax, unlimited as to amount,
27 except that:

28 a. The amount estimated ~~and certified to apply~~ to pay on
29 principal and interest for any one year shall not exceed an
30 amount that could be raised by a debt service property tax
31 levy equal to the maximum rate of tax, if any, provided by
32 this division for the purpose for which the bonds were issued.
33 If general obligation bonds are issued for different
34 categories, as provided in section 331.445, the maximum rate
35 of levies, if any, for each purpose shall apply separately to

1 that portion of the bond issue for that category and the
2 resolution authorizing the bond issue shall clearly set forth
3 the annual debt service requirements with respect to each
4 purpose in sufficient detail to indicate compliance with the
5 rate of tax levy, if any.

6 b. The amount estimated ~~and-certified-to-apply to pay~~ on
7 principal and interest for any one year may only exceed an
8 amount that could be raised by a debt service property tax
9 levy equal to the statutory rate of levy limit, if any, by the
10 amount that the registered voters of the county have approved
11 at a special election, which may be held at the same time as
12 the general election and may be included in the proposition
13 authorizing the issuance of bonds, if an election on the
14 proposition is necessary, or may be submitted as a separate
15 proposition at the same election or at a different election.
16 Notice of the election shall be given as specified in section
17 331.305. If the proposition includes issuing bonds and
18 increasing the levy limit, it shall be in substantially the
19 following form:

20 Shall the county of, state of Iowa, be authorized
21 to (here state purpose of project) at a total cost
22 not exceeding \$..... and issue its general obligation bonds
23 in an amount not exceeding \$..... for that purpose, and be
24 authorized to levy annually a debt service property tax (or
25 debt service property tax and income surtax, if applicable),
26 which will produce an amount not exceeding ... dollars and ...
27 cents per thousand dollars of the assessed value of the
28 taxable property within the county to pay the principal of and
29 interest on the bonds?

30 If the proposition includes only increasing the levy limit
31 it shall be in substantially the following form:

32 Shall the county of, state of Iowa, be authorized
33 to levy annually a debt service property tax (or debt service
34 property tax and income surtax, if applicable), which will
35 produce an amount not exceeding ... dollars and ... cents per

1 thousand dollars of the assessed value of the taxable property
2 within the county to pay principal and interest on the bonded
3 indebtedness of the county for the purpose of?

4 Sec. 21. Section 331.490, Code 1995, is amended to read as
5 follows:

6 331.490 CITIES SUBJECT TO DEBT SERVICE TAX LEVY -- RATES.

7 1. If a county and city have entered into an agreement to
8 create a joint special assessment district and issue county
9 general obligation bonds to fund the costs of a public
10 improvement benefiting that district, the county's debt ser-
11 vice property tax levy for the county general obligation bonds
12 shall not be levied against property located in any city
13 except a city which has entered into the agreement, and, if
14 applicable, the county's debt service income surtax for the
15 county general obligation bonds shall not be imposed on
16 taxpayers who reside in any city except a city which has
17 entered into the agreement.

18 2. Counties and cities entering into an agreement for a
19 joint special assessment district may provide in the agreement
20 for a different rate of the county's debt service tax levy
21 against property in areas of the county outside a city and
22 property within the cities, and, if applicable, for a
23 different rate of the county's debt service income surtax to
24 be imposed on taxpayers residing outside the cities and those
25 residing within each city.

26 Sec. 22. Section 384.26, subsection 2, Code Supplement
27 1995, is amended to read as follows:

28 2. Before the council may institute proceedings for the
29 issuance of bonds for a general corporate purpose, it shall
30 call a special city election to vote upon the question of
31 issuing the bonds. At the election the proposition must be
32 submitted in substantially the following form:

33 Shall the (insert the name of the city) issue
34 its bonds in an amount not exceeding the amount of \$.... for
35 the purpose of, such bonds to be payable from a

1 property tax levied on all taxable property within the city
2 (and income surtax to be imposed on the state income tax of
3 each income taxpayer residing in the city)?

4 Sec. 23. Section 384.26, subsection 4, Code Supplement
5 1995, is amended to read as follows:

6 4. The proposition of issuing general corporate purpose
7 bonds is not ~~carried-or~~ adopted unless the vote in favor of
8 the proposition is equal to at least sixty percent of the
9 total vote cast for and against the proposition at the
10 election. However, if the city council elects to partially
11 fund the bonds with revenues from a local income surtax, in
12 addition to property tax revenues, the ballot proposition to
13 authorize the issuance of the bonds shall be submitted to the
14 electorate pursuant to section 75.1, subsection 2. If the
15 proposition of issuing the general corporate purpose bonds is
16 approved by the voters, the city may proceed with the issuance
17 of the bonds.

18 Sec. 24. Section 384.26, subsection 5, paragraph a,
19 unnumbered paragraph 1, Code Supplement 1995, is amended to
20 read as follows:

21 Notwithstanding the provisions of subsection 2, a council
22 may, in lieu of calling an election, institute proceedings for
23 the issuance of bonds for a general corporate purpose by
24 causing a notice of the proposal to issue the bonds, including
25 a statement of the amount and purpose of the bonds, the type
26 or types of debt service tax to be levied or imposed to pay
27 principal and interest of the bonds, together with the maximum
28 rate of interest which the bonds are to bear, and the right to
29 petition for an election, to be published at least once in a
30 newspaper of general circulation within the city at least ten
31 days prior to the meeting at which it is proposed to take
32 action for the issuance of the bonds subject to the following
33 limitations:

34 Sec. 25. Section 384.32, Code 1995, is amended to read as
35 follows

1 taxes for the payment of principal and interest on general
2 obligation bonds.

3 This bill applies to bonds issued by a county, city, school
4 districts, and community colleges.

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