

2/8/96 W. d means

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SENATE FILE 2150
BY MURPHY

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

A BILL FOR

1 An Act relating to certain revenue sources of political
2 subdivisions, state appropriations to the road use tax fund,
3 funding for bonds issued by a political subdivision, and other
4 properly related matters, authorizing a political subdivision
5 to impose a local tax, in addition to property taxes, to
6 partially fund certain bonds, relating to the road use tax
7 fund by allocating fines and fees for commercial vehicle
8 violations to the road use tax fund, appropriating moneys to
9 the road use tax fund from the general fund of the state, and
10 appropriating moneys for funding recreational trails from the
11 general fund of the state, and providing an applicability
12 date.

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

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S.F. 2150

DIVISION I

GENERAL OBLIGATION BONDS

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

5 75.1 BONDS -- ELECTION -- VOTE REQUIRED.

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

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

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

33 4. When a proposition to authorize an issuance of bonds
34 has been submitted to the electors under this section and the
35 proposal fails to gain approval by the required percentage of

1 votes, such proposal, or any proposal which incorporates any
2 portion of the defeated proposal, shall not be submitted to
3 the electors for a period of ~~six~~ twelve months from the date
4 of such regular or special election.

5 Sec. 2. Section 76.1, Code 1995, is amended to read as
6 follows:

7 76.1 MANDATORY RETIREMENT.

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

18 Sec. 3. Section 76.2, Code 1995, is amended to read as
19 follows:

20 76.2 MANDATORY LEVY -- OBLIGATIONS IN ANTICIPATION OF
21 LEVY.

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

1 The property tax levy shall continue to be made against
2 property that is severed from the political subdivision and
3 the income surtax shall continue to be imposed upon the
4 residents of any area severed from the political subdivision
5 after the filing of the resolution until funds are realized to
6 pay the bonds in full.

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

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

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

17 Sec. 4. Section 76.4, Code 1995, is amended to read as
18 follows:

19 76.4 PERMISSIVE APPLICATION OF FUNDS.

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

28 Sec. 5. Section 76.7, Code 1995, is amended to read as
29 follows:

30 76.7 PARTICULAR BONDS AFFECTED -- PAYMENT.

31 Counties, cities, and school corporations may at any time
32 ~~or-times~~ extend or renew any legal indebtedness or any part
33 thereof of the indebtedness they may have represented by bonds
34 or certificates where such the indebtedness is payable from a
35 limited annual property tax or from a voted annual property

1 tax, or from an income surtax imposed under section 76.19, and
2 may by resolution fund or refund the ~~same~~ legal indebtedness
3 and issue bonds ~~therefor~~ running not more than twenty years to
4 be known as funding or refunding bonds, and make provision for
5 the payment of the principal and interest ~~thereof~~ from the
6 proceeds of an annual property tax, or annual property tax and
7 income surtax, for the period covered by ~~such~~ the bonds
8 similar to the tax authorized by law or by the electors for
9 the payment of the indebtedness ~~so~~ extended or renewed.

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

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

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

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

31 4. At the time of the annual levy under section 76.2, the
32 governing authority of the political subdivision shall also
33 provide in the resolution for the imposition of the income
34 surtax and shall certify to the department of management such
35 sum expressed in dollars. The department shall determine the

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

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

19 6. The director of revenue and finance shall administer
20 the income surtax imposed under this chapter and sections
21 422.4, 422.20 to 422.31, 422.68, and 422.72 to 422.75 shall
22 apply with respect to administration of the income surtax.

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

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

31 Sec. 8. NEW SECTION. 76.21 PROPERTY TAX CREDIT --
32 AGRICULTURAL AND RESIDENTIAL PROPERTY.

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

35 Upon receipt of the revenues collected from the income

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

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

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

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

30 260C.21 ELECTION TO INCUR INDEBTEDNESS.

31 1. No indebtedness shall be incurred under section 260C.19
32 until authorized by an election. A proposition to incur
33 indebtedness and issue bonds for community college purposes
34 shall be deemed carried adopted in a merged area if approved
35 by a sixty percent majority of all voters voting on the

1 proposition in the area. However, if the board elects to
2 partially fund the bonds with revenues from a local income
3 surtax, in addition to property tax revenues, the ballot
4 proposition to authorize the issuance of the bonds shall be
5 submitted to the electorate pursuant to section 75.1,
6 subsection 2.

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

18 Sec. 11. Section 296.1, Code 1995, is amended to read as
19 follows:

20 296.1 INDEBTEDNESS AUTHORIZED.

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

1 in section 76.1, shall bear interest at a rate or rates not
2 exceeding that permitted by chapter 74A and shall be of such
3 form as the board of directors of ~~such~~ the school district
4 shall by resolution provide, but the aggregate indebtedness of
5 any school district shall not exceed five percent of the
6 actual value of the taxable property within ~~said~~ the school
7 district, as ascertained by the last preceding state and
8 county tax lists.

9 Sec. 12. Section 296.6, Code 1995, is amended to read as
10 follows:

11 296.6 BONDS.

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

22 Sec. 13. Section 298.14, unnumbered paragraph 1, Code
23 1995, is amended to read as follows:

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

1 of these income surtaxes is imposed.

2 Sec. 14. Section 298.18, unnumbered paragraph 2, Code
3 1995, is amended to read as follows:

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

10 Sec. 15. Section 298.18, unnumbered paragraph 4, Code
11 1995, is amended to read as follows:

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

25 Sec. 16. Section 298.18, unnumbered paragraph 6, Code
26 1995, is amended to read as follows:

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

1 to the board of directors. ~~Such~~ The proposition shall not be
2 deemed ~~carried-or~~ adopted unless the vote in favor of ~~such~~ the
3 proposition is equal to at least sixty percent of the total
4 vote cast for and against ~~said~~ the proposition at ~~said~~ the
5 election. ~~Whenever~~ However, if the board of directors of a
6 school district elects to partially fund the bonds with
7 revenues from an income surtax, in addition to property tax
8 revenues, the ballot proposition shall be submitted to the
9 electorate pursuant to section 75.1, subsection 2. If such a
10 proposition has been approved by the voters of a school
11 corporation as hereinbefore provided, no further approval of
12 the voters of ~~such~~ the school corporation shall be required as
13 a result of any subsequent change in the boundaries of ~~such~~
14 the school corporation.

15 Sec. 17. Section 298.22, unnumbered paragraph 1, Code
16 1995, is amended to read as follows:

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

28 Sec. 18. Section 331.442, subsection 4, Code Supplement
29 1995, is amended to read as follows:

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

1 property tax revenues, the ballot proposition to authorize the
2 issuance of the bonds shall be submitted to the electorate
3 pursuant to section 75.1, subsection 2. If the proposition of
4 issuing the general county purpose bonds is approved by the
5 voters, the board may proceed with the issuance of the bonds.

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

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

20 Sec. 20. Section 331.447, subsection 1, Code Supplement
21 1995, is amended to read as follows:

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

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

1 categories, as provided in section 331.445, the maximum rate
2 of levies, if any, for each purpose shall apply separately to
3 that portion of the bond issue for that category and the
4 resolution authorizing the bond issue shall clearly set forth
5 the annual debt service requirements with respect to each
6 purpose in sufficient detail to indicate compliance with the
7 rate of tax levy, if any.

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

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

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

34 Shall the county of, state of Iowa, be authorized
35 to levy annually a debt service property tax (or debt service

1 property tax and income surtax, if applicable), which will
2 produce an amount not exceeding ... dollars and ... cents per
3 thousand dollars of the assessed value of the taxable property
4 within the county to pay principal and interest on the bonded
5 indebtedness of the county for the purpose of?

6 Sec. 21. Section 331.490, Code 1995, is amended to read as
7 follows:

8 331.490 CITIES SUBJECT TO DEBT SERVICE TAX LEVY -- RATES.

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

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

28 Sec. 22. Section 384.26, subsection 2, Code Supplement
29 1995, is amended to read as follows:

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

35 Shall the (insert the name of the city) issue

1 its bonds in an amount not exceeding the amount of \$.... for
2 the purpose of, such bonds to be payable from a
3 property tax levied on all taxable property within the city
4 (and income surtax to be imposed on the state income tax of
5 each income taxpayer residing in the city)?

6 Sec. 23. Section 384.26, subsection 4, Code Supplement
7 1995, is amended to read as follows:

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

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

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

1 Sec. 25. Section 384.32, Code 1995, is amended to read as
2 follows

3 384.32 TAX TO PAY.

4 Taxes for the payment of general obligation bonds must be
5 levied in accordance with chapter 76, and the bonds are
6 payable from the levy of ~~unlimited-ad-valorem-taxes-on-all-the~~
7 ~~taxable-property-within-the-city-through-its-debt-service-fund~~
8 authorized-by-section-384.4 a debt service property tax or a
9 combination of a debt service property tax and a debt service
10 income surtax, unlimited as to amount.

11 DIVISION II

12 ROAD USE TAX FUND

13 Sec. 26. Section 312.2, subsection 18, Code 1995, is
14 amended by striking the subsection.

15 Sec. 27. Section 602.8108, subsection 2, Code 1995, is
16 amended to read as follows:

17 2. Except as otherwise provided, the clerk of the district
18 court shall report and submit to the state court
19 administrator, not later than the fifteenth day of each month,
20 the fines and fees received during the preceding calendar
21 month. Except as provided in ~~subsection~~ subsections 4 and 5,
22 the state court administrator shall deposit the amounts
23 received with the treasurer of state for deposit in the
24 general fund of the state. The state court administrator
25 shall report to the legislative fiscal bureau within thirty
26 days of the beginning of each fiscal quarter the amount
27 received during the previous quarter in the account
28 established under this section.

29 Sec. 28. Section 602.8108, Code 1995, is amended by adding
30 the following new subsection:

31 NEW SUBSECTION. 5. The state court administrator shall
32 allocate all of the fines and fees attributable to commercial
33 vehicle violation citations issued by motor vehicle division
34 personnel of the state department of transportation to the
35 treasurer of state for deposit in the road use tax fund.

1 the principal and interest of the bonds shall be funded by
2 income surtax. The question of whether to impose a local
3 income surtax to partially fund the bonds shall be included in
4 the bond issuance ballot proposition. If principal and
5 interest on the bonds are to be funded by property tax and
6 income surtax, the required percentage of votes needed to
7 authorize issuance of the bonds is reduced from 60 percent to
8 a majority.

9 The division also provides that income surtax funds
10 collected shall be credited to each parcel of real property in
11 the political subdivision which is assessed as agricultural or
12 residential property.

13 The division provides that a bond proposition which
14 includes an income surtax may not be presented to the
15 electorate if, in the first year the surtax is imposed, the
16 total surtax imposed on any taxpayer in the political
17 subdivision would exceed 20 percent. The division extends
18 from six months to 12 months the time period that must elapse
19 before a defeated bond proposal may be resubmitted to the
20 electorate. The property tax levied or income surtax imposed
21 are to be designated as debt service taxes for the payment of
22 principal and interest on general obligation bonds.

23 This division applies to bonds issued by counties, cities,
24 school districts, and community colleges.

25 Division II of the bill appropriates moneys to the road use
26 tax fund from several different sources. First, the division
27 allocates all moneys attributable to commercial vehicle
28 violation citations issued by motor vehicle division personnel
29 of the state department of transportation to the road use tax
30 fund. Second, it makes appropriations from the general fund
31 of the state to the road use tax fund in the amounts of
32 \$7,700,000 for fiscal year 1997, \$7,600,000 for fiscal year
33 1998, \$8,000,000 for fiscal year 1999, \$8,500,000 for fiscal
34 year 2000, and \$8,500,000 for fiscal year 2001. Third, the
35 division strikes section 312.2, subsection 18, which

1 appropriates \$1,000,000 in road use tax fund moneys for
2 recreational trails and repeals an outdated section requiring
3 transfer of certain moneys in 1989. The division appropriates
4 \$2,000,000 for fiscal year 1997 from the general fund of the
5 state to the state department of transportation for
6 recreational trails.

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