

CHAPTER 4.

ISSUING AND PAYMENT OF BONDS—CITIES OF FIRST-CLASS.

H. F. 28. AN ACT to Authorize Certain Cities of the First Class to Issue Bonds and to Provide for Their Payment Principal and Interest.

Be it enacted by the General Assembly of the State of Iowa:

Cities organized since January 1885 may issue bonds.

SECTION 1. That Cities of the first Class organized as such under the general incorporation laws since January 1st A. D. 1885 shall have power and authority to issue, as may be ordered by the City Council, bonds for the purpose of funding, or refunding any subsisting legal indebtedness of said corporations outstanding at the date of the final passage of this act.

Interest.

SEC. 2. That all bonds issued under and by virtue of the provisions of this Act, shall draw a rate of interest not exceeding Six percentum per annum, payable annually or Semi-annually, and shall be issued in denominations of not more than One Thousand Dollars each; and having not more than thirty years to run, with principal and interest payable at such place as the City Council shall by resolution in ordering the issue of said Bonds, direct and provide.

Denomination.

Time.

Resolution by city council to specify purpose of bonds.

SEC. 3. That all bonds issued under the provisions of this act, shall be issued pursuant to and in conformity with a resolution adopted by the City Council, which said resolution shall specify the purpose for which said bonds are to be issued, the rate of interest they shall bear, and whether payable Annually or Semi-Annually, the place where said principal and interest shall be payable, and when said Bonds shall become due and payable, and such other provisions in reference to said Bonds as to said City Council shall seem expedient and proper, and not inconsistent with the provisions of this act; which Resolution shall constitute a contract between the said City and the purchasers or holders of said Bonds, and said Resolution shall be entered of record upon the minutes of the proceedings of the City Council, and printed upon the back of the bonds to be issued.

Sale of the bonds.

SEC. 4. That all bonds issued under the provisions of this act shall be sold to the highest bidder for cash, under the direction of the city council, and said bonds shall not be sold for less than their face value and accrued interest, and the proceeds of the sale of such bonds shall be applied and exclusively used for the purposes for which said bonds are issued.

SEC. 5. Said bonds shall be signed by the mayor and attested by the auditor or clerk, as the case may be, with the seal of the city affixed, and numbered consecutively; and the interest coupons attached thereto shall be signed by the auditor or clerk, as the case may be, and when said bonds have been so executed as aforesaid, they shall be delivered to the treasurer, who shall register the same in a book provided for that purpose, which register shall show the number of said bonds, their date, date of sale, amount, date of maturity, and the name and address of the purchaser; And the treasurer shall thereupon certify upon the back of said bonds as follows:—"This Bond duly and properly registered in my office this . . . Day of City Treasurer." and the treasurer shall after such registration, deliver said bonds to the purchaser thereof, as shall be directed and ordered by the City Council.

Authority of bonds.

Registered by treasurer.

SEC. 6. The City Council of all cities issuing bonds under and by virtue of the provisions of this act, shall cause to be levied each year upon all the taxable property of said city, in addition to the levy for other purposes a sum sufficient to pay the interest on bonds outstanding, issued under the provisions of this act, to accrue before the next annual levy.

Levy of additional tax to pay interest.

SEC. 7. The city council of all cities issuing bonds under and by virtue of the provisions of this act, shall cause to be levied upon the taxable property of said city in addition to the levy for all other purposes as provided by law, a tax for the purpose of creating a fund for the payment of said bonds; which said levy shall be made at such time and in such manner that the fund to be derived therefrom shall be available and sufficient to pay said bonds at their maturity; and in accordance with the terms and provisions of the resolution of the city council under which said bonds are issued.

Levy of additional tax to pay principal.

SEC. 8. That if the city council of any city which shall issue bonds under the provisions of this act, shall fail to make the levy necessary to pay the interest on said bonds, or for the payment of said bonds at maturity, in compliance with the resolution under which said bonds are issued, and any of said bonds or the interest coupons shall have been presented for payment and payment thereof refused, the owner of said bonds may in addition to any other remedies he may have in law or in equity, if he so elects, file the same together with all unpaid coupons with the Auditor of State, taking his receipt therefor, and the same shall be fully registered in the Auditor's office; and the Executive Council at their next session as a board of equalization, at the time of the levy of the State tax, and at each annual session thereafter, shall declare a levy upon the taxable property of said city, of a sufficient rate to realize the amount then due or to become due on said bonds, prior to the next levy, which shall be collected the same as the state

Failure to make levy to pay principal or interest.

Unpaid bonds filed with Auditor of State.

tax, and paid into the State Treasurer; and placed to the credit of such city for the payment of said bonds and interest, and shall be paid to the persons entitled thereto upon the warrants drawn by the State Auditor, as shown by the bonds registered in his office, and when so paid the bonds and interest coupons shall be cancelled by the State Auditor, and returned by him to the Treasurer of the City issuing the same, who shall receipt to him therefor.

Payment by
State Audi-
tor.

Publication.

SEC. 9. This Act being deemed of immediate importance shall take effect and be in force from and after its publication in the Iowa State Register and Des Moines Leader newspapers published at Des Moines, Iowa.

Approved March 25, 1890.

I hereby certify that the foregoing act was published in the *Iowa State Register* March 28th and in the *Des Moines Leader* March 29th 1890.

FRANK D. JACKSON, *Secretary of State.*

CHAPTER 5.

SPECIAL TAX FOR GRADING STREETS.

S. F. 277. AN ACT Authorizing, in certain cities, a special tax for the grading of streets.

Be it enacted by the General Assembly of the State of Iowa:

Levy of ad-
ditional tax
to create
street grad-
ing fund.

SECTION 1. That all cities of the first class incorporated under the general incorporation laws of the State of Iowa, whose population according to the census of 1875 was not less than Nineteen Thousand, are hereby authorized to levy in addition to the taxes which they are now empowered to levy, a special tax not exceeding three mills on the dollar on the assessed valuation of all the property in said City for the purpose of creating a fund for the grading of streets, and known as the grading fund.

Use restricted

SEC. 2. The money raised by the tax hereby authorized to be levied shall not be used for any other purpose than that hereby contemplated.

May antici-
pate tax and
borrow.

SEC. 3. It shall be competent for any city authorized by this act to levy such tax, to anticipate the collection thereof by borrowing money and pledging such tax for a period of not more than five years, and no tax shall be pledged until the expiration of said period whether levied or not, for the payment of the money so borrowed.