

CHAPTER 245

SCHOOL FUNDS

S. F. 113

AN ACT to amend, revise and codify sections two thousand seven hundred sixteen (2716) and two thousand seven hundred twenty-five (2725) of the compiled code of Iowa, relating to education.

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

That section two thousand seven hundred sixteen (2716) of the compiled code of Iowa is amended, revised and codified to read as follows:

1 **SECTION 1. Default in interest.** In all cases where money is due to
2 the school fund either for loans or deferred payments of the purchase
3 price of land sold, the interest shall be made payable on the first day
4 of January each year, and if the debtor fails to pay the interest within
5 six (6) months thereafter, the entire amount of both principal and
6 interest shall become due, and the county auditor shall make a report
7 thereof to the county attorney, who shall immediately commence
8 action for the collection of the amount reported to him as due, and
9 this section is hereby declared to be a part of any contract made by
10 virtue of this chapter, whether expressed therein or not.

[C. C. 2716.]

That section two thousand seven hundred twenty-five (2725) of the compiled code of Iowa is amended, revised and codified to read as follows:

1 **SEC. 2. Sheriff's deed for land sold—resale.** When lands have been
2 bid in by the county for the state under foreclosure of school fund
3 mortgages and the time for redemption has expired, a sheriff's deed
4 shall be issued to the state for the use and benefit of the permanent
5 school fund. The county auditor shall thereupon notify the auditor
6 of state, who shall give the county credit for the amount of principal
7 in the original notes remaining unpaid. All lands acquired by the
8 state under foreclosure proceedings shall be resold within two (2)
9 years from date of foreclosure. Such lands shall be appraised, adver-
10 tised, and sold in the manner provided for the appraisement, adver-
11 tisement, and sale of the sixteenth section or lands selected in lieu
12 thereof.

[C. C. 2725.]

1 **SEC. 3. Disposition proceeds resale.** When a resale is made, the
2 county auditor shall notify the auditor of state, who shall thereupon
3 charge the county with the full amount of the resale, except that
4 when the lands are sold for more than the unpaid portion of the
5 principal, the excess shall be applied to reimburse the county for
6 the costs of foreclosure and the interest paid by the county to the
7 state by reason of default of payment of same by the makers of the
8 notes, previous to the time when the right of redemption has expired,
9 not to exceed three (3) years.

[C. C. 2725.]

1 **SEC. 4. Excess to state—loss borne by county.** Any excess over
2 the amount of the unpaid portion of the principal, costs of foreclosure,
3 and interest on the principal as above provided, shall inure to the
4 state and be credited to the permanent school fund account. If the
5 lands shall be sold for a less amount than the unpaid portion of the
6 principal, the loss shall be sustained by the county, and the board
7 of supervisors shall at once order the amount of such loss transferred
8 from the general fund of the county to the permanent school fund
9 account.

[C. C. 2725.]

1 **SEC. 5. Auditor's report—interest charged to counties.** County
2 auditors shall, on or before the first day of January of each year,
3 report to the auditor of state the amount of all sales and resales
4 made during the year previous, of the sixteenth section, five hundred
5 thousand acre grant, escheat estates, and lands taken under fore-
6 closure of school fund mortgages, and the auditor of state shall
7 charge the same to the counties with interest from the date of such
8 sale or resale to January first, at the rate of four and one-half per
9 cent ($4\frac{1}{2}\%$) per annum.

[C. C. 2725.]

1 **SEC. 6. Interest on school funds charged to counties.** The auditor
2 of state shall, also, on the first day of January, charge to each county
3 having permanent school funds under its control, interest thereon at
4 the rate of four and one-half per cent ($4\frac{1}{2}\%$) per annum for the
5 preceding year, or such part thereof as such funds shall have been
6 in the control of the county, which shall be taken as the whole amount
7 of interest due from such county. All interest collected above the
8 four and one-half per cent ($4\frac{1}{2}\%$) charged by the state shall be
9 transferred to the general county fund.

[C. C. 2725.]

1 **SEC. 7. Uncollected interest paid by county—penalty.** If any
2 county fails or refuses to collect the amount of interest due the state,
3 the deficiency shall be paid to the state from the general county fund.
4 Any county delinquent in the payment of interest due the state shall
5 be charged one per cent (1%) per month on the amount delinquent
6 until paid.

[C. C. 2725.]

1 **SEC. 8. Auditor to report rents on school lands.** County auditors
2 shall, upon the first day of January of each year, report to the auditor
3 of state the amount of rents collected during the preceding year on
4 unsold school lands and lands taken under foreclosure of school fund
5 mortgages then in the hands of the county treasurer, and the auditor
6 of state shall include the amount so reported in his semiannual appor-
7 tionment of interest.

[C. C. 2725.]

Approved March 9, A. D. 1923.