

CHAPTER 194

ISSUANCE OF MUNICIPAL BONDS

H. F. 446

AN ACT to repeal sections four hundred eight point ten (408.10) to four hundred eight point fourteen (408.14), inclusive, and section four hundred eight point sixteen (408.16), Code 1950, as amended, and to add a new section to chapter four hundred eight (408), Code 1950, relating to the issuance of municipal bonds.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Sections four hundred eight point ten (408.10) to four
2 hundred eight point fourteen (408.14), inclusive, Code 1950, as
3 amended, are hereby repealed.

1 SEC. 2. Section four hundred eight point sixteen (408.16), Code
2 1950, as amended, is hereby repealed.

1 SEC. 3. Chapter four hundred eight (408), Code 1950, as amended,
2 is hereby amended by adding thereto the following:

3 "Cities and towns are hereby authorized to contract indebtedness
4 and to issue general obligation bonds to provide funds to pay the cost
5 of opening, widening, extending, grading, and draining the right of
6 way of any street, highway, avenue, alley, public ground, or market
7 place, and to construct, reconstruct or repair any street improvement,
8 and to pay the cost of land needed for right of way purposes.

9 "Taxes for the payment of said bonds shall be levied in accordance
10 with chapter seventy-six (76), Code 1950, and said bonds shall be
11 payable through the debt service fund in not more than twenty years,
12 and bear interest at a rate not exceeding five percent per annum, and
13 shall be of such form as the city or town council shall by resolution
14 provide, but no city or town shall become indebted in excess of five
15 percent of the actual value of the taxable property within said city
16 or town, as shown by the last preceding state and county tax lists.
17 The indebtedness incurred for the purpose provided in this Act shall
18 not be considered an indebtedness incurred for general or ordinary
19 purposes.

20 "This Act shall be construed as granting additional power without
21 limiting the power already existing in cities and towns.

22 "The provisions of this Act shall be applicable to all municipal cor-
23 porations regardless of form of government or manner of incorpo-
24 ration."

1 SEC. 4. This Act being deemed of immediate importance shall take
2 effect and be in force from and after its passage and publication in
3 The West Point Bee, a newspaper published in West Point, Iowa, and
4 in the Lake Mills Graphic, a newspaper published in Lake Mills, Iowa.

Approved April 3, 1953.

I hereby certify that the foregoing Act, House File 446, was published in The West Point Bee, West Point, Iowa, April 9, 1953, and in the Lake Mills Graphic, Lake Mills, Iowa, April 8, 1953.

MELVIN D. SYNHORST, *Secretary of State.*