

MR. SPEAKER:

Your Committee on Ways and Means, to whom was referred the minority report on house file No. 207, with instruction to report a bill to the house for funding of the war and defense bonds, falling due July 1st, 1881, beg leave to report that they have had the same under consideration, and have instructed me to report the accompanying bill, and a portion of the committee recommend that it do pass.

J. G. NEWBOLD, *Chairman.*

Ordered passed on file.

HOUSE FILE NO. 541.]

A BILL

FOR AN ACT TO PROVIDE FOR THE FUNDING OF THE WAR AND DEFENSE BONDS,
FALLING DUE JULY 1, 1881.

SECTION 1. *Be it enacted by the General Assembly of the State of Iowa,* That for the purpose
2 of funding the war and defense bonds, falling due July 1, 1881, the state is hereby authorized
3 to issue and sell coupon bonds of the state to an amount not exceeding three hundred thou-
4 sand dollars (\$300,000). The bonds hereby authorized shall be dated July 1, 1881, and shall
5 be redeemable at the pleasure of the state after any period not less than six years, and pay-
6 able at any period not more than ten years from the date thereof; and said bonds shall pro-
7 vide by their terms for the reimbursement of the principal within the time above named and
8 the interest semi-annually, on the first days of January and July of each year, at an interest
9 not to exceed five per cent per annum; principal and interest payable at the office of the
10 state treasury.

SEC. 2. The executive council is hereby authorized and required to issue said bonds to
2 an amount not exceeding the sum named in section one of this act; and said bonds shall
3 stipulate for the reimbursement of the principal and interest in the manner directed by the
4 provisions of this act, and shall be issued in denominations of \$500, \$1,000, \$5,000, \$10,000
5 and \$20,000, as the executive council may deem for the best interest of the state in the ne-
6 gotiation of said bonds.

SEC. 3. The executive council shall cause the bonds herein provided for, with the interest coupons, to be lithographed, and the bonds shall refer to this act by its title and the date of its approval, as the authority under which they are issued, and shall be signed by the governor and countersigned by the state auditor and treasurer, and attested by the secretary of state; but the "great seal" of the state may be omitted from the coupons, which coupons shall be signed by the auditor of state. The necessary expense of issuing and getting the bonds aforesaid shall be paid out of the general fund, and an amount sufficient for that purpose is hereby appropriated.

SEC. 4. No money arising from the sale of said bonds, or any part thereof, shall be used or offered in any manner, or for any purpose, except for the payment of the "war and defense bonds," to the amount of \$300,000, falling due July 1, 1881. But for the protection of bona fide holders of the bonds herein provided for, it is hereby declared not to be obligatory on the purchasers of said bonds to look after, or see to, the appropriation of the money received by the sale of the bonds aforesaid; and any irregularity in the issuing of said bonds shall not impair their validity in the hands of bona fide holders.

SEC. 5. The state does hereby irrevocably pledge its faith to provide adequate means to pay the said bonds, and the interest, as the same may become due, and for this purpose all, or so much thereof as is necessary, of the revenue arising from the entire taxable property of the state, shall be and the same is hereby set apart and pledged for these purposes. And it is hereby made the duty of the executive council, or other proper officer or officers (which duty may, if necessary, be enforced by mandamus), to levy in each year a tax sufficient for these purposes. No tax shall ever be levied by the state of Iowa, or any county or municipality therein, on the bonds provided for in this act, or on the interest which may be payable thereon; and the value of these bonds shall in no wise be impaired by the state, nor by any county or municipality therein.

SEC. 6. The executive council are hereby declared to be the agents of this state, with full power to negotiate the bonds provided for by this act, and to do all things necessary to carry into full effect all of its provisions; and all money or funds arising from the sale of said bonds shall be paid into the treasury of the state, and shall there be kept as a separate fund for the payment of the said war and defense bonds, and shall not be subject to the ordinary or general warrants. And the governor shall communicate to the general assembly, at the next session thereof, a detailed statement of all the doings of the executive council in the sale of the bonds herein provided for, and the distribution of the funds thereby received, as provided in this act. The executive council, as full compensation for services under this act, shall be allowed their actual and necessary expenses, to be paid, after rendering said ser-

11 vices, as other contingent expenses are paid.

SEC. 7. The executive council shall, after the first day of January, 1881, give at least
 2 twenty days notice, by advertising in two newspapers published in the city of Chicago, Illi-
 3 nois, also two newspapers published in the city of Des Moines, Iowa, and five other newspa-
 4 pers published in the state of Iowa, fixing a time and inviting proposals for the sale of the
 5 bonds provided by this act, which proposals shall be received and opened by said council at
 6 the office of the state auditor at the time so fixed. The council shall not accept any but the
 7 highest bids, and shall not sell any of said bonds at less than par.

SEC. 8. The executive council shall, on the first day of July, A. D. 1881, or as soon there-
 2 after as practicable, deposit in the place or places where said bonds are made payable, the
 3 full amount of principal, and interest which has accrued thereon up to the date of depositing
 4 said money, for the redemption of said bonds the depositing of the principal
 5 and interest then accrued on any of said bonds. The principal and interest then accrued shall,
 6 after the date of such deposit by the executive council, cease to draw interest after that
 7 date.

SEC. 9. Any person, company, corporation or association, holding any of said bonds, who
 2 may desire to have them paid at the office of the treasurer of state, may do so upon notifying
 3 in writing any member of the executive council ten days prior to the maturity of said bonds.
 4 Whenever so notified the executive council shall, upon the presentation for payment of any
 5 of the aforesaid bonds to the treasurer, it shall be the duty of the treasurer of state to forth-
 6 with notify the members of the executive council, and when so notified, they shall forthwith
 7 order said treasurer to pay said bonds, together with the interest accrued thereon; and it
 8 shall be the duty of the treasurer to deliver said bonds over to the executive council when-
 9 ever paid by him.

SEC. 10. It is hereby made the duty of the executive council upon paying any of said
 2 bonds, before canceling or destroying the same, to make, or cause to be made, a complete
 3 record of said bonds so paid, showing the amount, the number of the bond, date of issue,
 4 and by whom presented for payment; said record shall be safely preserved in the office of
 5 the treasurer of state, and shall at all times be open to the inspection of the general as-
 6 sembly.