

A BILL

FOR AN ACT TO PROVIDE FOR THE REGISTRATION OF BONDS ISSUED AS EVIDENCES OF INDEBTEDNESS.

SECTION 1. *Be it enacted by the General Assembly of the State of Iowa,* Before any bond
2 hereafter issued by any county, city, town, or independent district, shall obtain validity, or
3 be negotiated, such bond shall first be presented to the secretary of state, who shall register
4 the same in a book or books to be kept for that purpose, and who shall certify, by indorse-
5 ment on such bond, that all the conditions and restrictions of the constitution and laws have
6 been fully observed in its issue, if such be found to be the case.

SEC. 2. In order to enable the secretary of state to make the certificate required in the
2 foregoing section advisedly, it shall be the duty of the auditor of the county which proposes
3 to issue such bond, or in which the city, town or district proposing to issue such bond is sit-
4 uated, to transmit to said secretary of state a statement showing the valuation of real prop-
5 erty in such county, city, town or district, as equalized by the county board of equalization,
6 and also such valuation as equalized by the state board of equalization, and also the valua-
7 tion of the personal property in such county, city, town or district.

SEC. 3. The auditor of the county, the clerk or recorder of the city or town, or the secre-
2 tary of the district, whichever proposes to issue such bond, shall furnish the secretary of state
3 with a full certified statement of the facts and proceedings authorizing the issue of such
4 bond, and the object for which it is proposed to issue the same. Such officer shall also fur-
5 nish the secretary of state with a certified statement showing, in full, the indebtedness of the
6 county, city, town or district proposing to issue such bond at the date of such proposed issue,
7 giving the amounts, respectively, of both the funded and the unfunded, or floating, debt.

SEC. 4. The secretary of state shall carefully examine all the papers thus transmitted to
2 him, to ascertain whether the law authorizing the issue of such bond has been complied with,
3 and whether the limit of indebtedness prescribed by the constitution and statutes have been
4 observed; and if the secretary of state, on such scrutiny, shall find that the bond presented
5 to him is authorized by law, that the proceedings upon which its issue is based were had in

6 strict accordance with law, and that the amount of indebtedness evidenced by the proposed
 7 series of bonds will not, when added to the already existing indebtedness of such county,
 8 city, town or district, exceed the limit fixed by the constitution and laws of the state, said
 9 secretary of state shall thereupon register said bond, and make the certificate required by
 10 section one hereof. Should the papers thus submitted to the secretary of state not show a
 11 compliance with all the foregoing requirements in every respect, the secretary of state shall
 12 refuse to make such registration, and return the bond to the local authority proposing to
 13 issue the bond, with a statement of the causes of such refusal.

SEC. 5. It shall be the duty of the proper authorities of any city, town or district pro-
 2 posing to issue bonds as evidences of indebtedness, to provide at the same time for the levy
 3 of a tax, in successive years, sufficient to pay off the entire amount of the bonds at or before
 4 the time the same shall become due, and for this purpose may establish a sinking fund with
 5 the proceeds of such taxes; and the secretary of state shall satisfy himself, before admitting
 6 the bonds to registration, that such provision has been made.

SEC. 6. In case bonds thus registered, or the interest coupons thereon, shall be presented
 2 to the proper treasurer and payment thereof be refused, the owner may file such bond, with
 3 all unpaid coupons, with the secretary of state, taking his receipt therefor; and the executive
 4 council, at its next session for fixing the amount of the tax levy, shall add to the state tax to
 5 be levied in the delinquent county, city, town or district a rate sufficient to realize the
 6 amount of principal or interest, or both, past due and to become due prior to the next levy,
 7 with ten per centum added to the amount past due, and the same shall be levied and col-
 8 lected as a part of the state tax, paid into the state treasury, and passed to the credit of the
 9 delinquent county, city, town or district as bond tax, and shall be paid, as the payments
 10 mature, to the owner of such obligations, until the same shall be fully satisfied and dis-
 11 charged, with interest at the rate of six per cent per annum on the delinquent payments;
 12 any balance then remaining to be paid over to the city, town or district so delinquent.

SEC. 7. In case any officer of any county, city, town or district shall divert to any other
 2 purpose whatever any moneys raised for the payment of such bonds, or the sinking fund
 3 aforesaid, such officer shall be deemed guilty of a felony, and shall, upon conviction, be pun-
 4 ished by imprisonment in the penitentiary for not more than three years, or by imprisonment
 5 in the county jail for not more than one year, or by fine not exceeding one thousand dollars,
 6 or by both such fine and imprisonment in the county jail, at the discretion of the court.
 7 This section shall apply to the members of boards of supervisors, of city or town councils,
 8 and of boards of directors of independent districts voting in favor of such diversion, and to

9 officers signing or countersigning warrants or orders therefor, and to treasurers paying such
10 warrants or orders, which warrants or orders are hereby declared to be illegal, null and void.

SEC. 8. This act being deemed of immediate importance, shall take effect and be in force
2 from and after its publication in the *Iowa State Register*, *Iowa State Leader* and the *State*
3 *Journal*, newspapers published at the seat of government.