

MR. PRESIDENT :

Your Committee on Schools, to whom was referred senate file No. 255, a bill for an act to authorize independent districts to fund their outstanding indebtedness, beg leave to report that they have had the same under consideration and have instructed me to report that they have drawn a substitute, and recommend that the substitute be adopted and passed.

JOHN MEYER, *Chairman.*

Ordered passed on file.

SUBSTITUTE FOR SENATE FILE NO. 255.]

A BILL

FOR AN ACT TO AUTHORIZE INDEPENDENT SCHOOL DISTRICTS TO FUND THEIR
OUTSTANDING BONDED INDEBTEDNESS, AND TO PROVIDE FOR THE PAY-
MENT OF THE SAME.

SECTION 1. *Be it enacted by the General Assembly of the State of Iowa,* That any independent
school district now or hereafter having a bonded indebtedness outstanding is hereby author-
ized to issue negotiable bonds at any rate of interest not exceeding seven per cent per
annum, payable semi-annually, for the purpose of funding said indebtedness; said bonds to be
issued upon a resolution of the board of directors of said district: *provided*, that said resolu-
tion shall not be valid unless adopted by a two-thirds vote of said directors.

SEC. 2. The treasurer of such district is hereby authorized to sell the bonds provided for
in this act, at not less than their par value, and apply the proceeds thereof to the payment of
the outstanding bonded indebtedness of the district, or he may exchange such bonds for out-
standing bonds, par for par; but the bonds hereby authorized shall be issued for no other
purpose than the funding of outstanding bonded indebtedness. The actual cost of the
engraving and printing of such bonds to be paid for out of the contingent fund of such dis-
trict.

SEC. 3. Said bonds shall run not more than ten years, and be payable at the pleasure of
the district after five years from the date of their issue: *provided*, that in order to stop inter-
est on them, the treasurer shall give the owner of said bonds ninety days' written notice of

4 the readiness of the district to pay, and the amount it desires to pay; said notice to be
5 directed to the post-office address of the owner of the bonds: *provided further*, that the
6 treasurer shall keep a record of the parties to whom he sells the bonds and their post-office
7 address, and notice sent to the address as shown by said record shall be sufficient.

SEC. 4. Said bonds shall be in denominations of not less than one hundred dollars and
2 not more than one thousand dollars; and said bonds shall be given in the name of the inde-
3 pendent district, and signed by the president and countersigned by the secretary thereof;
4 and the principal and interest may be made payable wherever the board of directors may by
5 resolution determine.

SEC. 5. When said bonds are delivered to the treasurer to be negotiated, the president
2 shall take his receipt therefor, and the treasurer shall stand charged on his official bond with
3 the amount of the bonds so delivered to him.

SEC. 6. The tax for the payment of the principal and interest of said bonds shall be
2 raised as provided in section 1823, chapter 9, title XII, of the Code: *provided*, that if the dis-
3 trict shall fail or neglect to so levy said tax the board of supervisors of the county in which
4 said district is located shall, upon application of the owner of said bonds, levy said tax.

SEC. 7. All acts and parts of acts in conflict with this act are hereby repealed.

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* and *Iowa State Leader*, newspapers
3 published at Des Moines, Iowa.