

# A BILL

FOR AN ACT AUTHORIZING CERTAIN CITIES TO FUND CERTAIN OUTSTANDING INDEBTEDNESS.

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

SECTION 1. That all cities organized under the general incorporation laws of the State, and having a population of not less than fifteen thousand according to the census of 1885, and whose outstanding indebtedness, evidenced by the warrants of said cities exceeds the sum of ten thousand dollars, are hereby authorized and empowered to fund the same and issue bonds of said cities therefor, in sums of not less than one hundred and not more than one thousand dollars each, having not more than twenty years to run, and bearing a rate of interest not exceeding six per cent per annum, payable semi-annually.

SEC. 2. Said bonds shall be substantially in the following form :

No. .... The city of ....., in the State of Iowa, for value received promises to pay ..... or order, at the office of the treasurer of said city, on the .... day of ....., 18 ... , or at any time before that date, at the pleasure of said city, the sum of ..... dollars, with interest at the rate of .... per cent per annum, payable semi-annually at the office of said treasurer on the ..... days of ....., and ..... in each year, upon presentation and surrender of the interest coupons hereto attached. This bond is issued by the city council of said city, under the provisions of chapter ..... of the acts of the Twenty-first General Assembly of the State of Iowa, and in conformity with a resolution of said city council, dated ..... day of ....., 18...

In testimony whereof the said city council of the city of .....

[SEAL] have caused this bond to be signed by its mayor and attested by its auditor with the seal of said city affixed, this ..... day of ....., 18... .

Attest: .....,  
*Auditor.* *Mayor of the City of .....*

And the interest coupons attached to said bonds shall be substantially in the following form :

No. .... The treasurer of the city of ....., in the State of Iowa, will pay the holder hereof on the ..... day of ....., 18... at his office in said

22 city, the sum of ..... dollars, for interest on city bond No....., series of ....<sup>1</sup>,  
23 issued under the provisions of chapter ..... of the acts of the Twenty-first General  
24 Assembly of the State of Iowa. ....

*City Auditor.*

SEC. 3. Whenever any bonds issued under the provisions of this chapter shall be duly  
2 executed, numbered consecutively and sealed, they shall be delivered to the treasurer of  
3 said city issuing the same, and his receipt taken therefor, and he shall stand charged on his  
4 official bond with all bonds so delivered to him and the proceeds thereof, and he shall sell  
5 them on the best available terms or exchange them for any legal indebtedness of said city,  
6 evidenced by the outstanding warrants of said city outstanding at the date of the final pas-  
7 sage of this act, but in no case shall said bonds be so sold or exchanged for a less sum than  
8 their face value and all interest accrued at the date of said sale or exchange ; and if any of  
9 such bonds shall be sold for money, the proceeds thereof shall be applied exclusively to the  
10 payment of such indebtedness outstanding at the date of the final passage of this act.  
11 When they are exchanged for warrants of said city said treasurer shall at once cancel said  
12 warrants as by the ordinances of said city provided. He shall keep a record of all bonds  
13 sold or exchanged by him, by number, date of sale, amount, date of maturity, the name and  
14 address of the purchaser, and if exchanged, what evidences of debt were received therefor,  
15 which record shall at all times be open to the inspection of the citizens of said city ; said  
16 treasurer shall also report under oath to the city council of said city at each first regular  
17 session thereof in each month, a statement of all such bonds so sold or exchanged by him  
18 since his last report and the date of such sale or exchange, and when exchanged, a descrip-  
19 tion of the city indebtedness exchanged therefor.

SEC. 4. No bonds shall be issued under this act in excess of the constitutional limit nor  
2 for any other purpose than to fund the outstanding indebtedness of said cities evidenced  
3 by the warrants of said cities outstanding at the date of the final passage of this act.

SEC. 5. The city council of all cities issuing bonds under and by virtue of this chapter  
2 shall cause to be assessed and levied each year upon all the taxable property of said city in  
3 addition to the levy for other purposes, a sum sufficient to pay the interest on bonds out-  
4 standing issued in conformity with and by virtue of the provisions of this act, accruing  
5 before the next annual levy, and such proportion of the principal, that at the end of five  
6 years the sum raised shall equal at least twenty per cent of the amount of bonds issued ; at  
7 the end of ten years at least forty per cent of said amount ; at the end of fifteen years at  
8 least sixty-five per cent of said amount, and at or before the date of the maturity of said  
9 bonds a sum equal to the whole amount of the principal and interest, and the money aris-  
10 ing from such levies shall be known as the bond fund, and shall be used for the payment of

11 the bonds issued under and by virtue of the provisions of this act, and the interest thereon  
12 and for no other purpose.

SEC. 6. Whenever the amount in the hands of the treasurer belonging to the bond fund,  
2 after deducting the amount required to pay the interest on said bonds maturing before the  
3 next levy, shall be sufficient to redeem one or more bonds, he shall notify the owner of such  
4 bond or bonds that he is prepared to pay the same with all interest accrued thereon, and if  
5 not presented for payment or redemption within thirty days after the date of such notice,  
6 the interest on such bonds shall cease and the amount due thereon shall be set aside for  
7 the payment thereof whenever presented. All redemptions shall be made in the exact  
8 order of their issuance, and the notice herein required shall be directed to the address of  
9 the owner of said bonds as shown by the record thereof kept in the treasurer's office.

SEC. 7. If the city council of any city which has issued bonds under the provisions of this  
2 act, shall fail to make the levy necessary to pay such bonds and interest coupons at matur-  
3 ity, and the same shall have been presented to the treasurer of such city, and payment  
4 thereof refused, the owner may file the bond together with all unpaid coupons with the  
5 Auditor of State, taking his receipt therefor, and the same shall be registered in the Audi-  
6 tor's office, and the Executive Council at their next session as a board of equalization, and  
7 at each annual equalization thereafter shall add to the State tax to be levied in said city a  
8 sufficient rate to realize the amount of principal and interest past due and to become due  
9 prior to the next levy, and the same shall be collected as part of the State tax and paid into  
10 the State treasury and passed to the credit of such city, as bond tax, and shall be paid by  
11 warrants as the payments mature to the holder of such bond as shown by the register of  
12 the State Auditor, until the same shall be fully satisfied and discharged; *provided*, that  
13 nothing herein contained shall be construed to limit or postpone the right of any holder of  
14 any such bonds to resort to any other remedy which such holder might otherwise have.

SEC. 8. This act being deemed by the General Assembly of immediate importance shall  
2 take effect and be in force from and after its publication in the Iowa State Register and the  
3 Leader, newspapers published in the city of Des Moines.