

Reported Recommending
Ind. Postponed
Passed House
Failed to Pass House
Passed Senate
Failed to Pass Senate

House File 177

January 31, 1947.
Cities and Towns.

By KOCH and LOSS.

A BILL FOR

An Act to amend sections three hundred ninety-six point twenty-two (396.22) and four hundred seven point two (407.2), Code 1946, relating to the limit of indebtedness of cities and towns.

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

1 Section 1. Section three hundred ninety-six point
2 twenty-two (396.22), Code 1946, is hereby amended by inserting
3 after the word "roll" in line nineteen (19) thereof the
4 following: " , except that any city or town with a population
5 of one thousand (1000) or less, which, prior to December 7, 1941,
6 had partially completed the construction of one or more of the
7 set out projects as a sponsor of a Federal Work Projects
8 Administration project estimated to cost one hundred thousand
9 dollars (\$100,000.00), or more, and on which said project the
10 Federal Government was to contribute seventy thousand dollars
11 (\$70,000.00), or more, but said Federal Government thereafter
12 withdrew thirty thousand dollars (\$30,000.00), or more, of the
13 amount the said Federal Government had allocated to said project,
14 may, for the purpose of completing said project, or projects,
15 become indebted to the extent of eight and thirty-three and
16 one-third hundredths per cent (8.33 1/3%) of the assessed value

17 of the taxable property of said city or town as shown by the
18 last preceding assessment roll but not in excess of five per
19 cent (5%) of the actual value of the taxable property of said
20 city or town as shown by the last preceding assessment roll”.

1 Sec. 2. Section four hundred seven point two (407.2),
2 Code 1946, is hereby amended by inserting after the word
3 “indebtedness” in line eight (8) thereof the following:
4 “, except that any city or town with a population of one
5 thousand (1000) or less, which, prior to December 7, 1941, had
6 partially completed the construction of one or more of the
7 projects set out in section three hundred ninety-six point
8 twenty-two (396.22), Code 1946, as a sponsor of a Federal
9 Work Projects Administration project estimated to cost one
10 hundred thousand dollars (\$100,000.00), or more, and on which
11 said project the Federal Government was to contribute seventy
12 thousand dollars (\$70,000.00), or more, but said Federal
13 Government thereafter withdrew thirty thousand dollars
14 (\$30,000.00), or more, of the amount that the said Federal
15 Government had allocated to said project, may, for the purpose
16 of completing said project, or projects, become indebted to
17 the extent of eight and thirty-three and one-third hundredths
18 per cent (8.33 $\frac{1}{3}$ %) of the assessed value of the taxable
19 property of said city or town as shown by the last preceding
20 assessment roll but not in excess of five per cent (5%) of the
21 actual value of the taxable property of said city or town as
22 shown by the last preceding assessment roll”.

1 Sec. 3. All laws, or parts of laws, in conflict herewith
2 to the extent of said conflict are hereby repealed.

1 Sec. 4. This Act, being deemed of immediate importance,
2 shall be in force and effect from and after its passage and
3 publication in, a newspaper published
4 at, Iowa, and in, a
5 newspaper published at, Iowa.

EXPLANATION OF H. F. 177

During the spring of 1941 the town of West Bend, Iowa, entered into an agreement with the Federal Government wherein the town of West Bend agreed to sponsor the construction at West Bend, Iowa, of a sewer system and a sewage disposal plant as a Federal Works Project project. The Federal Government, under the agreement, was to furnish \$70,737 and the town of West Bend was to furnish \$31,392. Contracts were let and the town of West Bend issued bonds in the sum of \$18,000 and presented to the people of West Bend an estimate of cost, plat and schedule of estimated assessments for sanitary sewers and planned to raise the sum of \$13,392 by special assessment. No objections were made at the hearing and the town of West Bend proceeded to spend on the sewer project the \$18,000 it received from the bond issue and the Federal Government proceeded to spend \$34,308.01 of the \$70,737 which it had allocated to the project.

On December 7, 1941, World War II was declared and Congress stopped all WPA projects and there was returned to the National Treasury the sum of \$36,428.99 which had been allocated to this project and was still unexpended.

At the present time the town of West Bend has the sewer and sewage disposal plant approximately two-thirds complete and the material has been lying in the streets at West Bend since December 7, 1941. The Supreme Court has held that no special levy can be assessed until there is an existing benefit to the property owners and there can be no benefit until the project is complete. The amount that the Federal Government and the town of West Bend have spent on the project is an absolute waste unless and until the project can be completed. Since the \$18,000 bond issue a number of the bonds have been paid off and if the town of West Bend could pay off the outstanding bonds and float a new bond issue for 5 per cent of the actual value of the property they would have sufficient funds to complete the project and it is the only way that they can raise funds to complete the project. This bill affects no other community other than the town of West Bend and the people of West Bend have asked that it be passed in order to lift them out of a horrible financial predicament that they fell into through no fault of their own but through a peculiar set of circumstances caused by World War II and the Act of Congress which withdrew all unexpended funds which had been allocated to WPA projects. So far as is known no other town in Iowa was caught in this predicament and the passage of this bill would be the only way that the town of West Bend can become financially sound again as it was prior to its agreement to sponsor this WPA project.