

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

House File 247

February 11, 1947.
Roads and Highways.

By SCHWENGEL, HEDIN, HUMBERT,
LYNES, POSTON, NELSON of Wood-
bury, BUTLER and KNICKER-
BOCKER.

A BILL FOR

An Act relating to the authorization, issuance, and payment
of county secondary road bonds.

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

1 Section 1. In addition to other methods provided by law
2 for the improvement of county secondary roads, any county,
3 when authorized by the vote of the people, may issue bonds
4 for the purpose of raising funds to pay the cost of grading,
5 draining, bridging and graveling, or other form of all-weather
6 surfacing, and completing the construction of secondary roads
7 and may levy taxes for the payment of such portions of said
8 bonds and interest thereon as are not paid by the secondary
9 road construction fund, but in no case shall the amount of
10 such bonds issued under this act exceed an amount equal to
11 one hundred fifty per cent (150%) of the motor vehicle fuel
12 tax allotments for secondary road funds received by the county
13 from the state in the ten years ending June 30, 1946.

1 Sec. 2. The board of supervisors, by resolution, may or
2 upon petition of a number of qualified electors of the county
3 equal to ten per cent (10%) of the total number of votes cast

4 for governor at the last preceding election, shall, propose a
5 program of highway improvement, specifying the portions of
6 secondary roads proposed to be improved, the general nature
7 of the improvements, the time within which it is proposed to
8 complete said improvements, and the estimated cost of each of
9 the roads included in said program.

1 Sec. 3. The board shall fix a date for hearing on said
2 proposed program of improvement, and the county auditor shall
3 cause to be published in two newspapers of general circulation
4 in the county once each week for two consecutive weeks, a
5 notice of such hearing and a description of the roads proposed
6 to be improved, the general nature of the proposed improvements,
7 and an estimate of the cost of each road to be improved. At
8 such hearing any citizen may appear, object, and be heard.
9 After the hearing the board may dismiss the proceedings or
10 shall adopt a program for road improvement substantially as
11 proposed.

1 Sec. 4. In the event the proposed program for road
2 improvement be adopted by the board and approved by the state
3 highway commission, the board shall submit to the voters of
4 the county at a general election or at a special election
5 called for that purpose, the question of issuing bonds from
6 year to year to be designated as county secondary road bonds,
7 and of raising funds with which to pay said bonds and the
8 interest thereon as the same become due.

1 Sec. 5. Notice of said election shall be given by

2 publication once each week for two consecutive weeks in all
3 the official newspapers of the county, stating the time when
4 such election will be held, and substantially the proposition
5 that will be submitted; the last publication to be at least
6 five (5) days prior to the day when such election is to be
7 held.

1 Sec. 6. The form of the ballot shall be substantially
2 as follows:

3 "Shall the following public measure be adopted? Shall
4 the board of supervisors be authorized to issue from year to
5 year, serial bonds to be known as county secondary road bonds,
6 in the aggregate amount not exceeding dollars, to
7 provide funds for the following purposes:

8 For draining, grading, bridging, and completing construction
9 without surfacing the secondary roads described as follows:
10 (Here set forth the general location of the secondary roads to
11 be drained, graded, bridged, and construction completed without
12 surfacing, the approximate length and estimated cost of such
13 portion thereof.)

14 For surfacing with gravel or other form of all-weather
15 surfacing secondary roads described as follows: (Here set
16 forth the general location of the secondary roads to be
17 surfaced, the type of surfacing to be used, the approximate
18 length and estimated cost of each portion thereof.)

19 And shall a sufficient portion of the allotment to the
20 county by the state of funds from motor vehicle fuel tax

21 collections for secondary roads be appropriated and used for
22 the payment of said secondary road bonds and the interest
23 thereon?

24 And shall the board of supervisors of the county be
25 authorized to levy and collect taxes on all taxable property
26 of the county from year to year, in amounts sufficient to pay
27 any part of the principal and the interest on said bonds, as
28 the same mature, which other funds so appropriated are
29 insufficient to pay?"

30 "Yes No"

1 Sec. 7. The returns of said election shall be canvassed
2 by the board, and its findings shall be entered at large in
3 the minutes of its proceedings.

1 Sec. 9. No proceedings to test or review the legality
2 or correctness of said election shall be maintainable unless
3 instituted within thirty (30) days after the findings of the
4 board have been entered upon the record.

1 Sec. 9. If sixty percent (60%) of the votes cast thereon
2 be in favor of such issue of bonds, the proposition will have
3 been adopted and the board shall, from time to time, as
4 necessary to meet construction costs and expenses incidental
5 thereto, not provided for by funds immediately available from
6 the secondary road construction fund, issue portions of the
7 bonds so authorized.

1 Sec. 10. All bonds shall be issued in serial form and
2 shall mature in not more than fifteen (15) years from date of

3 issue. Each bond shall show on its face the date of its
4 maturity and shall be payable on that date. The interest rate
5 shall not exceed four per cent (4%) per annum payable semi-
6 annually on the first day of May and November of each year.
7 Bonds of each issue shall be retired in the order of the
8 consecutive numbering thereof, beginning the first year after
9 the end of the construction period. The maturities of the
10 bonds shall be so arranged that during the period of the
11 retirement thereof the total amount of bonds maturing plus
12 the total amount of interest maturing shall be substantially
13 the same for each year.

1 Sec. 11. The resolution authorizing each issue shall
2 be entered at large in the minutes of the board. Such
3 resolution shall clearly specify the amount of bonds
4 authorized, the denomination of each bond, the rate of
5 interest which each bond shall bear, the date of maturity
6 of each bond, and the authorization of the chairman of the
7 board to sign, and of the county auditor to countersign the
8 same.

1 Sec. 12. When such bonds have been signed and counter-
2 signed, the county auditor shall charge the county treasurer
3 with the amount of the issue and deliver the same to the
4 county treasurer, who shall be responsible therefor on his
5 bond.

1 Sec. 13. The county treasurer shall sell said bonds as
2 provided in chapter seventy-five (75), Code 1946. If unable

3 to sell said bonds for at least par, plus accrued interest,
4 the county treasurer may apply any part or all of said bonds
5 as par plus accrued interest in payment of any warrants duly
6 authorized and issued for the particular purpose for which
7 such bonds are issued.

1 Sec. 14. The county treasurer shall, in disposing of
2 said bonds, keep an accurate record of the name and post-office
3 address of all persons to whom any of said bonds are issued,
4 with a particular designation and description of the bonds
5 delivered to each person. Any subsequent holder of any of such
6 bonds may present the same to the county treasurer and cause
7 his name and post-office address to be entered in lieu of that
8 of such former holder.

1 Sec. 15. Bonds issued hereunder shall not be taxed.

1 Sec. 16. If at said election the proposition carries,
2 the board of supervisors shall at the beginning of each year
3 during the life of said bonds set aside from the allotment
4 of motor vehicle fuel taxes an amount sufficient to pay the
5 principal and interest of said bonds maturing in said year.
6 The amount so set aside is hereby appropriated for the payment
7 of principal and interest of bonds, and shall be transferred
8 to the secondary road bond redemption fund.

9 Said secondary road bond redemption fund shall be used
10 for no other purpose than the payment of principal and interest.
11 on county secondary road bonds issued hereunder.

1 Sec. 17. The board of supervisors shall, if necessary,

2 levy and collect from year to year a sufficient amount of
3 taxes, which together with said appropriated funds, shall be
4 sufficient to pay the bonds herein authorized to be issued,
5 and the interest thereon, as the same mature. The proceeds
6 from such taxes shall be credited to the secondary road bond
7 redemption fund.

1 Sec. 18. When the secondary road bond redemption fund
2 is sufficient to pay the first maturing and retireable bond,
3 the county treasurer shall, by mail, as shown by his records,
4 promptly notify the holder of such bond of such fact, and all
5 interest on such bond shall cease on the date when said bond
6 matures.

1 Sec. 19. Said bonds shall be deemed the general
2 obligations of the county. The amount of bonds issued under
3 this act shall not, when added to all other indebtedness of
4 the county, exceed in the aggregate five per cent (5%) of the
5 assessed valuation of the taxable property within such county
6 to be ascertained by the last state and county tax list
7 previous to the date of the issue of such bonds, any other
8 statute to the contrary notwithstanding.

1 Sec. 20. Nothing in this act shall be construed as to
2 impair or invalidate any bonds heretofore issued under the
3 statutes herein amended, revised, and codified. All the
4 conditions, guarantees, obligations, and securities for said
5 bonds shall remain in full force and effect, the same as
6 though said statutes had not been amended, revised, and

7 codified. Such bonds with the interest thereon shall be
8 retired under the provision hereof. Nothing herein contained
9 shall be so construed as to impair or invalidate any
10 authorization to issue bonds heretofore voted by the people
11 of any county under the statutes herein amended, revised,
12 and codified. Such authorization shall remain in full force
13 and effect. All the provisions of this act are hereby made
14 applicable to the issuance, sale, guarantees, payment, and
15 retirement of said bonds as fully and completely as though
16 said authorization had been voted hereunder.

1 Sec. 21. Section three hundred nine point ten (309.10),
2 Code 1946, is amended as follows:

3 (1) By adding at the end of subsection two (2) thereof
4 the following: “, and the payment of secondary road bonds
5 of the county hereafter authorized and issued.”; (2) By adding
6 at the end of subsection seven (7) thereof the following:
7 “, and the payment of secondary road bonds of the county
8 hereafter authorized and issued.”

1 Sec. 22. Whenever any county shall issue secondary road
2 bonds for the improvement of secondary roads pursuant to the
3 procedure herein authorized, sections three hundred nine point
4 nine (309.9), three hundred nine point twenty-three (309.23)
5 and three hundred nine point thirty-one (309.31), Code 1946,
6 shall not apply to such county.

1 Sec. 23. Whenever any county shall issue secondary road
2 bonds for the improvement of secondary roads pursuant to the

3 procedure herein authorized, the first three (3) paragraphs of
4 section three hundred nine point thirty-two (309.32), Code
5 1946, shall not apply.

1 Sec. 24. Section three hundred twelve point eight (312.8),
2 Code 1946, is amended as follows: By striking out the word
3 "three" in line sixteen (16) thereof and inserting in lieu
4 thereof the word "five".

1 Sec. 25. Section three hundred sixteen point eight
2 (316.8), Code 1946, is amended as follows: By striking out
3 the word "seven" in line six (6) thereof and inserting in
4 lieu thereof the word "fifteen".

1 Sec. 26. Section three hundred sixteen point ten (316.10),
2 Code 1946, is amended as follows: By striking out all that
3 part of said section commencing with the words "The maximum"
4 in the first line thereof, down to and including the words
5 "the issuance of such bonds," in lines sixteen (16) and seventeen (17)
6 section. of said

1 Sec. 27. Section three hundred sixteen point twelve
2 (316.12), Code 1946, is hereby repealed.

1 Sec. 28. Section three hundred sixteen point eighteen
2 (316.18), Code 1946, is hereby repealed.

EXPLANATION OF H. F. 247

The present program for improvement of secondary roads is restricted to the presently available allotment of gasoline tax funds accruing from year to year. While the amount of such funds to accrue from year to year and available, can be determined with reasonable certainty, the program is nevertheless required to be piecemeal. Historically, experience in connection with primary roads shows that such a program of construction results in isolated and disconnected improvements at uneconomical cost. The day when secondary roads will be improved to any great extent is correspondingly postponed. This bill permits any county to anticipate the allotments to accrue from year to year, which as stated can be determined with reasonable accuracy, by the issuance of bonds and with the proceeds of such bond issue to proceed with the con-

structive and immediate program of improvement of the secondary road system in such county.

It will be noted that there is nothing compulsory about the bill. It is entirely optional with the county. It does, however, enable counties desiring to operate under its provision to secure immediately the benefits of secondary road construction under a program of substantial, but reasonably safeguarded extent.

The bill contains provisions for the levy of a tax. Such provisions are required merely as a safeguard and it is assumed any proposal hereunder will not receive favorable approval of the voters of any county, if not limited to the amount of gasoline taxes to become available. Such provision is, therefore, merely by way of safeguard and carries also with it the virtue of making the bonds marketable at an extremely low rate of interest.