

February 14, 1963.
Judiciary 1.

House File 250
By KNOCK.

Passed House, Date 3-22-63

Passed Senate, Date 5-3-63

Vote: Ayes 94 Nays 0

Vote: Ayes 41 Nays 0

Approved 5-9-63

*Passed on file 3/25
Governmental affairs
3/26
Sifting Com. Cal 5/2*

A BILL FOR

An Act to amend chapter seventy-five (75), Code 1962, relating to the denominations of public bonds issued by counties, cities, towns and school districts.

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

- 1 Section 1. Chapter seventy-five (75), Code 1962, is hereby
- 2 amended by adding thereto the following section:
- 3 "Notwithstanding any other provisions in the statutes to
- 4 the contrary, issues of public bonds of every kind and
- 5 character by counties, cities, towns and school districts
- 6 shall be issued in amounts of one hundred dollars (\$100.00)
- 7 or multiples thereof not to exceed ten thousand dollars
- 8 (\$10,000.00). This provision shall not apply to bonds, the
- 9 interest or principal, or both, of which are payable out of
- 10 special assessments against benefited properties."

EXPLANATION OF HOUSE FILE 250

If this bill is enacted it will be possible to issue bonds in denominations of \$100, \$1,000, \$5,000 or \$10,000, whereas now bonds may only be issued in \$1,000 denominations. This requires the banks, insurance companies or individuals who hold bonds to handle a lot of bonds when they wish to clip their interest coupons from those bonds. It also will require much less space in storage of the bonds if the amounts are issued in larger denominations. Another factor would be the greater desirability of Iowa bonds by large buyers for the reasons given above and could reflect in lower interest rates charged to our various counties, cities, towns and school districts.

HOUSE FILE 250

- 1 Amend House File 250 by adding the following sections:
- 2 Sec. 2. Section three hundred forty-six point one (346.1),
- 3 Code 1962, is amended by striking in line nine (9) the word
- 4 "one" and inserting in lieu thereof the word "ten".
- 5 Sec. 3. Section four hundred eight point two (408.2),
- 6 Code 1962, is amended by striking in line three (3) the word
- 7 "one" and inserting in lieu thereof the word "ten".
- 8 Amend the title to House File 250 by inserting after the
- 9 figures "(75)" the following: " sections three hundred forty-six
- 10 point one (346.1) and four hundred eight point two (408.2)".

Filed
February 21, 1963.

adopted 3/22

COMMITTEE ON JUDICIARY 1,
JOHN L. MOWRY, *Chairman.*