

February 28, 1963.
Passed on File. *Cities & towns 3/n*

House File 440
By STANLEY.

Passed House, Date..... Passed Senate, Date.....
Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....
Approved.....

A BILL FOR

An Act to add a new section to chapter four hundred eight (408), Code 1962, relating to the issuance of sewer bonds by cities and towns.

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

- 1 Section 1. Chapter four hundred eight (408), Code 1962,
- 2 is hereby amended by adding thereto the following:
- 3 "Cities and towns are hereby authorized to contract indebted-
- 4 ness and to issue general obligation bonds to provide funds to
- 5 pay all or any part of the cost of constructing, extending and
- 6 improving storm sewers, sanitary sewers and works and facilities
- 7 useful and convenient for the collection, treatment, purifica-
- 8 tion and disposal in a sanitary manner of the liquid and solid
- 9 waste, sewage, and industrial waste of any such city or town,
- 10 including sewage treatment plants.
- 11 "Taxes for the payment of said bonds shall be levied in
- 12 accordance with chapter seventy-six (76), Code 1962, and said
- 13 bonds shall be payable through the debt service fund in not more
- 14 than twenty years, bear interest at a rate or rates not exceeding
- 15 five percent (5%) per annum, and shall be of such form as the
- 16 city or town council shall by resolution provide, but no city or
- 17 town shall become indebted in excess of five percent (5%) of the
- 18 actual value of the taxable property within said city or town,
- 19 as ascertained by the last preceding state and county tax lists.
- 20 The indebtedness incurred for the purpose provided in this Act

21 shall not be considered an indebtedness incurred for general
22 or ordinary purposes.”

23 “This Act shall be construed as granting additional
24 power without limiting the power already existing in cities and
25 towns.

26 “The provisions of this Act shall be applicable to all
27 municipal corporations regardless of form of government or manner
28 of incorporation.”

1 Sec. 2. This Act being deemed of immediate importance
2 shall take effect and be in force from and after its passage and
3 publication in The Muscatine Journal, a newspaper published in
4 Muscatine, Iowa, and in The Wilton Advocate,
5 a newspaper published in Wilton Junction, Iowa.

EXPLANATION OF HOUSE FILE 440

This bill provides an additional procedure for issuance of general obligation bonds for sewers and sewage treatment plants. Legal counsel experienced in bond matters have raised questions as to whether the present procedure in section 396.22, Code 1962, is sufficiently clear.