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STATE OF IOWA

1943

**TAX LEVIES
EXPENDITURES
BUDGETS**

Authority for Tax Levies with Limitations Fixed by Law,
Including Acts of the 49th and 50th General Assemblies

Revised to July 4, 1943

Published by
THE STATE OF IOWA
DES MOINES

STATE OF IOWA

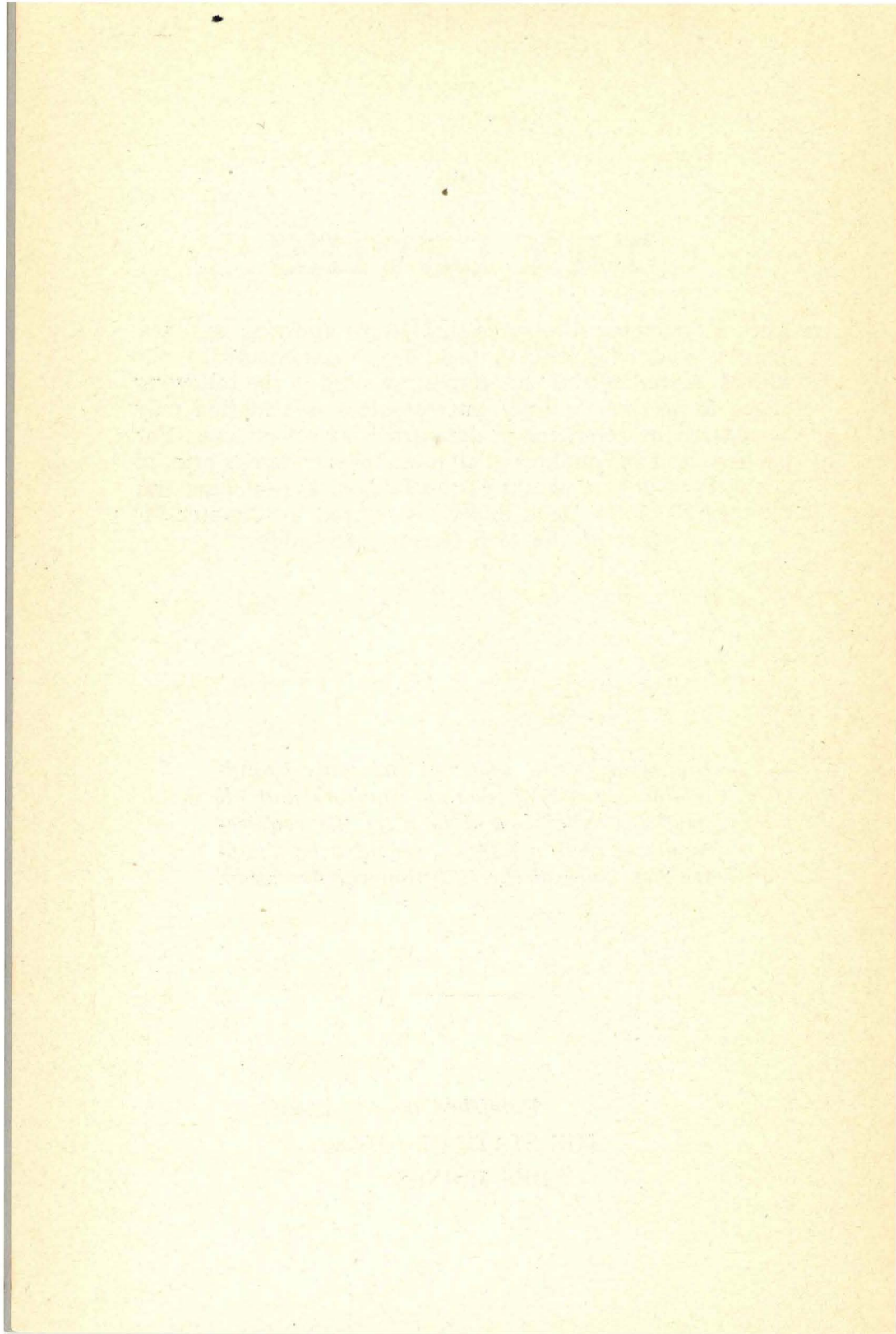
1943

TAX LEVIES

Authority for tax levies and limitations applying to taxes, budgets and expenditures including amendments by the 49th G. A. and 50th G. A. Authority cited in the following pages is necessarily brief but complete information may be secured by reference to the particular act or law. For the benefit of the public and all local boards there is printed in the back of this pamphlet the Budget Appeal Law and Chapter 23 of the Code in full as revised by Chapter 71, Laws of the 49th General Assembly

Compiled in the office of the State Comptroller for use of County Auditors and all local tax officials and to meet the requirements of section 7169 as amended by Chapter 252, Laws of the 49th General Assembly.

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SECTION I
Determining and Certifying Taxes
TAX LEVIES

7162. Basis for amount of tax. In all taxing districts in the state, including townships, school districts, cities, towns, and counties, when by law then existing the people are authorized to determine by vote, or officers are authorized to estimate or determine, a rate of taxation required for any public purpose, such rate shall in all cases be estimated and based upon the adjusted taxable valuation of such taxing district for the preceding calendar year.

Referred to in Sec. 7170.

7163. Amounts certified in dollars. When any authorized tax rate within any taxing district, including townships, school districts, cities, towns, and counties, shall have been thus determined as provided by law, the officer or officers charged with the duty of certifying said authorized rate to the county auditor or board of supervisors shall, before certifying the same, compute upon the adjusted taxable valuation of such taxing district for the preceding calendar year (not including moneys and credits, and other moneyed capital taxed at a flat rate as provided in section 6985), the amount of tax said rate will raise, stated in dollars, and shall certify said computed amount in dollars and not by rate, to the county auditor and board of supervisors.

Referred to in Sec. 7170.

This section refers to the duty of the local certifying board in preparing the budget and tax levy to be certified to the county auditor. Do not guess at the amount of dollars you expect to raise.

7164. Computation of rate. When the valuations for the several taxing districts shall have been adjusted by the several boards for the current year, the county auditor shall thereupon apply such a rate, not exceeding the rate authorized by law, as will raise the amount required for such taxing district, and no larger amount.

Provided that the county auditor shall, in computing the tax rate for any taxing district, deduct from the total budget requirements certified by any such district all of the tax to be derived from the moneys and credits and other moneyed capital taxed at a flat rate as provided in section 6985 and shall then apply such rate to the adjusted taxable value of the property in the district, necessary to raise the amount required after the deductions herein provided have been made. (Tax replacement provision).

Referred to in Sec. 7170. See Sec. 385.

7166. Fractional rates disregarded. If in adjusting the rate to be levied in any taxing district to conform to law, such rates shall make necessary the levying of a fraction of a mill in excess of *one-half of one-tenth of a mill*, said fractional excess may be computed as *one-tenth of a mill*, which latter shall be the smallest required to be spread upon the tax lists for any purpose except rates applicable to a state purpose.

Referred to in Sec. 7170.

7167. Interpretative clause. Nothing herein shall be construed as interfering with the right of any taxing district to receive its due proportion of the taxes on moneys and credits and other moneyed capital taxed at a flat rate as provided in section 6985.

Referred to in Sec. 7170.

7168. Record of rates. On the determination by the auditor of the necessary rates as herein directed, it is made his duty to enter a record of such rates for each taxing district upon the permanent records of his office in a book to be kept for that purpose.

Referred to in Sec. 7170, See sections 385 and 386.

7170. Mandatory provisions. The provisions of sections 7162 to 7169, inclusive, and the methods of computation, certification, and levy therein provided shall be obligatory on all officers within the several counties of the state upon whom devolves the duty of determining, certifying, and levying taxes.

370. Requirements of local budget. No municipality shall certify or levy in any year any tax on property subject to taxation unless and until the following estimates have been made, filed, and considered, as hereinafter provided:

1. **The amount of income thereof for the several funds from sources other than taxation.** "The estimate of such total income other than taxation, for cities over 75,000 population, shall be computed as follows in each fund: The estimate of that portion of this income which is derived from licenses, fees, fines and other miscellaneous items of income other than taxes, shall be no larger than the actual collections of these different items of income, but not including transfers from other funds, during the preceding twelve months ending June 30th. Also, to such total estimate, may be added any new source of income other than taxes but only after it shall actually have been authorized by the city council and such estimate of this new source of income must be reasonable."

2. **The amount proposed to be raised by taxation.** "In cities over 75,000 population, the amount proposed to be raised by

taxation may be 5.27 per cent larger than the amount proposed to be expended as provided in subsection 3 after deducting balances from the preceding year if any, and income from sources other than taxation. Nothing herein shall be construed as permitting a tax levy in excess of the millage rates elsewhere provided." (Paragraphs 1 and 2 above as amended by H. F. 182, 47th G. A. and shown in quotation.)

3. The amount proposed to be expended in each and every fund and for each and every general purpose during the fiscal year next ensuing.

4. A comparison of such amounts so proposed to be expended with the amounts expended for like purposes for the two preceding years.

* Note: The above provisions of Section 370 printed in heavy type apply to all local boards. That part in quotation applies to cities of more than 75,000 population.

371. Time of filing estimates. All such estimates and any other estimates required by law shall be made and filed a sufficient length of time in advance of any regular or special meeting of the certifying board of levying board, as the case may be, at which tax levies are authorized to be made to permit publication, discussion, and consideration thereof and action thereon as hereinafter provided.

372. Estimates itemized. The estimates herein required shall be fully itemized and classified so as to show each particular class of proposed expenditure, showing under separate heads the amount required in such manner and form as shall be prescribed by the State Board.

374. Estimated tax collections. The amount of the difference between the receipts estimated from all sources other than taxation and the estimated expenditures for all purposes, including the estimates for emergency expenditures, shall be the estimated amount to be raised by taxation upon the assessable property within the municipality for the next ensuing fiscal year. The estimate shall show the number of dollars of taxation for each thousand dollars of the assessed value of all property that is assessed.

375. Filing estimates—Notice of hearing. Each municipality shall file with the secretary or clerk thereof the estimates required to be made in sections 370 to 374, inclusive, at least twenty days before the date fixed by law for certifying the same to the levying board and shall forthwith fix a date for a hearing thereon, and shall publish such estimates and any annual levies previously authorized as provided in section 1179-b2, with a notice of the time when and place where such hearing

shall be held at least ten days before the hearing. Provided that in rural independent districts and school townships such estimates and the notice of hearing thereon shall be posted in three public places in the district in lieu of publication.

For a county, such publication shall be in the official newspapers thereof.

For any other municipality such publication shall be in a newspaper published therein, if any, if not, then in a newspaper of general circulation therein.

376. Levies void. The verified proof of the publication of such notice shall be filed in the office of the county auditor and preserved by him. No levy shall be valid unless and until such notice is published and filed.

Taxes and Expenditures Limited

380. Tax limited. No greater tax than that so entered upon the record shall be levied or collected for the municipality proposing such tax for the purpose or purposes indicated; and thereafter no greater expenditure of public money shall be made for any specific purpose than the amount estimated and appropriated therefor, except as provided in sections 373, 381 and paragraph 4 of section 5259.

Section 380 is the budget law limitation and prohibits expenditures in excess of those estimated in the budget previously published and adopted after a public hearing. It says, "And thereafter no greater expenditure of public money shall be made for any specific purpose than the amount estimated and appropriated therefor, except as provided in sections 373, 381 and paragraph 4 of section 5259." Section 380 applies to cities and towns and schools as well as the county and its requirements should be observed by all local boards. This section has been interpreted by the Iowa Supreme Court and the Attorney General as a strict limitation on all boards subject to the local budget law.

7169. Excessive tax prohibited. It is hereby made a misdemeanor for the board of supervisors to authorize, or the county auditor to carry upon the tax lists for any year, an amount of tax for any public purpose in excess of the amount certified or authorized as provided by law.

"The state comptroller shall prescribe and furnish the county auditors forms and instructions to aid them in determining the legality and authorized amount of tax levies. In the case of an excessive levy, it shall be the duty of the county auditor to reduce it to the maximum amount authorized by law, and in any event not in excess of the amount certified; and in case of an illegal levy the county auditor shall not enter or carry any tax on the lists for such levy."

The County-Expenditures Exceeding Appropriations.

5260.10. "It shall be unlawful for any county official, the expenditures of whose office come under the provisions of this chapter, to authorize the expenditure of a sum for his department larger than the amount which has been appropriated by the county board of supervisors."

"Any county official in charge of any department or office who violates this law shall be guilty of a misdemeanor and punished accordingly."

5258. **Expenditures confined to receipts.** "It shall be unlawful for any county, or for any officer thereof, to allow any claim, or to issue any warrant, or to enter into any contract, which will result, during said year, in an expenditure from any county fund in excess of an amount equal to the collectible revenues in said fund for said year, plus any unexpended balance in said fund for any previous years."

"Any office allowing a claim, issuing a warrant, or making a contract contrary to the provisions of this section, shall be held personally liable for the payment of the claim or warrant, or the performance of the contract."

Section 5259. **Exceptions under the above section.**

SECTION II

County Tax Levies

Authority for millage levies by counties listed by funds with the sections of the law authorizing various levies.

The Iowa law fixes the maximum millage which can be levied but certifying boards and tax officials must take into consideration other factors in determining the legality of a tax levy. In this connection, read carefully laws quoted in Section I as well as other parts of this pamphlet. A tax may be within lawful millage limits and yet not comply with the local budget law or other laws governing expenditures and taxation.

When sections of the law are not quoted in full, please refer to the latest code or session laws for complete detail.

General County Fund. Not to exceed 3 mills in counties having an assessed valuation of less than \$16,000,000.00, not to exceed 2½ mills in counties having an assessed valuation of \$16,000,000.00 or more and less than \$26,000,000.00, not to exceed 2 mills in counties having an assessed valuation of \$26,000,000.00 or more and less than \$32,000,000.00 and not to ex-

ceed $1\frac{1}{2}$ mills in counties having an assessed valuation of \$32,000,000.00 or more.

Counties having a population of 35,000 or more, and not more than 40,000, and having an ordinance plant located therein owned by the U. S. government, may with the approval of the state comptroller, levy not to exceed 2 mills under the provisions of this section.

(Section 7171, code 1939, as amended by S. F. 168, acts of the 50th G. A.)

Temporary levy—Counties unable to pay from the general fund the increased salaries authorized by H. F. 325, acts of 50th G. A. may levy up to $\frac{1}{2}$ mill in addition to the levy provided in section 7171, code of 1939.

When the general fund or any other county fund is to be augmented by the receipt of money from another fund or another source this fact should be shown in the budget in arriving at the tax levy.

Court Expense Fund. Not to exceed $\frac{3}{4}$ mill provided the county fund will not take care of court expenses. Section 7172. The fund can only be used for court expenses chargeable to the county except that the salary of the clerk of the court and deputies may be paid from said fund. Section 5235.1.

Poor Fund. Not exceeding one and one half mills on the dollar to be entered on the tax lists and collected as the ordinary county tax. Section 3828.114.

See law for excess levy. S. F. 9, Acts 50th G. A.

State Institution Fund. The board shall establish a state institution fund and levy a tax sufficient to pay for the cost of support, commitment and transportation of patients in state institutions. This includes all the institutions under the Board of Control and in addition includes the School for the Blind and the School for the Deaf. Any deficiency shall be paid from the general county fund. S. F. 14, 50th G. A.

County Insane Fund. Not to exceed $\frac{3}{8}$ mill to be used to care for insane patients at the county home or to make additions or improvements to properly care for such patients. Sec. 3604.

County School Fund. Not less than $\frac{1}{4}$ nor more than $\frac{3}{4}$ mill. Section 4395.

Soldiers Relief Fund. Not to exceed 1 mill. Section 3828.051 as amended by H. F. 318, 50th G. A. To be expended as provided in chapter 189.2.

Bovine Tuberculosis Eradication. Not exceeding $\frac{3}{4}$ mill.

Section 2686. Duty of board of supervisors to levy. Section 2704.3.

Bangs Disease Eradication. The board shall make a levy each year of not to exceed $\frac{1}{2}$ mill. Section 21, Chapter 121, 49th G. A. Levy may be omitted when the board is so advised. Section 24, Chapter 121, 49th G. A.

Emergency Fund. Not to exceed 1 mill after receiving proper approval. Section 373.

County Fair and 4-H Club Fund. May levy a tax of not to exceed $\frac{1}{8}$ mill for the purpose of fitting up or purchasing fairgrounds or for aiding boys and girls 4-H club work in connection with the fair. Section 2905.

County Fair Ground Fund. Counties having acquired land for fair purposes may levy not to exceed $\frac{1}{8}$ mill to be known as the fairground fund. Section 2909.

County Orphans Fund. Not to exceed $\frac{1}{8}$ mill for the purpose set out in the law. Section 7173.

Widows Pension Fund. In counties of sixty thousand or more not to exceed $\frac{1}{4}$ mill. Section 3641.1. Repealed by S. F. 239 Acts of 50th G. A., said repeal effective as of January 1, 1944.

Aid to Dependent Children

Senate File 239—An Act to Provide a Program of Uniform State Wide Aid to Dependent Children.

This act repeals the levy of $\frac{1}{4}$ mill for Aid to Dependent Children (Widow's Pension) authorized by Section 3641.1 in counties with a population of 60,000 or more. The act provides that the county shall pay its share of Aid to Dependent Children from the county poor fund, except those counties with a population of 60,000 or more may levy an additional $\frac{1}{4}$ mill and counties with a population of over 35,000, and less than 60,000, may levy an additional tax of not to exceed $\frac{1}{8}$ mill.

Under Section 15 of the act, in case of the discontinuance of any contribution or grant the county may levy not more than $\frac{1}{2}$ mill additional for the purpose of the act. Under a condition of this kind it would appear that counties could increase the poor fund levy not to exceed $\frac{1}{2}$ mill where they appropriate for Child Aid from the poor fund.

In counties of more than 35,000 population when the poor fund is inadequate to pay the county share of Child Aid the extra $\frac{1}{8}$ or $\frac{1}{4}$ mill should be levied separately from the poor fund.

ceed $1\frac{1}{2}$ mills in counties having an assessed valuation of \$32,000,000.00 or more.

Counties having a population of 35,000 or more, and not more than 40,000, and having an ordinance plant located therein owned by the U. S. government, may with the approval of the state comptroller, levy not to exceed 2 mills under the provisions of this section.

(Section 7171, code 1939, as amended by S. F. 168, acts of the 50th G. A.)

Temporary levy—Counties unable to pay from the general fund the increased salaries authorized by H. F. 325, acts of 50th G. A. may levy up to $\frac{1}{2}$ mill in addition to the levy provided in section 7171, code of 1939.

When the general fund or any other county fund is to be augmented by the receipt of money from another fund or another source this fact should be shown in the budget in arriving at the tax levy.

Court Expense Fund. Not to exceed $\frac{3}{4}$ mill provided the county fund will not take care of court expenses. Section 7172. The fund can only be used for court expenses chargeable to the county except that the salary of the clerk of the court and deputies may be paid from said fund. Section 5235.1.

Poor Fund. Not exceeding one and one half mills on the dollar to be entered on the tax lists and collected as the ordinary county tax. Section 3828.114.

See law for excess levy. S. F. 9, Acts 50th G. A.

State Institution Fund. The board shall establish a state institution fund and levy a tax sufficient to pay for the cost of support, commitment and transportation of patients in state institutions. This includes all the institutions under the Board of Control and in addition includes the School for the Blind and the School for the Deaf. Any deficiency shall be paid from the general county fund. S. F. 14, 50th G. A.

County Insane Fund. Not to exceed $\frac{3}{8}$ mill to be used to care for insane patients at the county home or to make additions or improvements to properly care for such patients. Sec. 3604.

County School Fund. Not less than $\frac{1}{4}$ nor more than $\frac{3}{4}$ mill. Section 4395.

Soldiers Relief Fund. Not to exceed 1 mill. Section 3828.051 as amended by H. F. 318, 50th G. A. To be expended as provided in chapter 189.2.

Bovine Tuberculosis Eradication. Not exceeding $\frac{3}{4}$ mill.

Children's Detention Home. In certain counties not to exceed $\frac{1}{4}$ mill for maintaining a detention home for children and paying necessary salaries and expenses. Sections 3653 and 3654.

County Hospital Fund. When a county hospital is established a tax shall be levied at the rate voted but not to exceed $\frac{1}{2}$ mill in any one year for the erection and equipment and also not to exceed 1 mill for the improvement, maintenance and replacements of the hospital as certified by the board of hospital trustees. Counties with a population of 135,000 or over may levy 2 mills for improvements and maintenance. Section 5353.

County Hospital Bond. Counties with a population of 135,000 or more having voted to erect and equip a hospital building shall make provision for the payment of principal and interest on bonds issued out of the county hospital fund by a tax levy within the limits of section 5353. Section 5348.1.

County Detention Hospital. Levy to pay bonds. Tax necessary to pay bonds and interest as they become due. Section 3828.161.

Detention Hospital for Venereals. Not to exceed $\frac{1}{2}$ mill. Section 2290.

Memorial Halls. For bonds a tax of not to exceed 2 mills for 20 years. For maintenance not to exceed $1\frac{1}{4}$ mills. Sections 489 and 490.

Library Contract. Not to exceed $\frac{1}{4}$ mill to fulfill obligation under contract. Section 5863.

By County for City Park. Section 6220.

By County for City Bridges. Section 6221.

County Bonds. Not to exceed $\frac{3}{4}$ mill except as otherwise provided by law and unless the voters authorize a higher rate. Section 5284.

County Bonds and Interest. A tax levy in an amount sufficient to pay principal and interest on bonds issued under the provisions of Chapter 266 and within certain time limitations. Section 5285.

Bridges over State Boundary Lines. To build and maintain $\frac{1}{4}$ mill. Bonds issued for such purposes the board shall levy a tax sufficient to pay principal and interest. Section 4682.

Benefitted Water Districts. Deficiency levy $\frac{1}{2}$ mill. Disposition of surplus tax. Sections 5526.22 and 5526.23. Chapter 282.14.

Secondary Roads

Construction Fund. Not to exceed $\frac{1}{2}$ mill on all taxable property in the county except cities and towns controlling their own bridge levies. Section 4644.06.

Construction Fund. Not to exceed $\frac{5}{8}$ mill on all taxable property in the county except cities and towns. (Townships only) Section 4644.07.

Maintenance. Not to exceed $1\frac{1}{4}$ mills on all taxable property in the county except cities and towns controlling their own bridge levies. Section 4644.11, Par. 1.

Maintenance. Not to exceed 3 mills on the taxable property in the county except property within cities and towns. (Townships only). Section 4644.11, Par. 2.

Maintenance or construction. Not to exceed $\frac{5}{8}$ mill on all the taxable property in the county, same to be used for construction or maintenance as the board may direct. Section 4644.14.

The use of secondary road funds is subject to the provisions of Chapter 240 of the Code.

Surplus Farm-to-Market Road Fund. Section 4686.33.

Reversion and reapportionment suspended until two years after end of war with Germany, Italy and Japan. H. F. 41, 50th G. A.

When this money is available for county road construction the estimated expenditure for such purpose should be included in the regular county budget but of course no tax will be levied.

Moneys and Credits

Section 6985. Moneys—Credits—Annuities—Bank Notes—Stock. Moneys and credits as defined in sections 6984 and 6985 shall be taxed upon the uniform basis throughout the state of five (5) mills on the dollar of actual valuation, same to be assessed and collected where the owner resides.

Section 6986. Levy—division of money collected. The millage tax provided for in section 6985 shall be in lieu of all other taxes upon moneys and credits and shall be levied by the board of supervisors, placed upon the tax list and collected by the county treasurer, and the amount collected in the various taxing districts of the state shall be divided between the various funds upon the same pro rata basis as other taxes collected in such taxing district are apportioned.

Section 7164. Moneys and credits tax replacing direct property tax. Provided that the county auditor shall, in computing the tax rate for any taxing district, deduct from the total budget requirements certified by any such district all of the tax to be derived from the moneys and credits and other moneyed capital taxed at a flat rate as provided in section 6985 and shall then apply such rate to the adjusted taxable value of the property in the district, necessary to raise the amount required after the deductions herein provided have been made.

SECTION III

Townships

Township Cemeteries. At the regular April meeting of the trustees they shall levy a tax sufficient to pay for land condemned or purchased or for the necessary improvement and maintenance of a cemetery or cemeteries in the township or in the adjoining township if they deem it necessary. Section 5560.

Non-Owned Cemeteries. Not to exceed $\frac{1}{4}$ mill to improve and maintain any cemetery not owned by the township but devoted to general public use. Section 5562.

Applies to all non-owned cemeteries in the township and not to each separate cemetery.

Cemetery Funds. Use. Cemetery tax funds of a township may be used for the maintenance and support of cemeteries in adjoining counties and townships and in cities and towns if such cemeteries are utilized for burial purposes by the people of the township. Section 5564.

Litigation Fund. Tax necessary to pay expense of litigation. Section 5545.

Fire Equipment

5570.1 Authorization. The township trustees of any township may purchase, own, rent, or maintain fire apparatus or equipment and provide housing for same and furnish services in the extinguishing of fires in said township, independently or jointly with any adjoining township or townships, likewise authorized as herein provided, or with any city or town.

5570.2 Levy. The township trustees may levy an annual tax not exceeding one mill on the taxable property in the township for the purpose of exercising the powers granted in section 5570.1, when so authorized by an affirmative vote equal to at least sixty percent of the total vote cast for and against a pro-

posal therefor at an election held pursuant to section five thousand five hundred seventy and three-tenths (5570.3).

5570.3 Election. Such proposal to levy the tax provided for in section 5570.2 may be submitted by the township trustees at any regular election held in the township, or at a special election called for the purpose, and such township trustees shall submit the proposition when petitioned therefor by twenty-five percent of the qualified electors of said township. Notice of said election shall be given by posting in three public places in said township, not less than ten days before the time of such election.

5570.4 Anticipatory Bonds. Townships may anticipate the collection of taxes authorized by sections 5570.2 and 5570.3, and for such purposes may issue bonds payable in not more than ten equal annual installments and at a rate of interest not exceeding five percent per annum and payable at such place and be in such form as the board of trustees shall designate by resolution. Sections 363 to 367, inclusive, and chapter 320, so far as applicable, shall apply to such bonds.

Township Hall. A tax of not to exceed $\frac{3}{4}$ mill when authorized by the voters and for not to exceed five years. Section 5575.

Township Hall Repairs. A tax of not to exceed $\frac{1}{8}$ mill may be levied. Section 5581.

Township Library Tax. When authorized to contract for the services of a free public library, the trustees may levy a tax of not to exceed $\frac{1}{4}$ mill. Section 5862.

SECTION IV

Cities and Towns

On the pages immediately following are printed laws authorizing tax levies for cities and towns for their various funds and activities. As stated elsewhere in this pamphlet, the legality of a tax levy does not depend altogether upon the statutory millage rate but partly upon the laws relating to budgets and expenditures which make necessary the raising of revenue by taxation. The planning of a budget is the first consideration and in this way the amount of tax to be raised is determined but of course within certain limitations.

Below is enumerated some of the laws which must be taken into consideration and which affect the legality of the tax levy.

370. Requirements of local budget. "No municipality shall certify or levy in any year any tax on property subject to taxation unless and until the following estimates have been made, filed, and considered, as hereinafter provided:

1. The amount of income thereof for the several funds from sources other than taxation.

2. The amount proposed to be raised by taxation.
3. The amount proposed to be expended in each and every fund and for each and every general purpose during the fiscal year next ensuing.
4. A comparison of such amounts so proposed to be expended with the amounts expended for like purposes for the two preceding years."

372. **Estimates itemized.** "The estimates herein required shall be fully itemized and classified so as to show each particular class of proposed expenditure, showing under separate heads the amount required in such manner and form as shall be prescribed by the State Board."

374. **Estimated tax collections.** "The amount of the difference between the receipts estimated from all sources other than taxation and the estimated expenditures for all purposes, including the estimates for emergency expenditures, shall be the estimated amount to be raised by taxation upon the assessable property within the municipality for the next ensuing fiscal year. The estimate shall show the number of dollars of taxation for each thousand dollars of the assessed value of all property that is assessed."

376. **Levies void.** The verified proof of the publication of such notice shall be filed in the office of the county auditor and preserved by him. No levy shall be valid unless and until such notice is published and filed.

380. **Tax and expenditures limited.** "No greater tax than that so entered upon the record shall be levied or collected for the municipality proposing such tax for the purpose or purposes indicated; and thereafter no greater expenditure of public money shall be made for any specific purpose than the amount estimated and appropriated therefor, except as provided in sections 373, 381 and paragraph 4 of section 5259."

Section 380 is the budget law limitation on taxes and expenditures. No greater tax or expenditure can be made than was entered in the published estimate and considered at the public hearing.

Expenditures decided upon at the hearing limits the amount that can be expended in the year to which the budget applies. This is the interpretation of the law by the Attorney General and the decision of the Supreme Court in the case of *Clark vs. the City of Des Moines*. 267 N. W. 98.

381. **Further tax limitation.** No tax shall be levied by any municipality in excess of the estimate published, except such taxes as are approved by a vote of the people, but in no case shall any tax levy be in excess of any limitation imposed thereon now or hereafter by the constitution and laws of the state.

386. **Tax rates final.** The several tax rates and levies of the

municipalities thus determined and certified in the manner provided in the preceding sections, except such as are authorized by a vote of the people, shall stand as the tax rates and levies of said municipality for the ensuing year for the purposes set out in the budget.

Tax Levies

Authority for tax levies for cities and towns with code reference; See latest code of Iowa for detailed information and application of the law.

General Revenue. Not more than $2\frac{1}{2}$ mills, applicable to cities and towns under the general law. Sec. 6207. In special charter cities not more than $2\frac{1}{2}$ mills. Sec. 6855.

Grading. Not more than $\frac{3}{4}$ mill. Cities and towns under the general law. Sec. 6211, Par. 1. Cities under special charter, Sec. 6856, Par. 1. (See Sec. 6261 and Sec. 6263.)

Improvement. Cities and towns under general law not more than $1\frac{1}{4}$ mills. Sec. 6211, Par. 3. Special charter cities not more than $1\frac{1}{2}$ mills. Sec. 6856, Par. 2. (See Sec. 6261 and Sec. 6263.)

Road Dragging. Not more than $\frac{1}{4}$ mill. Applicable to cities of less than 8,000 and towns. Sec. 6208.

Snow Removal. Not to exceed $\frac{1}{2}$ mill in cities having population of less than 125,000. Sec. 6211, Par. 31.

City Bridge. For the construction, reconstruction, maintenance and repair of bridges and viaducts as set out in Section 6209, code. Applicable to cities traversed by a stream of a certain size, including special charter cities. See Section 6209 for millage limitation. Law printed in full on page 20.

Sewer. Not more than $1\frac{1}{4}$ mills if the town comprises one district. Sec. 6211, Par. 5. If divided into districts, not more than $1\frac{1}{4}$ mills within that particular district. Sec. 6211, Par. 6. (See Sec. 6261 and Sec. 6263.)

Main Sewer. Any city of the first class may levy not to exceed $1\frac{1}{4}$ mills for the construction, reconstruction or repair of any main sewer within the city; but the aggregate tax levied by such city for the sewer fund, district sewer fund, and main sewer fund shall not exceed 2 mills. Sec. 6213.

Garbage Disposal and Street Cleaning and Oiling. Cities and towns within any sanitary district may levy for garbage disposal, oiling and sprinkling, flushing and cleaning of streets as follows: Cities of less than 5000 not to exceed 2 mills; cities of 5000 and less than 25,000 not to exceed 1 mill; cities of more

than 25,000 $\frac{3}{4}$ mill. Sec. 6211, Par. 16, as amended by S. F. 41, 50th G. A.

Water. Not more than $1\frac{1}{4}$ mills. This tax to be used only to pay for water contracted* by the municipality. Sec. 6211, Par. 2. Applicable to special charter cities.

Water Works. Not more than $1\frac{1}{4}$ mills. To pay for operation and maintenance. Sec. 6211, Par. 17.

* Note: Cities and towns will levy either "Water" or "Waterworks", depending upon how the water is furnished. They cannot levy for both purposes.

Light. Not more than $1\frac{1}{4}$ mills. In cities of 5,000 or less and towns, not exceeding $1\frac{3}{4}$ mills. This tax is to pay for gas, electric light or power furnished the municipality by an individual corporation and the expense of inspection, salaries, etc. Sec. 6211, Par. 10. Applicable to special charter cities.

Consolidated Levy

The above eleven (11) funds or less may be consolidated and levied as one fund under S. F. 182, Acts of the 50th G. A. (See law printed on page 22 of this pamphlet.)

Millage Limitations, Consolidated Fund

Towns without a water or sewer system.....	total millage	9.00
Cities and towns of less than 5,000 population with a water and sewer system but not levying a main sewer or bridge tax....	" "	11.50
Cities of more than 5,000 and less than 8,000 population, not levying a main sewer or bridge tax	" "	10.00
Cities of more than 8,000 and less than 125,000 population not levying a main sewer or bridge tax	" "	9.50

Other Funds and Tax Levies

Electric Light Plant. $1\frac{1}{4}$ mills in cities of more than 5,000 and $1\frac{3}{4}$ mills in cities and towns of less than 5,000 owning and operating electric light plants. Revenue to be paid to light plant fund for street lighting and other public purposes. Sec. 6211, Par. 30.

Light or Power Plant and Gas Works. Not more than $1\frac{1}{4}$ mills. See law. Sec. 6211, Par. 18. Sec. 6856, Par. 7.

Water, Light, and Sewer Bonds. Cities and towns may levy not less than sufficient to pay bonds at maturity and certain proportions prior thereto. Sec. 6211, Par. 11 and 12.

Library. Not more than $1\frac{1}{4}$ mills for maintenance in cities of more than 35,000 and 2 mills in cities and towns of less than 35,000. Also $\frac{3}{4}$ mill for real estate, building or improvement. Sec. 6211, Par. 19 and 20. H. F. 147, 49th G. A. Applicable to Special Charter Cities.

Cemetery. Any city not to exceed $\frac{1}{4}$ mill. In towns the levy shall not exceed $\frac{3}{4}$ mill. Sec. 6211, Par. 14.

Parking Lot. Not more than $\frac{1}{2}$ mill to be used to acquire land for a municipally owned parking lot. Chapter 214, 49th G. A. Applicable to Special Charter Cities.

Sewage Disposal. Not more than $1\frac{1}{4}$ mills to construct sewer outlets and purifying plants and to purchase dump grounds. (This is in addition to sewer tax provided by Sec. 6211, Par. 5 and 6, Sec. 6211, Par. 7.)

Hospital Municipal. Not more than $\frac{3}{4}$ mill in cities of over 22,000 and not more than $1\frac{1}{4}$ mills in cities of less than 22,000 for not exceeding 20 years. Sec. 6211, Par. 26.

Cities having a population of not less than 4,000 and not more than 5,000 in which a municipal hospital has been established, may levy, under the provisions of this section, not to exceed $2\frac{1}{2}$ mills, for rebuilding, remodeling, or enlarging such hospital.

Hospital Improvements and Maintenance. Not more than $1\frac{1}{2}$ mills. Sec. 6211, Par. 27.

City Hall. To Build, Purchase or Remodel a City or Town Hall. Any city of more than 4,000 not to exceed $\frac{1}{2}$ mill. Cities and towns of 4,000 or less not more than $1\frac{1}{4}$ mills. Sec. 6211, Par. 28. Cities and towns of 5,000 or less may levy not to exceed 1 mill to improve, operate and maintain a city or town hall. Sec. 6211, Par. 33. H. F. 254, 50th G. A.

Band Fund. Not to exceed $\frac{1}{2}$ mill in cities of not over 40,000 and towns, provided such levy is authorized by a majority of the voters at a general city election. An additional $\frac{1}{2}$ mill may be levied for educational purposes under certain conditions. Sec. 5835. Over 40,000 population not exceeding $\frac{1}{3}$ mill.

Park. For general purposes. Not more than $\frac{5}{8}$ mill. Sec. 5792. (Applicable to cities and towns having a park commission.) Also Special Charter Cities. S. F. 4, 50th G. A.

Park Improvement. To be voted. Sec. 5793. Limited to $1\frac{1}{4}$ mills and to cities of more than 2,500.

Juvenile Playground and Swimming Pool Fund. When estab-

lished such number of mills as will liquidate at maturity bonds issued for its acquirement. Section 6211, Par. 24.

Playground or Swimming Pool Maintenance Fund. Not more than $\frac{1}{2}$ mill to pay for maintenance, operation and improvement of an established playground or swimming pool. Section 6211, Par. 25. Special charter Cities, 1 mill. S. F. 5, 50th G. A.

Comfort Stations. When authorized to maintain, no more than $\frac{1}{8}$ mill. Sec. 6211, Par. 15. Establishment, Chapter 297, Code. Such expense may be paid from the general fund.

Community Center Establishment Fund. When a community center district has been established not to exceed $\frac{3}{4}$ mill for twenty years to construct and equip a community center building. Sec. 6211, Par. 22.

Community Center Improvement and Maintenance. Not more than $1\frac{1}{4}$ mills in cities where community center districts are authorized. Sec. 6211, Par. 23.

Estimates for Emergencies. Each municipality may include in the estimate herein required an estimate for emergency or other expenditure which amount cannot reasonably be foreseen at the time the estimates are made, and such emergency fund shall be used for no other purpose, not to exceed 1 mill. Sec. 373. Note: Levy for the emergency fund can not be made without the approval of the State Comptroller.

Agricultural Lands. Tracts of land within the limits of any city or town containing more than ten (10) acres and which in good faith is occupied and used for agricultural or horticultural purposes shall not be taxed for city or town purposes, except that said land and all personal property necessary to the use and cultivation of said land shall be subject to a tax for city and town road and library purposes. Sec. 6210.

District Sewer Fund. Not more than $1\frac{1}{4}$ mills within a sewer district. Section 6211, Par. 6.

Sewer Outlet, Purifying Plant and Dump Ground Fund. Not more than $1\frac{1}{4}$ mills. To be used only to construct sewer outlets and sewer disposal plants and to purchase dump grounds. Not a part of the sewer fund. Commonly known as sewage disposal fund. Sec. 6211, par. 7.

Fire Equipment Fund. No more than $\frac{3}{8}$ mill to acquire property for a fire department and to equip same. Section 6211, Par. 8.

Referred to sections 5767 and 6261.

Applicable to special charter cities. Section 6860.

Fire Maintenance Fund. Cities with a population of more than

8,000 not more than 4 mills; cities of less than 8,000 population $1\frac{3}{4}$ mills and towns $\frac{3}{4}$ mill. This levy is to be used to maintain a fire department except cities of less than 3,000 may use the fund for purchasing fire equipment. Section 6211, Par. 9.

Applicable to special charter cities.
Referred to in Section 6212.

Electric Light Plant Fund. Not more than $1\frac{1}{4}$ mills in cities of more than 5,000 population or $1\frac{3}{4}$ mills in cities and towns of less than 5,000 who own and operate an electric light plant to be used to pay for street lighting and other public purposes. Revenue shall be paid and credited to the electric light plant fund. Sec. 6211, Par. 30.

Gas or Electric Fund. If the authorized rates or rentals are insufficient to meet operating expenses or the interest on outstanding light plant bonds a levy may be made of not more than $1\frac{1}{4}$ mills to pay the deficiency.

Sections 6211, Par. 18.
Referred to in Section 6212.

Library Maintenance Fund. When a free public library has been established not to exceed $1\frac{1}{4}$ mills except cities and towns of less than 35,000 population may levy 2 mills. Levy to be certified by the library trustees to the council before the first day of August each year. Cities with a population of more than 10,000 and less than 75,000 and having situated therein a state owned educational institution may under certain conditions levy not to exceed $2\frac{1}{2}$ mills for library maintenance. Section 6211, Par. 19.

Library Building Fund. Not to exceed $\frac{3}{4}$ mill to purchase real estate, erect a building for a public library, to pay interest or create a sinking fund to pay indebtedness. When a library building has been fully completed and paid for no further levy shall be made but a levy may be made for improvements and repairs or to lease space for branch libraries. Section 6211, Par. 20.

Library Contract Fund. Not to exceed $\frac{1}{4}$ mill by a town not having a free public library to secure for the inhabitants the free use of a library. The majority of resident taxpayers must petition the Council to secure such privilege. Section 6211, Par. 21.

Cemetery Purchase Fund. Not to exceed $\frac{1}{4}$ mill for the purpose acquiring land. Section 6211, Par. 13.

Cemetery Maintenance Fund. Not to exceed $\frac{1}{4}$ mill in cities and $\frac{3}{4}$ mill in towns. Sec. 6211, Par. 14.

Parks and Cemeteries. Cities with a commission form of government may levy not more than 1 mill for caring for and improving the parks or cemetery owned by the city.

Section 6578 as amended by H. F. 282 Acts of 50th G. A.

Water, Light and Sewer Bonds. City and towns shall levy not less than sufficient to pay bonds at maturity and certain propositions prior thereto. Section 6211, Par. 11 and 12.

Airport Fund. The cost to acquire, operate, equip, or maintain any city airport by a city or town shall in addition to other income be paid by the levy of an annual tax as follows: in cities having a population of more than 10,000; said levy shall not exceed $\frac{3}{4}$ mill on the taxable property of said city, except in cities having a population in excess of 125,000 said levy shall not exceed $\frac{1}{4}$ mill. In all cities and towns of 10,000 or less said levy shall not exceed $1\frac{1}{4}$ mills.

The tax authorized above shall not be levied by any city or town until approved by the electors of such city or town in accordance with the provisions of chapter 319 of the Code except in the case of management by an airport commissioner. Chapter 209, Laws of 49th G. A.

City Bridge Fund. Cities may levy annually a tax, which shall be used only for bridge purposes, and for the construction, reconstruction, maintenance and repair of viaducts, underpasses, grade crossing separations and approaches thereto, except those constructed or maintained by any railroad company under the provisions of chapter 305, as follows:

1. Any city with a population of more than thirty-five thousand and with a meandered stream dividing its corporate limits, not exceeding one mill.

2. Other cities of the first class, not exceeding three-fourths mill.

3. Cities of the second class with a population of more than five thousand and traversed by a stream two hundred or more feet in width from shore line to shore line, not exceeding one and one-fourth mills.

4. Cities which have a population of forty-five hundred and not exceeding six thousand, and which are traversed by a river and in which there are, within the corporate limits, at least twelve bridges used for general traffic, not exceeding one and one-fourth mills. Sec. 6209.

Section 5949.2. **Metropolitan Lighting District.** When any such city has been so divided into lighting districts, the city council of such city may levy a special tax upon the property embraced in such metropolitan lighting district, in addition to all other taxes provided by law, not to exceed one-half mill to defray the expense in connection with the lighting of such dis-

trict; such special tax to be paid at the same time and in the same manner as general taxes.

Dock Tax. Not more than $\frac{1}{2}$ mill to defray expenses of operation in excess of regular income. Sec. 5902, Par. 10. An additional tax of $\frac{1}{2}$ mill in cities of less than 30,000. Sec. 5902, Par. 13.

Drainage Tax. Such number of mills as will pay any special assessment with interest, or any installment thereof with interest, levied against any street, alley, highway, public way or park by the board of supervisors for drainage purposes. Section 6211, Par. 4.

Flood Protection Fund. Levy for deficiency. Not to exceed $1\frac{1}{4}$ mills. Section 6100.

Levee Improvement Fund. Not to exceed $\frac{1}{4}$ mill. Applicable to special charter cities. Section 6823. Commission form cities. Section 6567.

River Front Improvement Fund. Not to exceed $\frac{3}{4}$ mill subject to the approval of the city council. Section 5822.

Viaduct Fund. Not to exceed $\frac{1}{2}$ mill for the purpose of paying damage caused by the construction of a viaduct and approaches thereto. Expense may be paid from the general bridge fund. Section 5915.

Roadway District Fund. Not to exceed $2\frac{1}{2}$ mills except cities of 50,000 or more may levy $3\frac{3}{4}$ mills. Section 6043.

Referred to in Sections 6014 and 6261.

Road Poll Tax. Chapter 318.

Judgment Fund. Section 11675.

Police Pension Fund. Not to exceed $\frac{1}{8}$ mill. Section 6310.

Firemen's Pension Fund. Not to exceed $\frac{1}{8}$ mill. Section 6310.

Note: Cities may exceed the above limitations for the pension funds if they have established a police or fire retirement system based upon actuarial tables as provided by chapter 322.1 of the code. Opinion of Attorney General.

Police Equipment and Apparatus. Not to exceed $\frac{1}{2}$ mill in cities with a commission form of government. Section 6589.

Tax for Fire Department. Not to exceed $1\frac{1}{2}$ mills applicable to certain cities. Section 6600.

Senate File 182, Acts of the 30th General Assembly

Section 1. Section six thousand two hundred seventeen (6217) of the Code of Iowa of 1939 is hereby repealed and the following enacted in lieu thereof:

Section 6217. Consolidated levy.

In lieu of any or all the separate annual levies for the General Fund (section 6207), Grading Fund (subsection 1 of section 6211), Improvement Fund (subsection 3 of section 6211), City or Town Sewer Fund (subsection 5 of section 6211), Water or Water Works Funds (subsections 2 or 17 of section 6211), Gas, Electric Light or Power Fund (subsection 10 of section 6211), Snow Removal Fund (subsection 31 of section 6211), Garbage Disposal Fund (subsection 16 of section 6211), Drag Fund (section 6208), Bridge Fund (section 6209), and Main Sewer Fund (section 6213), cities and towns may levy one tax which shall not in the aggregate exceed the total amount of the sum of the individual levies. There shall not be included in the city or town consolidated tax levy any fund not applicable to such city or town under the law. The funds to be included in such consolidated levy shall be indicated in the budget and certificate of taxes, but one amount may be budgeted and levied for the entire group of funds applicable to the city or town making the levy."

Section 2. Section six thousand two hundred eighteen (6218) of the Code of Iowa of 1939 is hereby repealed and the following enacted in lieu thereof:

"Section 6218—Appropriation of Levy.

The city or town making such levy shall prior to the first day of April thereafter, appropriate by ordinance in cities, and by resolution in towns, the estimated revenue from such consolidated levy, together with the estimated revenue from all other levies, to any or all of the various purposes for which said levies are by law authorized. Funds or levies so consolidated shall be placed in one fund to be known as the consolidated fund, and all claims ordinarily paid from these separate levies referred to in this section for general operating purposes shall be paid from this fund in accordance with the appropriations previously adopted. Appropriations shall be made for the various operating purposes in the amounts decided by the council, but in no event shall transfers be made between appropriations except with the approval of the state comptroller. The above-mentioned appropriations shall also include receipts from sources other than taxation, estimated unincumbered balances from the previous year, and any contemplated transfer from funds other than those of the consolidated group. In no event shall the total amount appropriated exceed the amount proposed to be expended in accordance with subsection 3 of section 370."

Sec. 3. This Act shall apply also to cities acting under special charter.

Approved by the Governor March 25, 1943.

Effective July 4, 1943.

**ADOPTED BUDGET AND
CERTIFICATE OF INCORPORATION**
As it affects the consolidated fund

FUNDS (Refer to pages 2 and 3 for authority)	2 Expenditures for Year		3	4	5	6	7	8
	1 Apr. 1, '41 to Mar. 31, '42	Apr. 1, '42 to Mar. 31, '43	Proposed Expendi- tures decided at hearing 1944-1945	Estimated Unencum- bered Balance April 1, 1944	Estimated Income Other Than Taxation 1944-1945	Amount Necessary to be Raised by Taxation 1944-1945	Taxes Finally Entered by Auditor	Number of Mills
Consolidated Funds								
General								
Grading								
Improvement								
Road Drugging								
Snow Removal								
City Bridge								
Sewer								
Main Sewer								
Garbage Disposal								
Water Works								
Light								
TOTAL CONSOLIDATED	258731	256236	262027	9895	69500	182632		8.875

The above totals are actual figures taken from the budget of a city of 40,000 population which in 1942 included four funds in the consolidated budget and tax levy. They were eligible to levy for main sewer and city bridge funds which were levied separately along with the funds for snow removal, garbage collection and street lighting. This city cannot levy for road dragging and the waterworks fund is entered elsewhere in the budget inasmuch as it is self-supporting and no tax levied.

In the 1942, the city referred to above levied 8.875 for the 9 funds but under the amended law may levy a maximum of 9.75 mills for the same funds. When levied as one fund the proceeds must be appropriated prior to April 1 in itemized form for the various operating purposes of the city or town.

The totals shown in columns 1, 2 and 3 above include the 9 funds levied and are used to illustrate the method of arranging the budget when levying one fund as a consolidated fund. Under the revised law figures for individual funds need not be entered opposite each fund in the consolidated group.

However, at or before the budget hearing there should be available for the information of the council or any interested taxpayer a work sheet showing a break-down of estimated expenditures within the consolidated group for various operating purposes. To arrive at a conservative estimate of the total budget requirements for the consolidated fund it is necessary to know and to be able to explain the amounts required for the individual functions of consolidated group.

Consolidated Fund—Levy and Appropriation

Cities and towns desiring to adopt the consolidated plan of levying and budgeting funds for general operating purposes should decide upon the funds which they can legally include in the consolidated group or which they desire to include in said group and draw a line through those not included. It is not necessary to enter amounts and figures in columns 1 to 6 inclusive, opposite each fund printed in the consolidated group but fill in the total of each column for the funds consolidated. The names of the individual funds making up the consolidated group should appear in the printed notice for information of the county auditor in arriving at the correct millage.

If it is decided to include only a part of the funds in the consolidated levy the ones omitted may be written in elsewhere in the budget. Funds not consolidated are entered in the budget in the usual manner. The purpose of the revised consolidated fund is to give the city or town one fund for general operating purposes to be appropriated in detail prior to the beginning of the fiscal year. Appropriations are made to purposes or functions of government and not to funds.

Section 5663. City and town councils. City and town councils shall: (16). Make separate appropriations in cities for all the different expenditures of the city government for each fiscal year at or before the beginning thereof, and it shall be unlawful for it or any officer, agent, or employee of the city to issue any warrant, enter into any contract, or appropriate any money in excess of the amount thus appropriated during the year for which the appropriation is made. No city shall appropriate in the aggregate an amount in excess of its annual legally authorized revenue, but cities may anticipate their revenues for the year for which appropriation is made, or bond or refund their outstanding indebtedness.

Section 5717. Majority vote. No resolution or ordinance for any of the purposes hereinafter set forth, except as specifically provided by law, shall be adopted without a concurrence of a majority of the whole number of members elected to the council, by call of the yeas and nays which shall be recorded: 3. To pass or adopt any ordinance or resolution for the appropriation or payment of money. In cities all money shall be appropriated by ordinance, but in towns it may be appropriated by resolution.

Section 6223. Anticipation of revenue. Loans may be negotiated or warrants issued by any municipal corporation in anticipation of its revenues for the fiscal year in which such loans are negotiated or warrants issued, but the aggregate amount of such loans and warrants shall not exceed the esti-

mated revenue of such corporations for the fund or purpose for which the taxes are to be collected for such fiscal year.

Section 6230. **Diversions of funds.** Any councilman or officer of a city or town who shall participate in, advise, consent or allow any tax or assessment levied by such city or town or by other lawful authority for city or town purposes to be diverted to any other purpose than the one for which it was levied and assessed, or who shall in any way become a party to such diversion shall be guilty of embezzlement.

SECTION V

School Taxes

Tax levies for general operating purposes for schools differ from those of other certifying boards in that the amount of revenue which can be raised depends upon the number of persons of school age residing in the district.

School Census. The law requires that a school census be taken between June 1 and July 1 of each even numbered year listing the name and age of all children residing in the district who are between five and twenty-one years of age. Sections 4235-4312.

The census or enumeration is used as a basis for levying a tax for the support of the school.

Sec. 370. **Requirements of local budget.** No municipality shall certify or levy in any year any tax on property subject to taxation unless and until the following estimates have been made, filed, and considered, as hereinafter provided:

1. The amount of income thereof for the several funds from sources other than taxation.
2. The amount proposed to be raised by taxation.
3. The amount proposed to be expended in each and every fund and for each and every general purpose during the fiscal year next ensuing.
4. A comparison of such amounts so proposed to be expended with the amounts expended for like purposes for the two preceding years.

Sec. 371. **Time of filing estimates.** All such estimates and any other estimates required by law shall be made and filed a sufficient length of time in advance of any regular or special meeting of the certifying board or levying board, as the case may be, at which tax levies are authorized to be made to permit publication, discussion, and consideration thereof and action thereon as hereinafter provided.

Sec. 372. **Estimates itemized.** The estimates herein required shall be fully itemized and classified so as to show each

particular class of proposed expenditure, showing under separate heads the amount required in such manner and form as shall be prescribed by the State Board.

Referred to in Section 7169 as amended by the 49th G. A.

Sec. 374. Estimated tax collections. The amount of the difference between the receipts estimated from all sources other than taxation and the estimated expenditures for all purposes, including the estimates for emergency expenditures, shall be the estimated amount to be raised by taxation upon the assessable property within the municipality for the next ensuing year. The estimate shall show the number of dollars of taxation for each thousand dollars of the assessed value of all property that is assessed.

Net estimated taxes: The estimate should show the net amount to be raised in each fund by taxation, which should be the difference between the estimated expenditures and the estimated receipts from other sources; but any unencumbered balance which may be used in the expenditures for the fiscal year for which taxes are now being levied should also be deducted from the proposed expenditures. In other words any unencumbered balance should be entered in column 4 of the budget and proposed expenditures in column 3 should not be greater than the sum of columns 4, 5 and 6.

Sec. 375. Filing estimates—notice of hearing. Each municipality shall file with the secretary or clerk thereof the estimates required to be made in sections 370 to 374, inclusive, at least twenty days before the date fixed by law for certifying the same to the levying board and shall forthwith fix a date for a hearing thereon, and shall publish such estimates and any annual levies previously authorized as provided in section 1179-b2, with a notice of the time when and place where such hearing shall be held at least ten days before the hearing. Provided that in rural independent districts and school townships such estimates and the notice of hearing thereon shall be posted in three public places in the district in lieu of publication.

For a county, such publication shall be in the official newspapers thereof.

For any other municipality such publication shall be in a newspaper published therein, if any, if not, then in a newspaper of general circulation therein.

Sec. 376. Levies void. The verified proof of the publication of such notice shall be filed in the office of the county auditor and preserved by him. No levy shall be valid unless and until such notice is published and filed.

This applies to the estimate published in a newspaper.

Sec. 380. Tax limited. No greater tax than that so entered upon the record shall be levied or collected for the municipality

proposing such tax for the purpose or purposes indicated; and thereafter no greater expenditure of public money shall be made for any specific purpose than the amount estimated and appropriated therefor, except as provided in sections 373, 381 and paragraph 4 of section 5259.

Sec. 381. Further tax limitation. No tax shall be levied by any municipality in excess of the estimates published, except such taxes as are approved by a vote of the people, but in no case shall any tax levy be in excess of any limitation imposed thereon now or hereafter by the constitution and laws of the state.

Sec. 386. Tax rates final. The several tax rates and levies of the municipalities thus determined and certified in the manner provided in the preceding sections, except such as are authorized by a vote of the people, shall stand as the tax rates and levies of said municipality for the ensuing year for the purposes set out in the budget.

Authority for School Taxes

General Fund. For each person of school age in consolidated districts maintaining an approved high school course, not to exceed \$115.00; in school corporations with school enumeration of 10,000 or more, \$75.00; in all other school corporations, \$100.00; school corporations not maintaining high school and having pupils attending high school in other districts, may levy in excess of \$100.00 enough to pay tuition of such pupils. Section 4386, as amended by S. F. 336, Acts of the 50th G. A.

Transportation Fund. When authorized by law not to exceed \$5.00 for each person of school age; in addition to levies authorized in Section 4386-4387. Section 4388-4233.4.

Text Books and Supplies. Not to exceed in any one year the sum of \$1.50 for each pupil residing in the corporation. Additional to other taxes. Section 4448.

Contract for Use of Library. Not to exceed $\frac{1}{4}$ mill on dollar of taxable property in district. Does not apply to township where contract for other library facilities is in existence. Section 4391.

Additional Taxes. School corporations may estimate enough in taxes so same will equal \$1,000.00 for each school in the corporation. Section 4387. Such districts may levy an additional amount to meet actual tuition requirements. (Opinion Atty. Gen. 1930, page 204)

Playgrounds Tax. Applicable to all cities of the first and second class, special charter cities and cities under the commission form of government when voted by the electors of the dis-

trict, not more than $\frac{1}{2}$ mill. Section 4435. The levy to stand as voted until discontinued by the voters as provided by section 4438.

Teachers Pension Fund. Independent districts in cities of certain size may establish a pension system. Sections 4345-4346.

School House Fund. Not more than $2\frac{1}{2}$ mills when so voted by the electors of the district at the regular or special election. The proceeds of such tax to be used for the purchase of grounds, construction of schoolhouses and the payment of debts contracted for the erection of schoolhouses. Section 4217.7. The proposition should state the number of years the tax is to run.

Special Sub-district Schoolhouse Tax. May levy not to exceed $3\frac{3}{4}$ mills when voted by the electors of the subdistrict. The tax shall be levied only on property within the district.

Purchase of Schoolhouse Sites. Not to exceed 1 mill. Applicable to all cities, including cities under special charter, manager plan and commission form of government. Section 4363.

Bond Fund. The board of each school corporation shall, when estimating and certifying the amount of money required for general purposes, estimate and certify to the board of supervisors of the proper county for the schoolhouse fund the amount required to pay interest due or that may become due for the year beginning January 1 thereafter, upon lawful bonded indebtedness, and in addition thereto such amount as the board may deem necessary to apply on the principal.

The amount estimated and certified to apply on principal and interest for any one year shall not exceed seven mills on the dollar of the actual valuation of the taxable property of the school corporation. Provided that when because of reduced valuation a seven-mill tax is not sufficient to produce the amount required to pay the interest and one-twentieth of the principal of the original issue of bonds legally issued prior to the year 1934, the board may certify such amount and the county auditor shall compute and apply such tax rate for such purposes as may be necessary to raise the amount so certified and the funds so raised shall be used only for the purpose of paying interest and principal on such bonds and shall not be subject to transfer.

Provided further that the tax limitation contained in this section shall not operate to restrict or prevent a school district in the issuance of refunding bonds to pay interest or principal of bonds outstanding on March 31, 1934. Sections 4403-4404-1179.1-1179.2-1179.3.

Sec. 4404. Levy. The board of supervisors of the county to which the certificate is addressed within the contemplation of section 4403 shall levy the necessary tax to raise the amount

estimated, or so much thereof as may be lawful and within the limitation of section 4403 which levy shall be made as other taxes for school purposes.

Sec. 4405. **Funding or refunding bonds.** For the purpose of providing for the payment of any indebtedness of any school corporation represented by judgments or bonds, the board of directors of such school corporation, at any time or times, may provide by resolution for the issuance of bonds of such school corporation, to be known as funding or refunding bonds. The proceeds derived from the negotiation of such funding or refunding bonds shall be applied in payment of such indebtedness; or said funding bonds or refunding bonds may be issued in exchange for the evidences of such indebtedness, par for par.

Judgment Tax

Sec. 4400. **Payment of judgment.** When a judgment shall be obtained against a school corporation, its board shall order the payment thereof out of the proper fund by an order on the treasurer, not in excess, however, of the funds available for that purpose.

Sec. 4401. **Judgment tax.** If the proper fund is not sufficient, then, unless its board has provided by the issuance of bonds for raising the amount necessary to pay such judgment, the voters thereof shall at their regular election vote a sufficient tax for the purpose.

Sec. 4402. **Judgment levy.** In case of failure or neglect to vote such tax, the school board shall certify the amount required to the board of supervisors, who shall levy a tax on the property of the corporation for the same.

School House Fund. A schoolhouse fund is established and tax levy authorized by the voters either as a tax levy under section 4217.7 for one or more years or a tax to pay interest and principal on bonds voted by the electors of the district. A schoolhouse fund is maintained only for the construction of buildings, the purchase of a site or the payment of bonds and interest. Ordinary repairs are paid from the general fund. Sections of the law applying to the erection and repair of buildings and notice to bidders are quoted below.

Sec. 4370. **Erection or repair of schoolhouse.** Before erecting a schoolhouse, the board of directors shall consult with the county superintendent as to the most approved plan for such building, and secure his approval of the plan submitted. Before any one-room schoolhouse shall be erected or repaired at a cost exceeding five hundred dollars, or before any schoolhouse containing more than one room shall be erected or repaired at a cost exceeding one thousand dollars, proposals therefor shall be

invited by advertisement published once each week for two consecutive weeks in some newspaper published in the county in which the work is to be done, and the contract shall be let to the lowest responsible bidder*but the board may reject any and all bids and advertise for new bids. After any bid is accepted, a written contract shall be entered into, and the contractor shall furnish bonds with sureties for the faithful performance of the contract.

Sec. 4370.1. Emergency repairs. When emergency repairs costing more than one thousand dollars are necessary in order to prevent the closing of any school, the provisions of the act with reference to advertising for bids shall not apply, and in that event the board may contract for such emergency repairs without advertising for bids; provided, however, that before such emergency repairs can be made to any schoolhouse, it shall be necessary to procure a certificate from the county superintendent that such emergency repairs are necessary to prevent the closing of such school.

Authorization and Sale of Public Bonds

Sec. 1171.18. Bonds — Election — Vote required. When a proposition to authorize an issuance of bonds by a county, township, school district, city or town, or by any local board or commission, is submitted to the electors, such propositions shall not be deemed carried or adopted, anything in the statutes to the contrary notwithstanding, unless the vote in favor of such authorization is equal to at least sixty percent of the total vote cast for and against said proposition at said election.

Sec. 1172. Notice of sale. When public bonds are offered for sale, the official or officials in charge of such bond issue shall, by advertisement published for two or more successive weeks in at least one official newspaper of the county, give notice of the time and place of sale of said bonds, the amount to be offered for sale, and any further information which may be deemed pertinent.

Sec. 1173. Sealed and open bids.

Sec. 1174. Rejection of bids.

Miscellaneous

Chapter 62.2, Code. **Public Warrants Not Paid for Want of Funds. Rate of Interest.** Warrants endorsed "Not paid for want of funds" shall draw interest at the rate of four (4) percent per annum but the treasurer may arrange for the sale of such warrants at par at a lower rate of interest. **Sec. 1171.12,** —Chapter 263, Laws of the 49th G. A.

Permanent School Fund. Rate of interest reduced from 4% to 3½% by S. F. 19, Acts of the 50th G. A.

Permanent School Fund. Investment in government bonds and other securities. Sec. 4487.1 amended by H. F. 4, 50th G. A. by adding the following paragraph, "The board of supervisors may also invest such funds in bonds of the United States and said bonds shall likewise be registered in the name of the county purchasing the same."

Chapter 63, Code. **Authorization and sale of public bonds.** Majority vote of sixty (60) percent required. Sec. 1171.18. Notice of Sale, Sec. 1172. Sealed and Open Bids, Sec. 1173. Rejection of Bids, Sec. 1174. Exchange of Bonds, Sec. 1179.

Chapter 63.1. **Mandatory retirement and levy.** Certified copy of resolution filed with county auditor. Duty to enter levy. Sec. 1179.2.

Chapter 319. **Indebtedness.**

Section 6238. **Limitation.** No county or other political or municipal corporation shall become indebted in any manner for its general or ordinary purposes to an amount exceeding in the aggregate one and one-fourth percent of the actual value of the taxable property within such corporation. The value of such property shall be ascertained by the last tax list previous to the incurring of the indebtedness. Indebtedness heretofore or hereafter incurred by a county for poor relief purposes shall not be construed or regarded as having been incurred for its general or ordinary purposes insofar as said indebtedness may be incurred solely for poor relief purposes.

Section 6239. **Purposes.** Cities and towns when authorized to acquire the following named public utilities and other improvements may incur indebtedness for the purpose of:

1. Purchasing, erecting, extending, reconstructing, or maintaining and operating waterworks, gasworks, electric light and power plants, or the necessary transmission lines therefor, and heating plants.
2. Purchasing or erecting garbage disposal plants.
3. Erecting and equipping community center houses and recreation grounds.
4. Acquiring lands and establishing juvenile playgrounds, swimming pools, and recreation centers thereon or on lands already owned or to be leased by the city or town.
5. Constructing, purchasing, remodeling, or purchasing and remodeling city and town halls and acquiring sites therefor.
6. Erecting a building or buildings for a public library.
7. Purchasing sites for hospitals or sites with a building or

buildings and constructing or reconstructing buildings to be used for hospitals.

8. Purchasing or constructing dams across streams for any proper municipal purpose.

Section 6240. **Application of Limitation.** No indebtedness for the extraordinary purposes mentioned in section 6239 shall be charged against or counted as a part of the one and one-fourth percent available for general ordinary purposes until the other three and three-fourths percent of the five percent of indebtedness permitted by the constitution has been exhausted.

Applicable to certain special charter cities, Sec. 6775.

Constitutional provision, Art. XI, Sec. 3—5% limitation of indebtedness.

Sec. 6241. **Election required.** No such indebtedness shall be incurred until authorized by an election. Any indebtedness for propositions mentioned in section 6239 must receive the approval of the voters.

Chapter 320. **Bonds—By Cities and Towns.**

Section 6252. **Funding.** Cities and towns may settle, adjust, renew, or extend the legal indebtedness they may have, or any part thereof, in the sum of one thousand dollars or upwards, whether evidenced by bonds, warrants, or judgments, and may fund or refund the same and issue coupon bonds therefor; but no bonds shall be issued under this section for any other purpose than is above authorized.

Section 6261. Issuance of bonds or certificates in anticipation of special taxes.

Section 6261.1 and 6261.2. **Notice—Hearing—Appeal.**

Section 6125. **Sewer bonds authorized.** General obligation bonds within the five percent limitation. Applicable to indebtedness for improving and repairing streets previously improved under the provisions of Chapter 308 of the code. S. F. 88, 50th G. A. Applicable to Special Charter Cities.

Chapter 225, Code. **Indebtedness of school districts.** Limitation and Procedure.

Sample Budgets

Below will be found some sample budgets taken from the office files which may be helpful in arranging your budget. The principle is the same whether the local taxing district be large or small and the same care should be used in the preparation of the budget.

**Budget Estimate and Record of Filing
COUNTY ESTIMATE**

NOTICE—The board of supervisors of County, Iowa, will meet
....., 194....., at.....M., at..... Taxpayers
will be heard for or against the following estimate of expenditures for the
fiscal year beginning January 1, 1942. *

.....
County Auditor.

FUNDS	1	2	3	4	5	6
	Expend. for Year		Proposed Expend. Est'd. 1942	Unencum. Balance Jan. 1, 1942	Est. Inc. Other Than Taxation 1942	Amt. Nec- essary to be raised by Taxa- tion 1942
	For Year 1939	For Year 1940				
General	\$ 59,671	\$ 57,794	\$ 65,000	\$ 13,500	\$ 20,000	\$ 31,500
Court Expense	6,937	5,946	10,000	2,500	0	7,500
Poor	29,794	24,360	40,000	16,750	2,500	20,750
State Insane	7,667	8,331	17,000	2,000	2,000	13,000
County Insane	4,581	0	0	0	0	0
County School	8,675	9,464	10,000	1,250	3,500	5,250
Soldiers' Relief	4,900	2,950	6,500	1,250	0	5,250
Bovine Tuberculosis	1,181	2,868	5,000	5,000	0	0
County Bonds & Int.	134,726	32,592	32,000	32,000	0	0
Emergency	20,000	15,000	20,000	5,000	0	15,000
Bang's Disease Erad.	236	730	5,000	5,000	0	0
Sp. Sec. Rd. Constr.	0	1,376	50,000	15,000	35,000	0
Sec. Road Funds:						
A. Const. ½ mill						
(4644.06)	77,293	75,124	85,000	10,000	64,900	10,100
B. Const. ⅝ mill						
(4644.07)	0	0	0	0	0	0
C. Maint. 1¼ mills						
(4644.11)	80,151	90,003	47,000	16,000	5,000	26,000
D. Maint. 3 mills						
(4644.11)	0	0	48,000	0	0	48,000
Constr. or Maint.:						
E. Optional ⅝ mill						
(4644.14)	12,013	12,500	13,500	500	0	13,000
Totals	\$447,825	\$339,038	\$454,000	\$125,750	\$132,900	\$195,350

**Budget Estimate and Record of Filing
TOWN AND CITY ESTIMATE**

NOTICE—The Town (City) council of of
County, Iowa, will meet 19..... at.....M., at.....
Taxpayers will be heard for or against the following estimate of expenditures for the year
beginning April 1, 1942. A detailed statement of receipts and disbursements, both past and
anticipated will be available at the hearing.

Town—City Clerk.

FUNDS Refer to pages 2 and 3 for authority)	1 Expend. for Year		3	4	5	6
	Apr. 1, 1939	Apr. 1, 1940	Proposed	Estimated	Estimated	Amount
	to Mch. 31, 1940	to Mch. 31, 1941	Expend- itures Estimated 1942-1943	Unencum- bered Bal. Apr. 1, 1942	Income Other Than 1942-1943	Necessary Taxation 1942-1943
General	\$ 45,031.83	\$ 51,747.08	\$ 55,865	\$	\$ 40,000	\$ 15,865
Grading	1,193.48	1,066.78	4,760	.....	.....	4,760
Improvement	46.38	1,098.80	7,933	.....	.....	7,933
Sewer	6,809.17	12,658.61	7,933	.....	.....	7,933
Water	10,009.37	8,920.00	8,433	500	.....	7,933
Light	7,443.82	7,843.55	8,233	300	.....	7,933
Consolidated	70,444.05	83,334.82	93,157	800	40,000	52,357
Sewage Disposal	187.35	None	.....	.....	.....	.....
Garbage Disposal	2,898.00	3,796.19	3,173	.....	.....	3,173
Snow Removal	1,254.50	714.50	5,673	2,500	.....	3,173
Fire Maintenance	16,608.38	19,002.93	25,857	300	.....	25,557
Fire Equipment	2,287.13	1,797.25	3,377	1,000	.....	2,377
Road, (Agri. Land)	140.50	85.50	325	200	.....	125
Library	8,670.85	11,378.60	8,933	500	500	7,933
Band	2,866.45	2,920.75	3,573	400	.....	3,173
Park .....	.....	.....	3,866	.....	.....	3,866
Cemetery	3,675.23	3,069.63	3,587	500	1,500	1,587
Dock	1,118.95	492.30	8,173	5,000	.....	3,173
Firemen's Pension	1,842.00	1,254.25	8,593	7,000	800	793
Firemen's Retirement .....	.....	.....	2,300	2,000	.....	300
Policemen's Pension	1,260.00	1,260.00	3,093	2,000	300	793
Emergency	5,000.00	10,576.13	6,346	.....	.....	6,346
Judgment	1,720.32	281.00	.....	.....	.....	.....
General Bonds	687.50	25,687.50	.....	.....	.....	.....
TOTALS	\$120,657.21	\$165,651.40	\$180,626	\$ 22,500	\$ 43,100	\$115,026

The above is a copy of a city budget which is well arranged with estimated expenditures balancing with estimated revenue. S. F. 182, Acts of the 50th General Assembly enlarges the consolidated group of funds requiring a somewhat different arrangement of the funds listed above. Under the new law cities and towns need not itemize the budget for the funds in the consolidated group but one amount will be budgeted for the entire group and later itemized in appropriations. Other funds will be handled in the usual manner. The item of \$40,000.00 in column 5 no doubt includes anticipated transfers.

ADOPTED BUDGET AND CERTIFICATE OF SCHOOL TAXES

State of Iowa, County of..... }
 School District of..... } ss.
 To the County Auditor and Board of Supervisors of.....County, Iowa:
 I,, Secretary of.....

..... Township,County, Iowa, do hereby certify, that at a meeting of the Board of Directors of said school district, held as provided by law on the day of, 194....., the following budget was adopted and tax levy voted for the year 194..... on all of the taxable property of said school district; that said estimated and levies were made after public hearing as provided by law.

FUNDS (Refer to page 3 for authority)	1 Expend. for Year 1940- 1941	2 1941- 1942	3 Proposed Expendi- tures de- cided at hearing 1942- 1943	4 Esti- mated Unencum- bered Bal. to apply upon this budget	5 Esti- mated Income than Taxation 1943	6 Amount Neces- sary to be raised by Tax- ation 1942- 1943	7 Taxes finally entered by Auditor	8 No. of Mills
General	\$219,130	\$207,832	\$224,250	\$ 22,700	\$ 24,850	\$176,700	\$	\$
Total—General Fund.....	\$219,130	\$207,832	\$224,250	\$ 22,700	\$ 24,850	\$176,700	\$	\$
Bonds and Interest.....	25,735	18,516	28,155	8,155	.....	20,000	.....	.....
Total—All Purposes	\$244,865	\$226,348	\$252,405	\$ 30,855	\$ 24,850	\$196,700	\$	\$

**Table No. 1
Distribution of General Fund Expenditures**

**Table No. 2
Distribution of General Fund Receipts Other Than Taxation**

	Expend. for Yr.		Pro- posed Expend. itures 1942- 1943		Receipts Other Than Taxation		Esti- mated Receipts 1942- 1943
	1940- 1941	1941- 1942			1940- 1941	1941- 1942	
1. General Control.....	\$ 5,199	\$ 5,729	\$ 6,000	Tuition	\$ 14,516	\$ 13,839	\$ 12,600
2. Instruction	144,975	144,494	147,000	State and Fed. Aid..	927	966	1,900
3. Auxil'ry Agencies....	.....	244	300	Semi-annual	.....	.....	.....
4. Co-ord. Activities....	2,743	1,891	2,400	Apportionment	5,213	5,406	4,500
5. Operation of Plant	29,113	30,690	33,400	Transfers	10,000	.....	.....
6. Maint. of Plant.....	11,115	11,242	18,000	Other Receipts	1,507	6,131	5,850
7. Fixed Charges	1,798	2,076	1,800	.....	.....	.....	.....
8. Capital Outlay	7,729	7,356	11,000	.....	.....	.....	.....
9. Transfer (G.F.).....	10,699	.....	100	.....	.....	.....	.....
10. Revolving Acct.....	5,855	4,106	4,250	.....	.....	.....	.....

TOTALS Same as General Fund above.....\$219,130 \$207,832 \$224,250
 TOTALS (Last col. to col. 5 above).....\$ 32,163 \$ 26,342 \$ 24,850

The above arrangement (Tables No. 1 and No. 2) conforms to your system of accounting and to complete the first two columns simply copy the figures from your records. Figures in the third column are estimated requirements to be covered by this budget.

Secretary's Balance July 1, 1942:

1. GENERAL FUND	\$ 55,842.44	Number of persons of school age	3098
2. Less Unpaid Bills..	\$ 3,121.54	Taxable valuation, 1942 . . .	\$5,617,354
3. Less Bal. Reserved..	30,000.00	Moneys and credits	\$1,404,573
Net Unencumbered Bal. (G.F.).....	* \$ 22,720.90		
SCHOOL HOUSE FUND.....	\$ 8,155.10		
* Amount left after deducting Items 2 and 3 from Item 1, and to be transferred to Column 4 above.			6,737 B & L

The above is a sample of a well arranged and well balanced school budget.

**Budget Estimate and Record of Filing
School Township or Rural Independent District
ESTIMATE**

Notice:—The Board of Directors of (School District)

..... County, Iowa,
(Township)

will meet 19....., at..... M, at.....
Taxpayers will be heard for or against the following estimate of expenditures at that time.

.....
District Secretary.

FUNDS	1 Expenditures for Year		3 Proposed Expenditures Estimated 1942-1943	4 Estimated Unencum- bered Bal. to Apply Upon This Budget	5 Estimated Income Other Than Taxation	6 Amount Necessary to be raised by Taxation
	July 1, 1940 to June 30, 1941	July 1, 1941 to June 30, 1942				
General						
(Sec. 4386, Code)....	\$ 871	\$ 893	\$1,090	\$1,765	\$ 183	\$1,547
Tuition						
(Sec. 4386-3)	1,632	1,390	1,820	.....	.....	.....
Transportation						
(Sec. 4388)	467	546	545	.....	.....	.....
Text Books						
(Sec. 4448)	44	37	40	.....	.....	.....
TOTALS	\$3,015	\$2,867	\$3,495	\$1,765	\$ 183	\$1,547

Secretary's Balance July 1, 1942:			Number of persons of school age.....
1. GENERAL FUND		\$7,280	Taxable valuation, 1941 \$446,669
2. Less Unpaid Bills	\$ 169		Moneys and Credits \$ 15,100
3. Less Unpaid Tuition	\$1,923		.....
4. Less Balance Reserved	\$3,423	\$5,515	.....
Net Unencumbered Balance (G.F.)	*\$1,765		.....

*Amount left after deducting Items 2, 3 and 4 from Item 1, and to be transferred to Column 4 above.

The above is a sample of a rural school budget showing a balance on hand in excess of two years requirements. While it is optional whether a school district declares any of their balance "unencumbered" subject to deduction from proposed expenditures it would not appear good policy for any district to maintain a working balance in excess of fifty percent (50%) of estimated requirements shown in the budget.

BUDGET APPEAL LAW

Chapter 24, Code 1939

390.1. There is hereby created to administer this Act, a State Board to be known as the State Appeal Board, which State Board shall consist of the

- (a) Comptroller,
- (b) Auditor of State, and
- (c) Treasurer of State,

each of whom shall personally serve as a member of the State Board during his tenure of office. At its first meeting, which shall be held within thirty (30) days after this Act goes into effect, and at each annual meeting held thereafter, the State Board shall organize by the election, from their own number, of a chairman and a vice-chairman; and by appointing a Secretary. Two members of the State Board shall constitute a quorum for the transaction of any business. The State Board may, from time to time, as such services are required, appoint one or more competent and specially qualified persons as deputies, to appear and act for it at initial hearings as hereinafter provided. The annual meeting of the State Board shall be held on the second Tuesday of January in each year. Each deputy appointed by the State Board shall be entitled to receive the amount of his traveling and other necessary expenses actually incurred while engaged in the performance of his official duties as hereinafter set out. Such expenses to be audited and approved by the State Board and proper receipts filed therefor.

390.2. Not later than the first Tuesday in September, a number of persons in any municipality equal to one-fourth of one per cent of those voting for the office of governor at the last general election in said municipality, but in no event less than ten, who are affected by any proposed budget, expenditure or tax levy, or by any item thereof, may appeal from any decision of the certifying board or the levying board, as the case may be, by filing with the County Auditor of the county in which such municipal corporation is located, a written protest setting forth their objections to such budget, expenditure or tax levy, or to one or more items thereof, and the grounds for such objections; provided that at least three of such persons shall have appeared and made objection, either general or specific, as provided by section three hundred seventy-seven (377) of the Code of Iowa. Upon the filing of any such protest, the County Auditor shall immediately prepare a true and complete copy of said written protest, together with the budget, proposed tax levy or expenditure to which objections are made, and shall transmit the same forthwith to the State Board, and shall also send a copy of such protest to the certifying board or to the levying board, as the case may be.

390.3. The State Board, within a reasonable time, shall fix a date for an initial hearing on such protest and shall designate a deputy to hold such hearing, which shall be held in the county or in one of the counties in which such municipality is located. Notice of the time and place of such hearing shall be given by registered mail to the chief executive officer of the municipality and to the first ten property owners whose names appear upon such protest, at least five (5) days before the date fixed for such hearing. At all such hearings, the burden shall be upon the objectors with reference to any proposed item in the budget which was included in the budget of the previous year and which such objectors propose should be reduced or excluded; but the burden shall be upon the certifying board or the levying board, as the case may be, to show that any new item in the budget, or any increase in any item thereof, is necessary, reasonable and in the interests of the public welfare.

390.4. The deputy designated to hear any particular appeal shall attend in person and conduct such hearing in accordance with the procedure prescribed herein and shall promptly report the proceedings had at such hearing, which report shall become a part of the permanent record of the State Board. At the request of either party, or on his own motion, the deputy shall employ a stenographer to report the proceedings, in which event the stenographic notes shall be filed with the report. Either party desiring to have a transcript of such notes presented to the State Board with the deputy's report, may have the same made at his initial expense, such expense to eventually follow the result.

390.5. It shall be the duty of the State Board to review and finally pass upon all proposed budget expenditures, tax levies and tax assessments from which appeal is taken and it shall have power and authority to approve, disapprove or reduce all such proposed budgets, expenditures and tax levies so submitted to it upon appeal, as herein provided; but in no event may it increase such budget, expenditure, tax levies or assessments or any item contained therein. Said State Board shall have authority to adopt rules and regulations not inconsistent with the provisions of this Chapter, to employ necessary assistants, authorize such expenditures, require such reports, make such investigations and take such other action as it deems necessary to promptly hear and determine all such appeals; provided, however, that all persons so employed shall be selected from persons then regularly employed in some one of the offices of the members of said State Board.

390.6. The manner in which objections shall be presented, and the conduct of hearings and appeals, shall be simple and informal and in accordance with the rules prescribed by the

State Board for promptly determining the merits of all objections so filed, whether or not such rules conform to technical rules of procedure. Such record shall be kept of all proceedings, as the rules of the State Board shall require.

390.7. After a hearing upon such appeal, the State Board shall certify its decision with respect thereto to the County Auditor, and such decision shall be final. The County Auditor shall make up his records in accordance with such decision and the levying board shall make its levy in accordance therewith. Upon receipt of such decision, the County Auditor shall immediately notify both parties thereof, whereupon the certifying board shall correct its records accordingly, if necessary. Final disposition of all such appeals shall be made by the State Board on or before October 15th of each year.

Explanatory Information Regarding Budget Appeals

Taxpayers. The Budget Appeal Law passed by the Forty-seventh General Assembly amends the local budget law and creates a State Board of Appeal composed of the State Comptroller, State Auditor and State Treasurer. This law provides that not less than ten (10) taxpayers for a taxing district who are affected by a proposed budget and tax levy, at least three (3) of whom appeared at the regular budget hearing and made objections, may appeal from the decision of the local board within a certain time to the State Board of Appeal. The time of appeal is limited to not later than the first Tuesday in September. After that time no appeal can be made to the State Board.

There are no official forms for filing an appeal. The required number of appellants may file their protest with the county auditor in writing setting out the reasons why they object to the proposed budget and why certain expenditures and taxes should be reduced or eliminated. It is suggested that the written protest be filed in duplicate.

Local Boards. The above budget appeal law does not necessarily mean there will be an appeal but the law is enacted to protect the taxpayer from increased or exorbitant taxes. Local boards will prepare their estimate of expenditures and tax levies carefully and be prepared to explain to any interested taxpayer the reason or justification for each and every item in the proposed budget. In almost every instance an appeal can be avoided if the local board and taxpayers will cooperate in adjusting matters locally. Seek the advice of your county auditor and county attorney.

County Auditor. Section 390.2 of the budget law permits the filing of an appeal with the county auditor not later than the

first Tuesday in September. Appeals may be filed any time after the hearing held by the local board as stated in Section 377 of the Code and up to the close of business on the first Tuesday in September. All budget hearings should be held in time to certify the budget to the county auditor by August 15. In case of an appeal the county auditor will prepare a true and complete copy of the written protest filed with him and forward it at once, together with a copy of the budget in question to the State Board of Appeal, care of State Comptroller, State House, Des Moines, Iowa. The written protest should cover all the main points to which objections have been made and should be signed by the requisite number of objectors.

PUBLIC CONTRACTS AND BONDS

Chapter 23, Code 1939

As amended by Chapter 71, Laws of the 49th G. A.

351. **Terms defined.** The words "public improvement" as used in this chapter shall mean any building or other construction work to be paid for in whole or in part by the use of funds of any municipality.

The word "municipality" as used in this chapter shall mean county, except in the exercise of its power to make contracts for secondary road improvements, city, including those acting under special charter, town, township, school district, state fair board, state board of education, and state board of control.

The words "appeal board" as used in this chapter shall mean the "State Appeal Board," composed of the Auditor of State, Treasurer of State and State Comptroller.

352. **Notice of hearing.** Before any municipality shall enter into any contract for any public improvement to cost five thousand dollars or more, the governing body proposing to make such contract shall adopt proposed plans and specifications and proposed form of contract therefor, fix a time and place for hearing thereon at such municipality affected thereby or other nearby convenient place, and give notice thereof by publication in at least one newspaper of general circulation in such municipality at least ten days before said hearing.

353. **Objections—Hearing—Decision.** At such hearing, any person interested may appear and file objections to the proposed plans, specifications or contract for, or cost of such improvement. The governing body of the municipality proposing to enter into such contract shall hear said objections and any evidence for or against the same, and forthwith enter of record its decision thereon.

354. **Appeal.** Interested objectors in any municipality equal

in number to one fourth of one percent of those voting for the office of governor at the last general election in said municipality, but in no event less than ten, may appeal from the decision to the Appeal Board by serving notice thereof on the clerk or secretary of such municipality within ten days after such decision is entered of record.

The notice shall be in writing and shall set forth the objections to such decision and the grounds for such objections; provided that at least three of the persons signing said notice shall have appeared at the hearing and made objection, either general or specific, to the adoption of the proposed plans, specifications or contract for, or cost of such improvement.

355. Information certified to Comptroller. In case an appeal is taken, such body shall forthwith certify and submit to the Appeal Board for examination and review the following:

1. A copy of the plans and specifications for such improvement.
2. A copy of the proposed contract.
3. An estimate of the cost of such improvement.
4. A report of the kind and amount of security proposed to be given for the faithful performance of the contract and the cost of such security.
5. A copy of the objections, if any, which have been urged by any taxpayer against the proposed plans, specifications or contract, or the cost of such improvement.
6. A separate estimate of the architect's or engineer's fees and cost of supervision.
7. A statement of the taxable value of the property within the municipality proposing to make such improvement.
8. A statement of the several rates of levy of taxes in such municipality for each fund.
9. A detailed statement of the bonded and other indebtedness of such municipality.
10. In case of State Institutions and State Fair Board, the last three requirements may be omitted.

356. Notice of hearing on appeal. The Appeal Board shall forthwith fix a time and place in the municipality or nearby convenient place for hearing said appeal, and notice of such hearing shall be given by registered mail to the executive officer of the municipality, and to the first five persons whose names appear upon the notice of appeal, at least ten days before the date fixed for such hearing.

The hearing on contracts for the State Institutions and State Fair Board shall be at the seat of government.

357. Hearing and decision. At such hearing, the appellants and any other interested person may appear and be heard. The

Appeal Board shall examine, with the aid of competent assistants, the entire record, and if it shall find that the form of contract is suitable for the improvement proposed, that the improvement and the method of providing for payment therefor is for the best interests of the municipality and the taxpayers therein, and that such improvements can be made within the estimates therefor, it shall approve the same. Otherwise, it may reject the same as a whole or, it shall recommend such modifications of the plans, specifications, or contract, as in its judgment shall be for the public benefit, and if such modifications are so made, it shall approve the same.

The Appeal Board shall certify its decision to the body proposing to enter into such contract unless it shall have rejected the same as a whole, whereupon the municipality shall advertise for bids and let the contract subject to the approval of the Appeal Board which shall at once render its final decision thereon and transmit the same to the municipality.

358. Enforcement of performance. After any contract for any public improvement has been completed and any five persons interested request it, the Appeal Board shall examine into the matter as to whether or not the contract has been performed in accordance with its terms, and if on such investigation it finds that said contract has not been so performed, and so reports to the body letting such contract, it shall at once institute proceedings on the contractor's bond for the purpose of compelling compliance with the contract in all of its provisions.

359. Nonapproved contracts void. If an appeal is taken, no contract for public improvements shall be valid unless the same is finally approved by the Appeal Board. In no case shall any municipality expend for any public improvement any sum in excess of five percent more than the contract price without the approval of the Appeal Board.

360. (Repealed by 49th G. A.)

361. Witness fees—Costs. Witness fees and mileage for witnesses on hearing appeals shall be the same as in the district court; but objectors or appellants shall not be allowed witness fees or mileage. Costs of hearings and appeals shall be paid by the municipality.

362. Report on completion. Upon the completion of the improvement the executive officer or governing board of the municipality shall file with the appeal board a verified report showing:

1. The location and character of the improvement.
2. The total contract price for the completed improvement.
3. The total actual cost of the completed improvement.

4. By whom, if anyone, the construction was supervised.
5. By whom final inspection was made.
6. Whether or not the improvement complies with its contract, plans and specifications.
7. Any failure of the contractor to comply with the plans and specifications.

363. Issuance of bonds—Notice. Before any municipality shall institute proceedings for the issuance of any bonds or other evidence of indebtedness, excepting such bonds or other evidence of indebtedness as have been authorized by a vote of the people of such municipality, and except such bonds or obligations as it may be by law compelled to issue, a notice of such action, including a statement of the amount and purpose of said bonds or other evidence of indebtedness shall be published at least once in a newspaper of general circulation within such municipality at least ten days before the meeting at which it is proposed to issue such bonds.

364. Objections. At any time before the date fixed for the issuance of such bonds or other evidence of indebtedness, five or more taxpayers may file a petition in the office of the clerk or secretary of the municipality setting forth their objections thereto.

365. Notice of hearing. Upon the filing of any such petition, the clerk or secretary of such municipality shall immediately certify a copy thereof, together with such other data as may be necessary in order to present the questions involved, to the Appeal Board, and upon receipt of such certificate, petition and information, it shall fix a time and place for the hearing of such matter, which shall be not less than ten nor more than thirty days thereafter. Said hearing shall be held in the municipality in which it is proposed to issue such bonds or other evidence of indebtedness, or in some other nearby convenient place fixed by the Appeal Board. Notice of such hearing shall be given by registered mail to the executive officer of the municipality and to the five persons whose names first appear on the petition at least ten days before the date of such hearing.

366. Decision. The Appeal Board shall determine the matters involved in such appeal and its decision shall be final, unless either party, within thirty days from the making of such decision, gives notice to the other party of an appeal to the District Court from such appeal. Its decision shall be certified to the executive officer of the municipality affected.

In case there is no appeal, the board of the municipality affected may issue such bonds or other evidence of indebtedness, if legally authorized so to do, in accordance with the proposition published, but in no greater amount.

In case of an appeal, the municipality may issue such bonds

or other evidence of indebtedness in accordance with the decision of the Appeal Board.

367. **Bonds and taxes void.** Any bonds or other evidence of indebtedness issued contrary to the provisions of this chapter, and any tax levied or attempted to be levied for the payment of any such bonds or interest thereon, shall be null and void.

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