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State of Iowa
1953

**TAX LEVIES
EXPENDITURES
BUDGETS**

**In Accordance with the Provisions
of Code of Iowa, 1950**

**Authority for Tax Levies with Limitations Fixed by Law
Compiled in the office of the State Comptroller under provisions
of section 444.7, Code 1950**

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Some sections of the Code are quoted in full, and some in part only. In many instances, sentences are added to explain more fully the content of the section.

For detailed information, refer to Code 1950.

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SECTION I

The Local Budget Law of Iowa

CHAPTER 24

OF CODE

Sec. 24.1. **Short title.** This chapter shall be known as the "local budget law."

Sec. 24.2. **Definition of terms.** As used in this chapter and unless otherwise required by the context:

1. The word "municipality" shall mean the county, city, town, school district, and all other public bodies or corporations that have power to levy or certify a tax or sum of money to be collected by taxation, but shall not include any drainage district, township, or road district.

2. The words "levying board" shall mean board of supervisors of the county and any other public body or corporation that has the power to levy a tax.

3. The words "certifying board" shall mean any public body which has the power or duty to certify any tax to be levied or sum of money to be collected by taxation.

4. The words "fiscal year" shall mean the year ending on the thirtieth day of June, and any other period of twelve months constituting a fiscal period, and ending at any other time.

5. The word "tax" shall mean any general or special tax levied against persons, property, or business, for public purposes, as provided by law, but shall not include any special assessment nor any tax certified or levied by township trustees.

6. The words "state board" shall mean the state appeal board as created by section 24.25.

Sec. 24.3. **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. 24.4. **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. 24.5. 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.

Sec. 24.6. Emergency fund—levy. Each municipality as defined herein, may include in the estimate herein required, an estimate for an emergency fund. Each such municipality shall have power to assess and levy a tax for such emergency fund at a rate not to exceed one mill upon the taxable property of the municipality, provided that no such emergency tax levy shall be made until such municipality shall have first petitioned the state board to make such levy and received its approval thereof. Transfers of moneys may be made from the emergency fund to any other fund of the municipality for the purpose of meeting deficiencies in any such fund arising from any cause, provided, however, that no such transfer shall be made except upon the written approval of the state board, and then only when such approval is requested by a two-thirds vote of the governing body of said municipality.

Sec. 24.7. Supplemental estimates. Supplemental estimates for particular funds may be made for levies of taxes for future years when the same are authorized by law. Such estimates may be considered, and levies made therefor at any time by filing the same, and upon giving notice in the manner required in section 24.9. Such estimates and levies shall not be considered as within the provisions of section 24.8.

Sec. 24.8. 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.

Sec. 24.9. Filing estimates—Notice of hearing. Each municipality shall file with the secretary or clerk thereof the estimate required to be made in sections 24.3 to 24.8, 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 76.2,

with a notice of the time when and the place where such hearing shall be held at least ten days before the hearing. Provided that in rural independent districts, school townships, and municipalities of less than two hundred population 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.

Ch. 53, 55th G. A. Budget Estimates adopted and certified in accordance with this chapter may be amended and increased as the need arises to permit appropriation and expenditure during the fiscal year covered by such budget of unexpended cash balances on hand at the close of the preceding fiscal year and which cash balances had not been estimated and appropriated for expenditure during the fiscal year of the budget sought to be amended, and also to permit appropriation and expenditure during the fiscal year covered by such budget of amounts of cash anticipated to be available during such year from sources other than taxation and which had not been estimated and appropriated for expenditure during the fiscal year of the budget sought to be amended. Such amendments to budget estimates may be considered and adopted at any time during the fiscal year covered by the budget sought to be amended, by filing such amendments and upon publishing the same and giving notice of the public hearing thereon in the manner required in section twenty-four point nine (24.9). Within twenty (20) days of the decision or order of the certifying or levying board, such proposed amendment of the budget shall be subject to protest, hearing on such protest, appeal to the State Appeal Board and review by such body, all in accordance with the provisions of sections twenty-four point twenty-six (24.26), twenty four point twenty-seven (24.27), twenty-four point twenty-eight (24.28), twenty-four point twenty-nine (24.29), twenty-four point thirty (24.30) and twenty-four point thirty-one (24.31), Code 1950, so far as applicable. Amendments to budget estimates adopted or issued under the provisions of this section shall not be considered as within the provisions of section twenty-four point fourteen (24.14).

Sec. 24.10. 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.

Sec. 24.11. Meeting for review. The certifying board or the levying board, as the case may be, shall meet at the time

and place designated in said notice, at which meeting any person who would be subject to such tax levy, shall be heard in favor of or against the same or any part thereof.

Sec. 24.12. Record by certifying board. After the hearing has been concluded, the certifying board shall enter of record its decision in the manner and form prescribed by the state board and shall certify the same to the levying board, which board shall enter upon the current assessment and tax roll the amount of taxes which it finds shall be levied for the ensuing fiscal year in each municipality for which it makes the tax levy.

Sec. 24.13. Procedure by levying board. Any board which has the power to levy a tax without the same first being certified to it, shall follow the same procedure for hearings as is hereinbefore required of certifying boards.

Sec. 24.14. 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 24.6, 24.15 and subsection 4 of section 343.11.

Sec. 24.15. 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. 24.16. Expenses—how paid. The cost of publishing the notices and estimates required by this chapter, and the actual and necessary expenses of preparing the budget shall be paid out of the general funds of each municipality respectively.

Sec. 24.17. Budgets certified. The local budgets of the various municipalities shall be certified by the chairman of the certifying board or the levying board, as the case may be, in duplicate to the county auditor not later than the fifteenth day of August each year on blanks prescribed by the state board, and according to rules and instructions which shall be furnished all certifying and levying boards in printed form by said state board.

One copy of said budget shall be retained on file in his office by the county auditor, and the other shall be certified by him to the state board.

Sec. 24.18. Summary of budget. Before forwarding copies of local budgets to the state board, the county auditor shall prepare a summary of each budget, showing the condition of the various funds for the fiscal year, including the budgets

adopted as herein provided. Said summary shall be printed as a part of the annual financial report of the county auditor, and one copy shall be certified by him to the state board.

Sec. 24.19. Levying board to spread tax. At the time required by law the levying board shall spread the tax rates necessary to produce the amount required for the various funds of the municipality as certified by the certifying board for the next succeeding year, as shown in the approved budget in the manner provided by law. One copy of said rates shall be certified to the state board.

Sec. 24.20. 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.

Sec. 24.21. Transfer of inactive funds. Subject to the provisions of any law relating to municipalities, when the necessity for maintaining any fund of the municipality has ceased to exist, and a balance remains in said fund, the certifying board or levying board, as the case may be, shall so declare by resolution, and upon such declaration, such balance shall forthwith be transferred to the fund or funds of the municipality designated by such board, unless other provisions have been made in creating such fund in which such balance remains.

Sec. 24.22. Transfer of active funds—poor fund. Upon the approval of the state board, it shall be lawful to make temporary or permanent transfers of money from one fund of the municipality to another fund thereof; but in no event shall there be transferred for any purpose any of the funds collected and received for the construction and maintenance of secondary roads. The certifying board or levying board, as the case may be, shall provide that money temporarily transferred shall be returned to the fund from which it was transferred within such time and upon such conditions as the state board shall determine, provided that it shall not be necessary to return to the emergency fund, or to any other fund no longer required, any money transferred therefrom to any other fund. No transfer shall be made to a poor fund unless there is a shortage in said fund after the maximum permissible levy has been made for said fund.

Sec. 24.23. Supervisory power of state board. The state board shall exercise general supervision over the certifying boards and levying boards of all municipalities with respect to budgets and shall prescribe for them all necessary rules, instructions, forms, and schedules. The best methods of accountancy and statistical statements shall be used in compiling and tabulating all data required by this chapter.

Sec. 24.24. **Violations.** Failure on the part of any public official to perform any of the duties prescribed in chapters 22, 23, and 24, and sections 8.39 and 11.1 to 11.5, inclusive, shall constitute a misdemeanor, and shall be sufficient ground for removal from office.

BUDGET APPEAL LAW

24.25. **State Appeal Board.** 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 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.

24.26. **Protest to Budget.** Not later than the first Tuesday in September, a number of persons in any municipality equal to $\frac{1}{4}$ of 1 percent of those voting for the office of governor at the last general election in said municipality, but in no event less than 10, 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 24.11 of the Code. 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 ex-

penditure 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.

24.27. Hearing on Protest. 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 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.

24.28. Appeal. The deputy designated to hear any particular appeal shall attend in person and conduct such hearing in accordance with the procedure prescribed in section 24.27, 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.

24.29. Review By and Powers of Board. 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.

24.30. Rules of Procedure—Record. 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.

24.31. Decision Certified to County. 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 decisions, 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 amended the local budget law and created a state board of appeal composed of the State Comptroller, State Auditor and State Treasurer. This law provides that not less than 10 taxpayers for a taxing district who are affected by a proposed budget and tax levy, at least 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 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 24.26 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 24.11 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 the 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.

Explanatory Notes and Information with Reference to Chapter 24, of the Code

The preceding pages of this pamphlet known as Part 1 contain the local budget law including that part of the law pertaining to budget appeals.

This law is printed in the first part of the pamphlet because it regulates and controls expenditures to a considerable extent and furnishes the basis for levying taxes. Public officials should be familiar with the local budget law as well as other laws affecting expenditures and taxes, several of which provide limitations.

Section 24.3. Sets out the requirements of the local budget.

Section 24.4. Specifies the time for considering budget matters prior to publishing the budget.

Section 24.8. Defines the budget and the manner of arriving at the amount of tax necessary. Consideration should be given to receipts from every source other than taxation which can be used in lieu of a property tax. Funds on hand in excess of a reasonable working balance may be entered in the budget to apply upon the budget of expenditures for the ensuing year.

Section 24.9. Applies to the notice of a public hearing on the proposed budget and the time for publishing the notice. It states that annual levies to pay principal and interest on bonds previously issued shall be included in the budget.

Section 24.10. States that levies are void unless included in the published budget.

Sections 24.11, 24.12 and 24.13. Refer to the meeting of the certifying or levying board and the certification of the budget and tax levy.

Section 24.14. Limits the tax and expenditures for the particular year to the amount published and adopted after a public hearing. Extreme care should be used to see that the budget is carefully planned inasmuch as it is to control expenditures for the fiscal year. There really is no law permitting a revision of the budget after it has been adopted and the tax assessed on taxable property.

Section 24.17. Fixes August 15 as the last date for certifying the budget to the county auditor. If because of an unavoidable delay a budget will not be invalid if certified a few days later.

Section 24.20. States that the several tax rates are final except such as are voted by the people. This raises the question as to how late a tax levy may be certified for the payment of principal and interest on bonds voted or issued in accordance with law but too late to be included in the published budget. The Attorney General has ruled that such levies may be legally certified as late as December 31, and included in the list of taxes becoming due as of January 1. However, it is his advice that local boards endeavor to certify such tax levies not later than December 1, and that the county auditor be advised of pending proceedings.

SECTION II

Determining and Certifying Taxes

TAX LEVIES

444.1. 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 Section 444.8.

444.2. Amounts Certified in Dollars. When any authorized tax rate within any taxing district, including township, 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 429.2), 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 Section 444.8.

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.

444.3. 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 districts, 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 429.2 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).

The distribution of the tax derived from moneys and credits is to be made as provided in section 429.3.

Referred to in Sections 426.6, 444.8. See Section 24.19.

444.4. 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 Section 444.8.

444.5. 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 429.2.

Referred to in Section 444.8.

For distribution of moneys and credits tax, see section 429.3.

444.6. 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 Section 444.8. See sections 24.19 and 24.20.

444.8. Mandatory Provisions. The provisions of sections 444.1 to 444.7, 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.

Taxes and Expenditures Limited

24.14. 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 24.6, 24.15, and subsection 4 of section 343.11.

Section 24.14 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 24.6, 24.15, and subsection 4 of section 343.11." Section 24.14 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.

444.7. 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 tax lists for such levy.

344.10. The County—Expenditures Exceeding Appropriations. 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.

343.10. 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 officer 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.

343.11. **Exceptions under the above section. See Code.**

SECTION III

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 Sections I and II 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.

444.9. General County Fund. Not to exceed $3\frac{1}{2}$ mills in counties having an assessed valuation of less than \$16,000,000.00, not to exceed 3 mills in counties having an assessed valuation of \$16,000,000.00 or more and less than \$26,000,000.00, not to exceed $2\frac{1}{2}$ mills in counties having an assessed valuation of \$26,000,000.00 or more and less than \$32,000,000.00 and not to exceed 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 ordnance 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.

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.

444.10. Court Expense Fund. Not to exceed $\frac{3}{4}$ mill provided the county fund will not take care of court expenses. The fund can only be used for court expenses chargeable to the county except: 340.17. The salary of the clerk of the court and deputies may be paid from said fund.

252.43. Poor Fund. Not exceeding $1\frac{1}{2}$ mills on the dollar to be entered on the tax lists and collected as ordinary county tax. Should the one and one-half mill levy fail to provide adequate funds to take care of the poor, then the board of supervisors, with the approval of the State Comptroller, shall levy an additional tax of not to exceed three (3) mills, to be entered on the tax list and collected as the ordinary county tax. Before any such additional levy is made, a showing of the necessity for

such additional levy shall be made to the state comptroller and no such additional levy shall be made unless it shall be approved in writing by the comptroller.

Note: Sec. 24.22 provides that no transfer shall be made to a poor fund unless there is a shortage in said fund after the maximum permissible levy has been made for said fund.

444.12. State Institution Fund. The board shall establish a State Institution Fund and levy a tax sufficient to pay for the cost of maintaining county patients, including cost of commitment and transportation of patients at the Mental Health Institute in Clarinda, Cherokee, Independence, or Mount Pleasant, Tuberculosis Sanatorium at Oakdale or any similar tuberculosis institution established and maintained by any county under the provisions of Chapter 254 and cost of outpatient care of tuberculosis patients administered under the supervision of a tuberculosis sanatorium, Glenwood State School, Woodward State Hospital and School, Iowa Juvenile Home, Toledo, The Annie Wittenmyer Home, Davenport, Iowa Braille and Sight Saving School, Vinton, School for the Deaf, Council Bluffs, State Psychopathic Hospital, Iowa City.

Any deficiency shall be paid from the general county fund.

230.24. 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.

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

250.1. Soldiers Relief Fund. Not to exceed 1 mill. To be expended as provided in chapter 250.

165.18. Bovine Tuberculosis Eradication. Not exceeding $\frac{3}{4}$ mill. **165.34.** Duty of board of supervisors to levy.

164.21. Bangs Disease Eradication. The board shall make a levy each year of not to exceed $\frac{1}{2}$ mill. **164.24.** Levy may be omitted when the board is so advised by the Secretary of Agriculture.

24.6. Emergency Fund. Not to exceed 1 mill after receiving proper approval. Application for approval to levy the tax should not be made until after the budget hearing has been concluded.

174.13. County Fair and 4-H Club Fund. May levy a tax of not to exceed $\frac{1}{4}$ 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.

174.17. County Fair Ground Fund. Counties having acquired land for fair purposes may levy not to exceed $\frac{1}{4}$ mill to be known as the fairground fund. Any county having popu-

lation between 35,000 and 40,000 shall levy 2 mills upon approval of the voters.

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

Chapter 350, Code. Bounties On Wild Animals. As amended by Chapter 140, Sec. 4, 54th G. A. The board of supervisors of each county may levy the necessary taxes to pay the claims provided for under this chapter.

239.11. Aid to Dependent Children. This section provides that the county shall pay its share of aid to dependent children from the county poor fund, except that 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 not to exceed $\frac{1}{8}$ mill.

Under section 239.15, 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.

232.35, 232.36. As amended by H. F. 130, 55th G. A. 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.

Any county having a population of more than 150,000 may levy not to exceed $\frac{1}{2}$ mill.

256.2. County Detention Hospital. Levy to Pay Bonds. Tax necessary to pay bonds and interest as they become due.

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

37.7. Memorial Halls. For bonds, a tax of not to exceed 4 mills for 20 years. **37.8.** For maintenance, not to exceed $1\frac{1}{4}$ mills.

378.15. Library Contract. Not to exceed 1 mill to fulfill obligation under contract.

358B.13. County Library. Not to exceed 2 mills.

Ch. 73, 55th G. A. Old Age and Survivors' Insurance System (Federal). Sufficient to meet the political subdivisions' obligation. Sec. 10.

Ch. 72, 55th G. A. Public Employees' Retirement System (State). Sufficient to meet the political subdivisions' obligation. Sec. 9, Par. 3.

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

346.11. County Bonds and Interest. A tax levy in an amount sufficient to pay principal and interest on bonds issued under the provisions of Chapter 346 and within certain time limitations.

309.89. 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.

357.22. Benefited Water Districts. Deficiency levy 3 mills.

357.23. Disposition of surplus tax.

317.20. Weed Eradication and Equipment. The county may levy $\frac{1}{4}$ mill tax on property outside cities and towns for the purpose of purchasing eradication equipment and materials for use on all lands in the county, public or private.

467B.9. Flood and Erosion Control. For such purpose the county may levy not to exceed $\frac{1}{4}$ mill on agricultural land in the county.

358.18. Sanitary District. Not to exceed 2 mills. Trustees must prepare budget estimate and hold hearing as provided by chapter 24.

County and City Assessors

441.5. County Assessor. The county assessor shall prepare a proposed budget for the county assessor's office, and submit same to the county conference board which shall approve, disapprove, or adjust said budget. The county conference board shall certify the tax levy required for operation of the office as provided by chapter twenty-four (24).

405A.7. Assessors in Cities from 10,000 to 125,000 Population. Each of the three taxing bodies of cities to which this chapter is applicable is hereby authorized and directed to levy a tax sufficient to meet its obligations under the provisions of this chapter. Sec. 405.18 applicable to cities over 125,000 population.

County Board of Education

273.13, Par. 10. The County Board of Education being an elective body may prepare, publish and certify its own budget and tax levy between July 1 and 15 each year on blank forms

authorized by the State Comptroller. The tax shall apply upon all property in the county and based upon the amount needed. It shall be known as the County Board of Education Fund.

County Public Hospitals

(Chpt. 347, Code)

The Board of Trustees of a County Hospital have authority to prepare, publish and certify their budget and tax levy on blank forms authorized by the State Comptroller. Laws governing such levies are as follows:

Sec. 347.7. Hospital Bonds and Interest. At the rate voted, not to exceed one (1) mill.

Sec. 347.7. Hospital Maintenance. Not to exceed one (1) mill.

Hospital Construction and Issuance of Revenue Bonds

347A.3. Applicable to counties of less than 150,000 population. May levy a 4 mill tax under certain conditions.

Secondary Roads

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

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

309.11. Optional Maintenance Levies. Not to exceed 2 mills on all taxable property in the county except in cities and towns controlling their own bridge levies.

Not to exceed 8 mills on the taxable property in the county except property within cities and towns. (Townships only).

309.14. Optional Maintenance or Construction Levies. 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.

The use of secondary road funds is subject to the provisions of Chapter 309 of the Code.

Ch. 310. Farm-to-Market Road Fund.

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.

317.19. Road Clearing. The county may levy a tax of not exceeding $\frac{3}{4}$ mill on property outside cities and towns to be used for no purpose except to cut, burn or otherwise destroy

all weeds, second or undergrowth brush on county trunk and local county roads between the fence rows of such roads.

Also out of said fund the board may purchase or hire necessary equipment or contract with the adjoining landowner to carry out the purpose of this section:

Moneys and Credits

429.2. Moneys—Credits—Annuities—Bank Notes—Stock. Moneys and credits as defined in sections 429.1 and 429.2 shall be taxed upon the uniform basis throughout the state of 5 mills on the dollar of actual valuation, same to be assessed and collected where the owner resides.

429.3. Levy—Division of Money Collected. The millage tax provided for in section 429.2 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 each taxing district inside of cities and towns shall be apportioned 20 percent to the county general fund, 30 percent to the city or town general fund, and 50 percent to the general fund of the school district, and outside of cities and towns shall be apportioned 50 percent to the county general fund and 50 percent to the school general fund.

444.3. Moneys and Credits Tax Replacing Direct Property Tax. 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 429.2 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.

The distribution of the tax derived from moneys and credits is to be made as provided in section 429.3.

SECTION IV

Townships

359.30. 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 an adjoining township if they deem it advisable.

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

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

359.35. 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.

359.19. Litigation Fund. Tax necessary to pay expense of litigation.

Fire Equipment

359.42. 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.

359.43. Levy. The township trustees may levy an annual tax not exceeding $1\frac{1}{2}$ mill on the taxable property in the township for the purpose of exercising the powers granted in section 359.42, when so authorized by an affirmative vote equal to at least 60 percent of the total vote cast for and against a proposal therefor at an election held pursuant to section 359.44.

359.44. Election. Such proposal to levy the tax provided for in section 359.43 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 25 percent of the qualified electors of said township. Notice of said election shall be given by posting in 3 public places in said township, not less than 10 days before the time of such election.

359.45. Anticipatory Bonds. Townships may anticipate the collection of taxes authorized by sections 359.43 and 359.44, and for such purposes may issue bonds payable in not more than 10 equal annual installments and at a rate of interest not exceeding 5 percent per annum and payable at such place and be in such form as the board of trustees shall designate by resolution. Sections 23.12 to 23.16, inclusive, and chapter 408, so far as applicable, shall apply to such bonds.

360.2. Township Hall. A tax of not to exceed $\frac{3}{4}$ mill when authorized by the voters and for not to exceed 5 years.

360.8. As amended by S. F. 326, 55th G. A. Township Hall Repairs. A tax of not to exceed $\frac{1}{8}$ mill may be levied. Provided, that where such buildings are of brick construction with at least one hundred thousand (100,000) cubic feet of space, such tax may be one-half ($\frac{1}{2}$) mill on the dollar.

378.14. 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.

378.15. Board of supervisors may levy 1 mill tax outside cities and towns to pay for library services contracted.

SECTION V

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

TAX LEVIES

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

Chapter 159, Acts of 54th G. A. 1951

Sec. 2. Functional Funds—Maximum Levy. Municipal corporations shall have power to establish the functional funds provided by section six (6) to twelve (12), inclusive of this Chapter and to cause taxes to be levied on all taxable property within the corporate limits according to the needs of the particular corporation for each particular function, not to exceed the maximum millage rate designated in said sections for any function, and in the aggregate not to exceed thirty mills on the dollar in any tax year for all of said functions, and they shall also have power to establish a debt service fund, and trust or agency funds.

General: Not more than 7 mills. Sec. 6.

Street: Not more than 7 mills. Sec. 7.

Public Safety: Not more than 12 mills. Sec. 8.

Sanitation: Not more than 7 mills. Sec. 9.

Municipal Enterprise: Not more than 10 mills. Sec. 10.

Recreation: Not more than 5 mills. Sec. 11.

Utilities: Not more than 5 mills. Sec. 12.

The total millage rate for the above 7 funds not to exceed 30 mills.

Other Funds and Tax Levies

Debt Service: Mills based on amount necessary. Sec. 13.

Trust and Agency: Mills as authorized by law. Sec. 16.

Ch. 72, 55th G. A. Public Employees' Retirement System (State). Sufficient to meet the political subdivisions' obligation. Sec. 9, Par. 3. (Levy to be made under Trust and Agency)

Ch. 73, 55th G. A. Old Age and Survivors' Insurance System (Federal). Sufficient to meet the political subdivisions' obligation. Sec. 10. (Levy to be made under Trust and Agency).

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. 24.6. Code of Iowa.

Note: Levy for emergency fund can not be made without the approval of the State Comptroller, and municipalities should levy the maximum tax allowable for the fund in which an emergency exists before requesting permission to levy an emergency tax.

Agricultural Lands: No land included within the limits of any municipal corporation which is not laid off into lots of ten acres or less, and which is also in good faith occupied and used for agricultural or horticultural purposes shall be taxable for any city or town purpose, except that said lands and all personal property necessary to the use and cultivation of said agricultural or horticultural lands, shall be liable to taxation, not to exceed one and one-fourth ($1\frac{1}{4}$) mills in any year, for municipal street purposes. Sec. 15. Chapter 159—54th G. A.

Note: Before this levy may be made the cities and towns shall reflect the proposed expenditure in column three and six when the budget estimate is published or posted prior to the hearing.

Police and Firemens Pension Fund: Not to exceed $\frac{1}{8}$ mill each, cities and towns over 17,000 may levy $\frac{1}{2}$ mill each. Sec. 410.1. Code of Iowa. (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 411 of the Code. Opinion of Attorney General.) (Pension levy to be made under trust and agency).

Street (Road Use Tax): Limitation on use. Funds received by municipal corporations from the road use tax fund shall be used solely for the construction, reconstruction, repair, and maintenance of roads and streets, and for the construction of storm sewers and other drains necessary to control and provide adequate drainage for surface waters originating within or flowing upon the right of ways of newly constructed or re-

constructed roads or streets within municipal corporations. Such funds shall not be used for the purchase of machinery or equipment, except as provided in subsection twelve (12) of section seven (7). Sec 31, Chapter 159—54th G. A.

Chpt. 308A. Road Use Tax: In the city and town budget blanks, provision is made to enter anticipated receipts and expenditures from this source under Street (Road Use Tax).

Liquor Profit Distribution: The State Treasurer shall semi-annually distribute a sum of money equal to five percent (5%) of the gross amount of sales made by the State liquor stores to cities and towns. The distribution shall be made in proportion to population. The revenue from this source may be budgeted in the general fund or any other fund of the city or town or it may be budgeted separately and used later for any lawful municipal purpose. Sec. 123.50, Par. 3.

396.22. Street Improvement Bonds: As amended by Sec. 82, Chapter 159—54th G. A. "Any city or town issuing bonds to pay for street improvements as authorized in this section of the code is hereby granted authority to allocate a fixed portion of the street fund not to exceed in any year the amount received from allocations of the road use tax fund to the payment of the principal and interest of said bonds as the same come due."

Chapter 159, 54th G. A. Sections One to Twenty-five, as amended by H. F. 452, 55th G. A.

Section 1. Power to Tax. Municipal corporations shall have power to cause to be levied, the taxes provided by this Chapter, and such other taxes and special assessments as are specifically provided by law except as modified by the provisions of this Chapter.

Sec. 2. Functional Funds—Maximum Levy. Municipal corporations shall have power to establish the functional funds provided by sections six (6) to twelve (12), inclusive of this Chapter and to cause taxes to be levied on all taxable property within the corporate limits according to the needs of the particular corporation for each particular function, not to exceed the maximum millage rate designated in said sections for any function, and in the aggregate not to exceed thirty mills on the dollar in any tax year for all of said functions, and they shall also have power to establish a debt service fund, and trust or agency funds.

Sec. 3. Certification of Taxes and Assessments. All assessments and taxes of every kind and nature caused to be levied by the council, except taxes for the payment of bonds and the interest thereon, and except as otherwise provided by law, shall be certified by the clerk on or before the fifteenth day of August to the county auditor, and by him placed upon

the tax list for the current year, and the county treasurer shall collect such assessments and taxes in the same manner as other taxes, and when delinquent they shall draw the same interest and penalties.

Sec. 4. Allocation of Revenue. Municipal corporations shall, at the first meeting of the Council after January 1, allocate by resolution the estimated revenue from all levies to the purposes authorized by law and shall allocate sufficient revenue to the debt service fund to pay all bonds and interest thereon as they become due. Said allocations shall also include receipts from sources other than taxation, estimated unincumbered balances from the previous year, and any contemplated transfers of funds. The books of the corporation shall reflect at all times:

1. The nature and amount of each sum received and expended in each functional fund.

2. The total amount appropriated in each functional fund.

3. The total amount appropriated in each of the divisions or accounts within each functional fund as set forth in sections six (6) through twelve (12) of this act.

4. The unexpended balance remaining in each functional fund and in each division or account within such functional fund.

5. All financial records of the corporation shall be a public record and open to public inspection during business hours.

Sec. 5. Flexibility Provisions. Municipal corporations may fit their income to their needs in the following ways:

1. Before certification, by determining the amounts to be levied for each functional fund, as provided by section two (2) of this chapter and by proposed allocations for each particular division or account within each functional fund;

2. By allocation of estimated income to authorized purposes within each functional fund as provided in section four (4) of this chapter;

3. By subsequent resolution of the council amending such allocations within any functional fund to fit actual income to the authorized purposes of such functional fund, as the need arises, provided, however, that said amendments may not increase such allocations without a two-thirds ($\frac{2}{3}$) vote of the body which made the original allocation;

4. By transfers from one functional fund to another in the manner provided by chapter twenty-four (24), or by creating an emergency fund in the manner provided by that chapter;

5. By transfers of surplus from the debt service fund, as provided by section twenty (20) of this chapter, subject, however, to the approval of the state comptroller. Before such approval is given, the state comptroller shall assure himself that good business practice has been followed and that there is reasonable assurance of prompt, regular payment of the debt in the future.

Sec. 6. General Government. Municipal corporations shall have power to annually cause to be levied for a fund to be known as the general fund a tax not to exceed seven (7) mills on the dollar on all taxable property within the corporate limits and allocate the proceeds thereof to be used for the following purposes:

1. General and incidental expenses;
2. Construction, purchase, or remodeling of a city or town hall and such other buildings as the size, condition, and governmental activities of the corporation make reasonable or necessary, and purchase of the necessary sites therefor;
3. Improvement, operation and maintenance of the city or town hall and other governmental buildings;
4. City planning purposes as provided in chapter three hundred seventy-three (373);
5. Expenses in connection with weights and standards, as provided in section two hundred thirteen point seven (213.7);
6. Expenses in connection with elections required or authorized by law to be paid by municipal corporations;
7. Bonds of municipal officers or employees to be paid by the municipal corporation;
8. Defense expenses of a municipal officer sought to be removed from office, when payable by the municipal corporation under the provisions of section sixty-six point twenty-three (66.23).

Sec. 7. Street Fund. Municipal corporations shall have power to annually cause to be levied for a fund to be known as the street fund a tax not to exceed seven (7) mills on the dollar on all taxable property within the corporate limits and allocate the proceeds thereof to be spent for the following purposes:

1. Construction, reconstruction, repair, and maintenance of viaducts, underpasses, grade crossing separations, and approaches thereto, and for all drainage purposes connected therewith, except those constructed or maintained by any railroad company under the provisions of chapter three hundred eighty-seven (387);
2. Opening, widening, extending, constructing, maintaining, repairing, surfacing, marking, draining and grading any street, highway, avenue, alley, public ground, or market place, and purchase of necessary equipment and machinery therefor;
3. To pay for deficiencies in assessments and for plats and schedules as provided by law, and for the construction, reconstruction, and repair of any street improvements at the intersection of streets, highways, avenues, and alleys, and for one-half of the cost of such improvements at the intersection of streets, avenues, highways, and alleys not crossing, and for spaces opposite property owned by the municipal corporation or by the United States, and for the purchase price of property purchased by the city at tax sale and subsequent taxes assessed against such property;

4. For the removal of snow and ice from the streets;
5. In lieu of the tax provided by section three hundred ninety point two (390.2) to acquire and improve real estate and to erect or improve buildings thereon for the parking of vehicles to the extent that income from parking meters or parking lots is insufficient for said purposes;
6. To 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;
7. In lieu of the tax provided by section three hundred eighty-seven point six (387.6) for the payment of damages to property caused by construction of a viaduct;
8. For all bridge purposes except for the payment of bonds issued for bridge purposes;
9. In lieu of the tax provided by section three hundred eighty-three point eight (383.8) for preliminary expenses on interstate bridges;
10. For payment of damages to property for which the municipal corporation is liable under the provisions of sections three hundred eighty-nine point twenty-two (389.22) to three hundred eighty-nine point twenty-five (389.25) inclusive;
11. To plant, prune, care for, and maintain trees and shrubbery on public streets;
12. For the purchase of necessary street equipment and machinery, provided, however, that in no fiscal year more than ten percent (10%) or twenty thousand dollars (\$20,000), whichever is the greater, of said fund be used for this purpose;
13. For any other purpose having to do with streets specifically authorized by law.
14. Funds received by municipal corporations from the road use tax fund shall be separately allocated for expenditure within the street fund for only the purposes authorized and permitted by law.

Sec. 8. Public Safety Fund. Municipal corporations shall have power to annually cause to be levied for a fund to be known as the public safety fund a tax not to exceed twelve (12) mills on the dollar on all taxable property within the corporate limits and allocate the proceeds thereof to be used for the following purposes:

1. To establish, equip, staff, and maintain a police department;
2. To establish, equip, staff, and maintain a fire department;
3. To establish, erect, and maintain a jail and such number of police and fire stations as circumstances require;
4. To pay the expenses of maintaining a municipal court;
5. To maintain and operate the improvements authorized by chapter three hundred ninety-five (395), Code 1950, and in lieu of the taxes provided in section three hundred ninety-five

point twenty-two (395.22), Code 1950, relating to flood protection;

6. Liability insurance premiums authorized by section three hundred twenty-one point four hundred ninety-seven (321.497);

7. For any other purpose having to do with public safety specifically authorized by law.

Sec. 9. Sanitation Fund. Municipal corporations shall have power to annually cause to be levied for a fund to be known as the sanitation fund a tax not to exceed seven (7) mills on the dollar on all taxable property within the corporate limits and allocate the proceeds thereof to be used for the following purposes:

1. To pay for deficiencies in special assessments for sewers as provided by law, and for the construction, reconstruction, and repair of any sewer at the intersection of streets, highways, avenues, and alleys, and for one-half of the cost of such sewer at the intersections of streets, highways, avenues, and alleys not crossing and for spaces opposite property owned by the municipal corporation or by the United States, and for the whole or any part of the construction, reconstruction, or repair of any sewer within the limits of said municipal corporation, and for the construction, reconstruction, maintenance, and operation of any sewage disposal plants;

2. To control surface waters flowing into sewers, sewer outlets, and disposal plants;

3. To construct sewer outlets and sewage purifying plants and to purchase dump grounds;

4. To pay for establishing and maintaining comfort stations;

5. To pay the cost of collection and disposal of garbage and refuse and for the sprinkling, flushing, or cleaning of streets;

6. For the construction, reconstruction, or repair of any main sewer within the municipal corporation and those extending outside the corporate limits;

7. For the purpose of carrying out the provisions of the laws relating to public health;

8. For any other purpose having to do with sanitation specifically authorized by law.

Sec. 10. Municipal Enterprises. Municipal corporations shall have power to annually cause to be levied for a fund to be known as the municipal enterprises fund an annual tax not to exceed ten (10) mills on the dollar on all taxable property within the corporate limits and allocate the proceeds thereof to be spent for the following purposes:

1. To pay for land acquired for cemetery purposes and the interest accruing on the cost thereof;

2. For the care, preservation, and adornment of any cemetery utilized for burial purposes by the people of the city or

town, whether such cemetery is located within the limits of such municipality or is established by its authority outside of its corporate limits. Said fund may be used for any cemetery owned and controlled by said municipal corporation within or without the corporate limits, or for any cemetery owned and controlled by any private or incorporated cemetery association, township, or other municipality, even though situated in an adjoining county, if actually utilized for burial purposes by the people of the city or town. Said tax may be so expended for the support and maintenance of any such cemetery after it is no longer used for the purpose of interring the dead.

3. For the purchase of a library site and construction of buildings thereon;

4. For the maintenance of a free public library. The board of library trustees shall, on or before the first day of August in each year, make an estimate of the amount it deems necessary for the improvement, operation, and maintenance of the library and shall transmit said estimate together with a statement of the amount necessary for the purposes authorized by subsection three (3) to the council. In no event shall the amount of tax allocated for maintenance purposes exceed the amount that would be derived from a three mill levy at current valuations, nor shall the amount allocated for purposes of subsection three (3) exceed the amount that would be derived from a levy of three-fourths mill at current valuations;

5. When a public library has not been established, to secure for the inhabitants of the municipal corporation the free use of a public library;

6. When a municipal hospital has been established, for the purpose of purchasing sites for hospitals or sites with buildings thereon for hospital purposes, and constructing, reconstructing, rebuilding, remodeling or enlarging buildings to be used for hospitals;

7. To improve, operate, and maintain a municipal hospital;

8. In lieu of the taxes provided by sections three hundred thirty point seven (330.7) and three hundred thirty point sixteen (330.16) to acquire, operate, or equip a municipal airport;

9. In lieu of the taxes provided by section three hundred seventy-two point ten (372.10), Code 1950, for river front improvement purposes;

10. In lieu of the taxes provided by sections five hundred sixty-five point nine (565.9) and five hundred sixty-five point thirteen (565.13) to provide annuities for gifts accepted by municipal corporations, but not in excess of the limits provided therein;

11. In lieu of the taxes provided by subsections ten (10) and thirteen (13) of section three hundred eighty-four point three (384.3) for dock purposes;

12. In lieu of the taxes provided by sections thirty-seven

point twenty-two (395.22), Code 1950, relating to flood protection;

6. Liability insurance premiums authorized by section three hundred twenty-one point four hundred ninety-seven (321.497);

7. For any other purpose having to do with public safety specifically authorized by law.

Sec. 9. Sanitation Fund. Municipal corporations shall have power to annually cause to be levied for a fund to be known as the sanitation fund a tax not to exceed seven (7) mills on the dollar on all taxable property within the corporate limits and allocate the proceeds thereof to be used for the following purposes:

1. To pay for deficiencies in special assessments for sewers as provided by law, and for the construction, reconstruction, and repair of any sewer at the intersection of streets, highways, avenues, and alleys, and for one-half of the cost of such sewer at the intersections of streets, highways, avenues, and alleys not crossing and for spaces opposite property owned by the municipal corporation or by the United States, and for the whole or any part of the construction, reconstruction, or repair of any sewer within the limits of said municipal corporation, and for the construction, reconstruction, maintenance, and operation of any sewage disposal plants;

2. To control surface waters flowing into sewers, sewer outlets, and disposal plants;

3. To construct sewer outlets and sewage purifying plants and to purchase dump grounds;

4. To pay for establishing and maintaining comfort stations;

5. To pay the cost of collection and disposal of garbage and refuse and for the sprinkling, flushing, or cleaning of streets;

6. For the construction, reconstruction, or repair of any main sewer within the municipal corporation and those extending outside the corporate limits;

7. For the purpose of carrying out the provisions of the laws relating to public health;

8. For any other purpose having to do with sanitation specifically authorized by law.

Sec. 10. Municipal Enterprises. Municipal corporations shall have power to annually cause to be levied for a fund to be known as the municipal enterprises fund an annual tax not to exceed ten (10) mills on the dollar on all taxable property within the corporate limits and allocate the proceeds thereof to be spent for the following purposes:

1. To pay for land acquired for cemetery purposes and the interest accruing on the cost thereof;

2. For the care, preservation, and adornment of any cemetery utilized for burial purposes by the people of the city or

town, whether such cemetery is located within the limits of such municipality or is established by its authority outside of its corporate limits. Said fund may be used for any cemetery owned and controlled by said municipal corporation within or without the corporate limits, or for any cemetery owned and controlled by any private or incorporated cemetery association, township, or other municipality, even though situated in an adjoining county, if actually utilized for burial purposes by the people of the city or town. Said tax may be so expended for the support and maintenance of any such cemetery after it is no longer used for the purpose of interring the dead.

3. For the purchase of a library site and construction of buildings thereon;

4. For the maintenance of a free public library. The board of library trustees shall, on or before the first day of August in each year, make an estimate of the amount it deems necessary for the improvement, operation, and maintenance of the library and shall transmit said estimate together with a statement of the amount necessary for the purposes authorized by subsection three (3) to the council. In no event shall the amount of tax allocated for maintenance purposes exceed the amount that would be derived from a three mill levy at current valuations, nor shall the amount allocated for purposes of subsection three (3) exceed the amount that would be derived from a levy of three-fourths mill at current valuations;

5. When a public library has not been established, to secure for the inhabitants of the municipal corporation the free use of a public library;

6. When a municipal hospital has been established, for the purpose of purchasing sites for hospitals or sites with buildings thereon for hospital purposes, and constructing, reconstructing, rebuilding, remodeling or enlarging buildings to be used for hospitals;

7. To improve, operate, and maintain a municipal hospital;

8. In lieu of the taxes provided by sections three hundred thirty point seven (330.7) and three hundred thirty point sixteen (330.16) to acquire, operate, or equip a municipal airport;

9. In lieu of the taxes provided by section three hundred seventy-two point ten (372.10), Code 1950, for river front improvement purposes;

10. In lieu of the taxes provided by sections five hundred sixty-five point nine (565.9) and five hundred sixty-five point thirteen (565.13) to provide annuities for gifts accepted by municipal corporations, but not in excess of the limits provided therein;

11. In lieu of the taxes provided by subsections ten (10) and thirteen (13) of section three hundred eighty-four point three (384.3) for dock purposes;

12. In lieu of the taxes provided by sections thirty-seven

point seven (37.7) and thirty-seven point eight (37.8) for memorial halls and monuments;

13. For any other purpose having to do with municipal enterprises, specifically authorized by law.

Sec. 11. Recreation. Municipal corporations shall have power to annually cause to be levied for a fund to be known as the recreation fund a tax not to exceed five (5) mills on the dollar on all taxable property within the corporate limits and allocate the proceeds thereof to be used for the following purposes:

1. To purchase real estate for use as a community center and construct thereon buildings with proper equipment;

2. For the development, improvement, maintenance, or operation of community centers, playgrounds, and swimming pools;

3. For the purchase, construction, maintenance, and operation of a place for the exhibition of works of art, or for the support of an established art gallery, museum, institute, or center conducted for the use and benefit of the public and not for profit;

4. To purchase real estate for park, art, or memorial purposes;

5. For the purpose of caring for and improving the parks;

6. Procuring a site and for constructing swimming pools, bathing beaches, bath houses, exhibition halls, armories, ice rinks, dance pavilions, shelter houses, wading pools, river walls, field house, athletic or recreational facilities, and for paving, macadamizing, and otherwise improving roadways, drives, avenues, and walks in parks;

7. In lieu of the tax provided by sections three hundred seventy-five point one (375.1) and three hundred seventy-five point four (375.4) for band purposes;

8. In lieu of the taxes provided by sections three hundred seventy point six (370.6), three hundred seventy point twenty-eight (370.28), three hundred seventy point twenty-nine (370.29), and three hundred seventy point thirty (370.30) for park purposes;

9. In lieu of the tax provided by section three hundred seventy-nine-A point one (379A.1) for a symphony orchestra;

10. For any other purpose having to do with recreation, specifically authorized by law.

Sec. 12. Utilities. Municipal corporations shall have power to annually cause to be levied for a fund to be known as the utilities fund a tax not to exceed five (5) mills on the dollar on all taxable property within the corporate limits and allocate the proceeds thereof to be used for the following purposes:

1. If the authorized rates or rentals are insufficient to meet the expenses of running, operating, and repairing the water-works, gas or electric plant, or power plant owned or operated

Sec. 16. Trust and Agency Funds. Municipal corporations shall have power to establish trust and agency funds for the purpose of accounting for gifts received by the corporation for a particular purpose and for the purpose of accounting for money and property received and handled by such corporations as trustee or custodian or in the capacity of an agent of any public moneys as authorized by law and to levy such taxes as are authorized by law.

Sec. 17. Establishment of Operating Fund. For the purpose of simplifying administrative procedure, the council may, by resolution, authorize the transfer of receipts in the general fund, the street fund, the public safety fund and the sanitation fund, to a fund to be known as the operating fund, and claims payable from any of said functional funds may be paid by warrants drawn against the operating fund. In no event, however, shall the amount disbursed from the operating fund for any purpose be in excess of the receipts to said operating fund from the applicable functional fund or in excess of the amount appropriated for said purpose or particular function, without prior approval by the state comptroller.

Sec. 18. 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 estimated revenue of such corporation for the fund or purpose for which the taxes are to be collected for such fiscal year, except as provided in the law relating to special assessments of public improvements.

Sec. 19. Taxes Paid Over. Before the third Monday of each month, the county treasurer shall give written notice to the clerk of each municipal corporation in the county of the amount collected for each fund up to the first day of that month, including the amounts collected to pay bonds issued to pay the costs of public improvements for which special assessments have been levied and certified, and the clerk of each municipal corporation shall draw an order therefor in favor of the municipal treasurer, countersigned by the mayor or auditor of the municipal corporation, upon the county treasurer, who shall pay such taxes to the municipal treasurer only on such order.

Sec. 20. Surplus of Tax. When a tax has been levied by any municipal corporation for the debt service fund, such tax shall not be held invalid if the rate of tax raises an amount in excess of that sought for specific purposes. Money so raised shall be held in the debt service fund until all debts except those evidenced by revenue bonds are discharged and any sur-

plus remaining thereafter may be transferred to any other fund or funds as the council by resolution may direct.

Sec. 21. Tax Sales. Sales for delinquent assessments and taxes caused to be levied by any municipal corporation shall be made in the manner provided by chapter four hundred forty-six (446), and should there be other delinquent taxes or assessments due from the same person, and collectible by the county treasurer, the sale shall be for all such delinquent assessments and taxes.

Sec. 22. Diversion of Funds. Any councilman or officer of a municipal corporation who shall participate in, advise, consent, or allow the proceeds of any tax or assessment caused to be levied by such municipal corporation, or the proceeds of any source of municipal revenue other than taxation, to be diverted to any purpose not authorized by law, or who shall in any way become a party to such diversion, shall be guilty of willful maladministration.

Sec. 23. Other Sources of Income. Any income to a municipal corporation not designated by law to be placed in or credited to a certain existing fund enumerated in this chapter or otherwise provided by law shall be credited to the functional fund or funds enumerated in this chapter, which are allocable to the purpose or class of purposes most nearly related to the type of transaction from which the income arose.

Sec. 24. Applicability. The provisions of this chapter shall be applicable to all municipal corporations, regardless of form of government or manner of incorporation.

Sec. 25. Construction. 1. The provisions of this chapter relating to the allocation of the proceeds from any tax to a particular purpose shall not be construed as superseding any provision in the law requiring an election as a prerequisite to taxation or expenditure of public funds for such purpose or to carrying out such purpose.

2. No enumeration of purposes contained in this chapter shall be construed to authorize the expenditure of funds for those purposes where the section of the Code conferring general power to carry on such purpose is limited to municipal corporations of a certain size or class unless the municipal corporation making the allocation is within such size or class.

3. When any section of the Code provides for the expenditure of funds for a purpose not designated under any of the functional funds provided in this chapter and such section also fails to specify an existing fund or funds from which such expenditure may be made, the proper fund allocable to the purpose shall be the functional fund allocable to the class of purposes which would most logically include the purpose in question.

4. Whenever a body charged by law with administering funds for any particular function, shall have been elected by the people, the corporation shall adopt the budget of said body and shall allocate sufficient funds to meet said budget. However, in no event shall levies exceed the limits prescribed in section two (2) and in sections six (6) to twelve (12), inclusive, or exceed, for this purpose, without council approval, the levies heretofore permitted by law.

5. No other statute whether heretofore or hereafter enacted relating to the taxing power of municipal corporations, shall be construed to increase the limits on millage levies established in section two (2) and sections six (6) through twelve (12) of this Act, unless this Act is amended, but nothing contained in this subsection shall be construed to limit the source of payment of bonds issued by municipal corporations and interest thereon. In all laws hereafter enacted such amendment shall be a separate section of the Act.

Other Funds and Tax Levies

390.10. Parking Lots and Meters. A city or town may levy $\frac{1}{2}$ mill within the benefited district upon business and industrial property, but not on property used for residential purposes.

392.2. Joint Municipal Sewers. Authorizes a levy of not more than 5 mills for joint sewer fund as stated in sections 1 and 2. Subject to certain conditions.

407.1. 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 $1\frac{1}{4}$ 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.

441.13. Value. The actual value shall be one and two-thirds times the latest available assessed value used for taxation purposes.

407.2. Limitation. No county or other political or municipal corporation shall become indebted in any manner, or for any purpose to an amount, in the aggregate, exceeding 5 percent of the actual value of the property within such county or corporation, to be ascertained by the last state and county tax lists previous to the incurring of such indebtedness.

Sec. 13, Chapter 151, 54th G. A. Municipal Buildings and Property. General Powers of Municipal Corporations.

1. They shall have power by a three-fourths majority vote of the council to acquire, erect, or purchase buildings and building sites to the extent necessary to house and carry on authorized governmental functions or purposes of the municipal corporation, but any proposed expenditures in connection with the exercise of such power which exceed one thousand dollars or the amount which would be raised by a three-fourths mill levy at current valuations, whichever amount is greater, must be approved by the electorate of the corporation at a general or special election.

2. They shall have power to maintain and keep in repair all municipally owned buildings and property.

407.3. Purposes. Cities and towns, when authorized by an election 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 or town halls, jails, police stations, fire stations or garages for the storage, repair and servicing of city or town motor vehicles and other equipment 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.

407.5. Election Required. No such indebtedness shall be incurred until authorized by an election. Any indebtedness for propositions mentioned in section 407.3 must receive the approval of the voters.

407.4. Application of Limitation. No indebtedness for the extraordinary purposes mentioned in section 407.3 shall be charged against or counted as a part of the $1\frac{1}{4}$ percent available for general ordinary purposes until the other $3\frac{3}{4}$ percent of the 5 percent indebtedness permitted by the constitution has been exhausted.

Constitutional provisions, Article XI. Section 3—5% limitations of indebtedness.

Chapter 408. Bonds—By Cities and Towns.

408.1. 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 VI

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.

279.22, 291.9. School Census. The law requires that a school census be taken between June 1 and July 1 of each even numbered year listing the names and ages of all children residing in the district who are between five and twenty-one years of age.

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

Establishment of School Funds

291.13. General and Schoolhouse Funds. The money collected by a tax authorized by the electors or the proceeds of the sale of bonds authorized by law or the proceeds of a tax estimated and certified by the board for the purpose of paying interest and principal on lawful bonded indebtedness or for the purchase of sites as authorized by law, shall be called the schoolhouse fund and, except when authorized by the electors, may be used only for the purpose for which originally authorized or certified. All other moneys received for any other purpose shall be called the general fund. The treasurer shall keep a separate account with each fund, paying no order that fails to state the fund upon which it is drawn and the specific use to which it is to be applied.

Note: 286A.7, Special Courses fund is not a part of the General Fund.

Authority for School Taxes

298.1. School Taxes as Amended by Chapter 100—54th G. A. The board of each school corporation shall at its regular meeting in July, or at a special meeting called between the

time for the regular meeting and the twenty-fifth day of July, estimate the amount required to be raised by taxation for the general fund. The amount so estimated shall not exceed the following sum for each person of school age:

1. All school corporations having a school enumeration of twelve hundred or more, one hundred forty dollars.

2. All school corporations having a school enumeration of less than twelve hundred and exceeding two hundred fifty, one hundred sixty dollars.

3. All other school corporations one hundred seventy-five dollars, except corporations not maintaining an approved high school, two hundred dollars, and such additional amount as will be necessary to pay the cost of tuition for pupils attending high schools; provided however, that compliance with chapter twenty-four (24), Code 1950, shall be observed.

298.2. Emergency Increase—Approval—As Amended by Chapter 100—54th G. A. In all school districts where the maximum statutory allowances provided in section 298.1 are not sufficient to meet the budget requirements, upon proper showing by any such school district the state comptroller may authorize such district to levy an additional amount above the said maximum statutory allowance for each person of school age in the district, up to but not in excess of thirty-five percent, provided that the comptroller may, upon recommendation of the county board of education or the county board of supervisors of the county in which the school is located, authorize such district to levy an amount in excess of thirty-five percent.

298.3. Additional Taxes. If the amount so estimated in any school corporation does not equal \$1,000.00 for each school thereof, the corporation may estimate not to exceed \$1,000.00 for each school in the corporation. Such districts may levy an additional amount to meet actual tuition requirements. (Opinion Attorney General, 1930, page 204).

298.4. Transportation Fund—Tax for Free Textbooks. In addition to the amounts authorized by sections 298.1 and 298.3, school boards may include in their estimates not to exceed \$5.00 for each person of school age for transporting children to and from school, when authorized by law; also the additional sum authorized by section 301.4.

301.4. Text Books and Supplies. Not to exceed in any 1 year the sum of \$1.50 for each pupil residing in the corporation. Additional to other taxes.

Special School Levies

286A.7. Special Courses Fund. A school district may levy amount necessary to pay cost of school activities applicable.

298.7. Contract for Use of Library During the Existence of Such Contract. 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.

300.3. Playground Tax. Applicable to any city when voted by the electors of the district, not more than $\frac{1}{2}$ mill. **300.6.** The levy shall stand as voted until discontinued by the voters.

Ch. 73, 55th G. A. Old Age and Survivors' Insurance System (Federal). Sufficient to meet the political subdivisions' obligation. Sec. 10.

Ch. 72, 55th G. A. Public Employees' Retirement System (State). Sufficient to meet the political subdivisions' obligation. Sec. 9, Par. 3.

294.9. Teachers Pension Fund. Independent districts in cities of certain size may establish a pension system.

278.1. 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. Par. 7. The proposition should state the number of years the tax is to run.

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

297.5. 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.

298.18. Schoolhouse 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 7 mills on the dollar of the assessed valuation of the taxable property of the school corporation. Provided that when because of reduced valuation a 7 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.

See Section 298.19. Also 76.1, 76.2, 76.3.

297.7. 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.

297.8. Emergency Repairs. When emergency repairs costing more than \$1,000 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.

298.19. Levy. The board of supervisors of the county to which the certificate is addressed within the contemplation of section 298.18 shall levy the necessary tax to raise the amount estimated, or so much thereof as may be lawful and within the limitation of section 298.18 which levy shall be made as other taxes for school purposes.

298.20. 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 re-

funding 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

298.15. 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.

298.16. 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.

298.17. 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.

Indebtedness

296.1. Indebtedness Authorized. Any school corporation shall be allowed to become indebted for the purpose of building and furnishing a schoolhouse or schoolhouses and additions thereto, gymnasium, stadium, field house, school bus garage, teachers' or superintendent's home or homes, and procuring a site or sites therefor, or for the purpose of purchasing land to add to a site already owned, or for the purpose of procuring and improving a site for an athletic field or improving a site already owned for an athletic field, to an amount not to exceed in the aggregate, including all other indebtedness 5 percent of the actual value of the taxable property within such school corporation such value to be ascertained by the last county tax list previous to the incurring of such indebtedness, anything contained in section 407.1 to the contrary notwithstanding.

296.2. Petition for Election. Before such indebtedness can be contracted in excess of $1\frac{1}{4}$ percent of the assessed value of the taxable property, a petition signed by a number equal to 25 percent of those voting at the last regular school election shall be filed with the president of the board of directors, asking that an election be called, stating the amount of bonds proposed to be issued and the purpose for which the indebtedness is to be created, and that the necessary schoolhouse or schoolhouses cannot be built and equipped, or that sufficient land cannot be purchased to add to a site already owned, within the limit of $1\frac{1}{4}$ percent of the valuation.

Miscellaneous

Chapter 74, 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.

Authorization and Sale of Public Bonds

75.1. 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 proposition 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 60 percent of the total vote cast for and against said proposition at such election.

75.2. 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.

75.3. Sealed and Open Bids. Sealed bids may be received at any time prior to the calling for open bids. After the sealed bids are all filed, the official or officials shall call for open bids. After all of the open bids have been received the substance of the best open bid shall be noted in the minutes. The official or officials shall then open any sealed bids that may have been filed and they shall note in the minutes the substance of the best sealed bid.

75.4. Rejection of Bids. Any or all bids may be rejected, and the sale may be advertised anew, in the same manner, or the bonds or any portion thereof may thereafter be sold at private sale to any one or more of such bidders, or other persons, by popular subscription or otherwise. In case of private sales, the said bonds shall be sold upon terms not less favorable to the public than the most favorable bid made by a bona fide and responsible bidder at the last advertised sale.

75.5. Selling Price. No public bond shall be sold for less than par, plus accrued interest.

75.6. Commission and Expense. No commission shall be paid, directly or indirectly, in connection with the sale of a public bond. No expense shall be contracted or paid in connection with such sale other than the expense incurred in advertising such bonds for sale.

407.1. 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 $1\frac{1}{4}$ 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.

Constitutional limitation, Article XI, §3.

407.2. Limitation. No county, or other political or municipal corporation, shall become indebted in any manner, or for any purpose to an amount, in the aggregate, exceeding 5 percent of the actual value of the property within such county or corporation, to be ascertained by the last state and county tax lists previous to the incurring of such indebtedness.

Maturity and Payment of Bonds

76.1. Mandatory Retirement. Hereafter issues of bonds of every kind and character by counties, cities, towns, and school districts shall be consecutively numbered. The annual levy shall be sufficient to pay the interest and approximately such portion of the principal of the bonds as will retire them in a period not exceeding 20 years from date of issue. Each issue of bonds shall be scheduled to mature serially in the same order as numbered.

76.2. Mandatory Levy. The governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in such public corporation sufficient to pay the interest and principal of such bonds within a period named not exceeding 20 years. A certified copy of this resolution shall be filed with the county auditor or auditors of the counties, as the case may be, in which such public corporation is located and the filing thereof shall make it a duty of such officer or officers to enter annually this levy for collection until funds are realized to pay the bonds in full.

76.3. Tax Limitations. Tax limitations in any law for the issuance of bonds shall be based on the latest equalized actual valuation then existing and shall only restrict the amount of bonds which may be issued.

76.4. Permissive Application of Funds. Whenever the governing authority of such political subdivision shall have on hand funds derived from any other source than taxation which may be appropriated to the payment either of interest

or principal, or both principal and interest, of such bonds such funds may be so appropriated and used and the levy for the payment of the bonds correspondingly reduced.

76.5. Exceptions. The provisions of this chapter shall not apply to bonds, the interest or principal of which are payable out of the primary road fund or out of special assessments against benefited property.

76.6. Place of Payment. The principal and interest of all bonds of any public body in this state, issued subsequent to this act becoming effective, (45ExGA, ch. 15, effective March 23, 1934) shall be payable at the office of the treasurer or public official charged with the duty of making payment.

Extension or Renewal of Bonds

76.7. Particular Bonds Affected — Payment. Counties, cities, towns, and school corporations may at any time or times extend or renew any legal indebtedness or any part thereof they may have represented by bonds or certificates where such indebtedness is payable from a limited annual tax or from a voted annual tax, and may by resolution fund or refund the same and issue bonds therefor running not more than 20 years to be known as funding or refunding bonds, and make provision for the payment of the principal and interest thereof from the proceeds of an annual tax for the period covered by such bonds similar to the tax authorized by law or by the electors for the payment of the indebtedness so extended or renewed.

Referred to in §76.9.

76.8. Laws Applicable. All laws relating to the issuance of funding or refunding bonds by counties, cities, towns, and school corporations, as the case may be, not inconsistent with the provisions herein contained and to the extent the same may be applicable, shall govern the issuance of the funding and refunding bonds for the purpose herein authorized.

Referred to in §76.9.

76.9. No Limit of Former Power. Sections 76.7 and 76.8 shall be construed as granting additional power without limiting the power already existing in counties, cities, towns, and school corporations.

PUBLIC CONTRACTS AND BONDS

Chapter 23, Code 1950

23.1. 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, 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.

23.2. 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 10 days before said hearing.

23.3. 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.

23.4. 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.

23.5. Information Certified to Appeal Board. 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.

23.6. 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.

23.7. 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.

23.8. 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

cate, 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.

23.15. 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 decision. 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.

23.16. 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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