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Authorizing Cities and Towns to Issue Bonds for the Purpose of Paying Matured and Overdue Special Assessment Bonds or Obligations and Interest Thereon.

Colorado General Assembly

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CHAPTER 179

TOWNS AND CITIES

AUTHORIZED TO ISSUE BONDS FOR PAYING OVERDUE
OBLIGATIONS

(H. B. No. 131, by Representative Tempel)

AN ACT

AUTHORIZING CITIES AND TOWNS TO ISSUE BONDS FOR
THE PURPOSE OF PAYING MATURED AND OVERDUE
SPECIAL ASSESSMENT BONDS OR OBLIGATIONS AND
INTEREST THEREON.

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

Power to
Issue Bonds

Section 1. That, subject to the provisions of this act, any city or town in this state, whether organized under general law or special charter, shall have power and authority to issue its negotiable coupon bonds for the purpose of paying any special assessment bonds or obligations which it has issued or may issue, together with interest thereon, when it appears that there is not, or will not be, sufficient money for the payment of the same at maturity in the particular fund out of which payment should be made.

Purpose

Question of
Issuing Bonds
Submitted to
Qualified Electors
Qualification
of Electors

Section 2. No bonds may be issued under this act until the question of issuing the same shall, at a regular election for councilmen, aldermen or officers of such city or town, be submitted to a vote of such

qualified electors thereof as shall in the year next preceding have paid a real property tax therein, until at least three-fourths of those voting on the question by ballot deposited in a separate ballot box shall vote in favor of the proposition, but the aggregate amount of such bonds, together with all other indebtedness of the city or town existing at the time of such election, exclusive of indebtedness contracted for supplying the city or town with water, shall not exceed three per centum of the assessed valuation of the taxable property within the city or town, as determined by the assessment next preceding the last assessment prior to the adoption of an ordinance authorizing the issuance of bonds so voted. Notice of such election shall be given by publication in not less than two consecutive weekly publications of a newspaper published in such city or town, or, if there be no newspaper published therein, then in a newspaper of general circulation therein, provided, however, that the first publication of said notice shall be at least fifteen days prior to the date of the election. The election shall be held and conducted, and the returns thereof canvassed and declared, in the same manner, as nearly as may be, as an election for municipal officers.

Limitation

Notice of Election

Section 3. The issuance of any bonds voted in accordance with this act shall be authorized by an ordinance, which shall be irrevocable until the bonds therein provided for shall have been fully paid or discharged, specifying the purpose to which the funds to be raised shall be applied, and providing for the levy of a tax sufficient to pay the annual interest and extinguish the principal of such bonds within fifteen but not less than ten years from the creation thereof, and such tax, when collected, shall be applied only to

Authorized by
OrdinanceTaxes for
Redemption of
Bonds

Interest

Disposition
of BondsAct Not to Be
Construed to Release
or Discharge Any
Special AssessmentDisposition of
Delinquent Special
Assessment
Collected

Safety Clause

the purpose in such ordinance specified until such bonds shall be paid or discharged. Such bonds shall bear interest at a rate not exceeding six per centum per annum, to be paid semi-annually, shall be payable at such place or places, shall be in such denomination or denominations, and shall be executed by such officers, as may be prescribed in such ordinance. Such bonds may be exchanged at par for outstanding matured and over-due special assessment bonds or obligations and interest thereon, or they may be sold at not less than par and the proceeds thereof used for the purpose specified herein.

Section 4. Nothing in this act shall be construed to release or discharge any special assessment which is now, or may hereafter be, a lien on or against any property, and any city or town issuing bonds hereunder shall be subrogated to the rights of the holders or owners of the outstanding special assessment bonds or obligations paid. If, after the issuance of bonds authorized by this act, the delinquent or defaulted special assessments, or any part thereof, are collected, and the special assessment bonds or obligations payable out of the particular special assessment fund have been redeemed by means of bonds issued under this act, the amounts so collected shall be used to pay the principal of and the interest on the bonds authorized hereby, and the tax levies therefor shall be reduced in a like manner.

Section 5. The General Assembly hereby finds, determines and declares that this act is necessary for the immediate preservation of the public peace, health and safety.

Approved May 20, 1929.