

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 489

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO LOCAL IMPROVEMENT DISTRICTS; AMENDING SECTION 50-1722, IDAHO  
2 CODE, TO PROVIDE WHEN A LOCAL IMPROVEMENT DISTRICT IS CREATED BY  
3 RESOLUTION OF THE CITY COUNCIL THAT NO BONDS, REGISTERED WARRANTS OR  
4 INTERIM WARRANTS IN AN AMOUNT OF TWO HUNDRED FIFTY THOUSAND DOLLARS  
5 OR MORE MAY BE ISSUED UNLESS SUCH ISSUANCE IS APPROVED, EITHER BY  
6 NOT LESS THAN SIXTY PERCENT OR MORE OF THE RESIDENT OWNERS OF TAXABLE  
7 PROPERTY WITHIN THE DISTRICT OR TWO-THIRDS OF THE OWNERS OF TAXABLE  
8 PROPERTY SUBJECT TO ASSESSMENT WITHIN SUCH LOCAL IMPROVEMENT DISTRICT  
9 VOTING ON THE QUESTION AT AN ELECTION CALLED FOR THAT PURPOSE AND TO  
10 MAKE TECHNICAL CORRECTIONS; AND DECLARING AN EMERGENCY AND PROVIDING  
11 APPLICATION.  
12

13 Be It Enacted by the Legislature of the State of Idaho:

14 SECTION 1. That Section 50-1722, Idaho Code, be, and the same is hereby  
15 amended to read as follows:

16 50-1722. BONDS -- REGISTERED WARRANTS -- INTERIM WARRANTS. If the  
17 council determines to make assessments payable in installments as is  
18 provided in section 50-1715, Idaho Code, it shall be by ordinance issued in  
19 the name of the municipality improvement bonds of the improvement district  
20 payable from assessments levied against the property within the district.  
21 Such bonds shall be payable each year from and after the date of the bonds  
22 and shall be of such denomination and bear interest, payable annually,  
23 at such rate as is determined by the council, but in no event shall such  
24 rate of interest be greater than the rate of interest borne by the unpaid  
25 assessments.

26 The bonds shall be in such form and denomination as may be provided by  
27 the council and they shall mature serially over a period not exceeding thirty  
28 (30) years. The council may reserve the right to redeem any of the bonds  
29 at its option on any interest payment at such price or prices as determined  
30 by the council. The bonds shall be signed by the mayor of the city, the  
31 chairman of the board of county commissioners, the president of the highway  
32 district, or the chairman of the board of directors of a water and/or sewer  
33 district, as the case may be, and shall be countersigned by the treasurer  
34 and attested by the clerk of the municipality. No bond or coupon shall be  
35 invalid because an officer whose manual or facsimile signature thereon  
36 has ceased to hold office at the time of the delivery of the bonds so long  
37 as he held the office at the time such signature was placed on the bond or  
38 coupon. The coupons attached thereto shall bear the facsimile signatures of  
39 said officers and each bond shall have the seal of the municipality affixed  
40 thereto. Each bond shall provide that the principal thereof and the interest  
41 thereon are payable solely from the principal of ~~an~~ and interest on the

1 unpaid assessments levied in the district to pay the total cost and expenses  
2 of the project concerned.

3 In lieu of bonds, registered warrants may be issued under the same  
4 circumstances and in the same manner as bonds, such warrants to be issued  
5 in payment of any or all costs or expenses of the improvements to the amount  
6 said costs or expenses were set out in the engineer's report. The warrants  
7 shall be redeemable in numerical order and further shall be subject to all  
8 provisions of this code relating to local improvement bonds so far as the  
9 same may be applicable, including, but not limited to, the provisions of  
10 sections 50-1762 ~~to~~ through 50-1769, Idaho Code.

11 If the council shall determine to issue and sell bonds, it may for  
12 the purpose of meeting any cost and expenses of making the improvements,  
13 as the same are installed prior to the sale of the bonds, issue interim  
14 warrants of the district payable to the contractor, or other proper person,  
15 upon estimates of the engineer, bearing interest at a rate provided by the  
16 council, which interim warrants, together with the interest due thereon at  
17 the date of the issue of the bonds, shall be redeemed and retired from the  
18 proceeds of the sale of the bonds or prepayment of assessments.

19 Bonds issued hereunder shall have all the requisites of negotiable  
20 paper under the Uniform Commercial Code, and shall not be invalid for  
21 irregularity or defect in the proceedings for their issuance, sale or  
22 delivery, and shall be incontestable in the hands of bona fide purchasers  
23 or holders for value thereof. Nothing herein contained shall prohibit  
24 any municipality from issuing bonds or warrants in the denomination of one  
25 hundred dollars (\$100), or an even multiple thereof, except that bond number  
26 1 of any issue may be of a denomination other than one hundred dollars (\$100).

27 When a local improvement district is created by resolution of the  
28 council as outlined in section 50-1706, Idaho Code, no bonds, registered  
29 warrants or interim warrants in an amount of two hundred fifty thousand  
30 dollars (\$250,000) or more may be issued unless such issuance is approved,  
31 either by not less than sixty percent (60%) or more of the resident owners  
32 of taxable property within the district or two-thirds (2/3) of the owners  
33 of taxable property subject to assessment within such local improvement  
34 district voting on the question at an election called for that purpose and  
35 held on the May or November dates provided in section 34-106, Idaho Code.  
36 If approved, bonds, registered warrants or interim warrants of two hundred  
37 fifty thousand dollars (\$250,000) or more may be issued.

38 SECTION 2. An emergency existing therefor, which emergency is hereby  
39 declared to exist, this act shall be in full force and effect on and after its  
40 passage and approval and shall apply to all issuance or reissuance of bonds,  
41 registered warrants or interim warrants of one million dollars or more by a  
42 local improvement district after the effective date of this act.