

TITLE 33
EDUCATION

CHAPTER 11
SCHOOL BONDS

33-1101. EXISTING ISSUES UNIMPAIRED. Bonds, heretofore issued on any plan, shall not be impaired or disturbed by this act, but until satisfied in full or refunded, bonds shall be entitled to all the support of the law existing at the time the issue was made and of such law as became subsequently available to the support of said issues.

Nor shall this act disturb or impair or invalidate any bond proceedings which have been completed to the point of bond election having been held by the time this act becomes effective.

[33-1101, added 1963, ch. 13, sec. 98, p. 27.]

33-1102. PURPOSES FOR WHICH BONDS MAY BE ISSUED. The purposes for which bonds may be issued shall be: To acquire, purchase or improve a school site or school sites; to build a schoolhouse or schoolhouses or other building or buildings; to demolish or remove school buildings; to add to, remodel or repair any existing building; to furnish and equip any building or buildings, including all lighting, heating, ventilation and sanitation facilities and appliances necessary to maintain and operate the buildings of the district; to purchase school buses and to acquire, develop or renovate school facilities to establish, create and develop renewable energy systems as described in section [33-604](#), Idaho Code. The provisions of section [33-906](#), Idaho Code, shall not apply to bonds or portions of bonds issued to acquire, develop or renovate school energy systems as authorized in section [33-604](#), Idaho Code, when the school district begins to sell thermal energy for revenue as authorized in section [33-605](#), Idaho Code.

[33-1102, added 1963, ch. 13, sec. 99, p. 27; am. 2010, ch. 220, sec. 3, p. 493.]

33-1103. DEFINITIONS -- BONDS -- LIMITATION ON AMOUNT -- ELECTIONS TO AUTHORIZE ISSUANCE. (1) For the purposes of this chapter the following definitions shall have the meanings specified: "Market value for assessment purposes" means the amount of the last preceding equalized assessment of all taxable property and all property exempt from taxation pursuant to section [63-602G](#), Idaho Code, within the school district on the tax rolls completed and available as of the date of approval by the electorate in the school bond election. "Aggregate outstanding indebtedness" means the total sum of unredeemed outstanding bonds, minus all moneys in the bond interest and redemption fund or funds accumulated for the redemption of such outstanding bonds, and minus the sum of all taxes levied for the redemption of such bonds, with the exception of that portion of such tax levies required for the payment of interest on bonds, which taxes remain uncollected. "Issue," "issued," or "issuance" means a formal delivery of bonds to any purchaser thereof and payment therefor to the school district.

(2) The board of trustees of any school district, upon approval of a majority thereof, may submit to the qualified school district electors of the district the question as to whether the board shall be empowered to issue ne-

gotiable coupon bonds of the district in an amount and for a period of time to be named in the notice of election.

(3) An elementary school district which employs not less than six (6) teachers, or a school district operating an elementary school or schools, and a secondary school or schools, or issuing bonds for the acquisition of a secondary school or schools, may issue bonds in an amount not to exceed five percent (5%) of the market value for assessment purposes thereof, less the aggregate outstanding indebtedness; and no other school district shall issue bonds in an amount to exceed at any time two percent (2%) of the market value for assessment purposes thereof less the aggregate outstanding indebtedness. The market value for assessment purposes, the aggregate outstanding indebtedness and the unexhausted debt-incurring power of the district shall each be determined as of the date of approval by the electors in the school bond election.

(4) Notice of the bond election shall be given, the election shall be conducted and the returns thereof canvassed, and the qualifications of electors voting or offering to vote shall be, as provided in [title 34](#), Idaho Code.

(5) The question shall be approved only if the percentage of votes cast at such election were cast in favor thereof is that which now, or may hereafter be, set by the constitution of the state of Idaho. Upon such approval of the issuance of bonds, the same may be issued at any time after the date of such election.

[33-1103, added 1963, ch. 13, sec. 100, p. 27; am. 1973, ch. 282, sec. 3, p. 597; am. 1974, ch. 4, sec. 1, p. 20; am. 1975, ch. 88, sec. 1, p. 181; am. 1979, ch. 114, sec. 1, p. 359; am. 1979, ch. 254, sec. 12, p. 674; am. 1980, ch. 205, sec. 1, p. 469; am. 1980, ch. 350, sec. 12, p. 901; am. 1996, ch. 322, sec. 27, p. 1059; am. 2001, ch. 336, sec. 1, p. 1194; am. 2007, ch. 358, sec. 1, p. 1057; am. 2008, ch. 400, sec. 6, p. 1100; am. 2009, ch. 341, sec. 48, p. 1024; am. 2014, ch. 357, sec. 1, p. 886.]

33-1107. PLAN AND FORM OF BONDS -- AMORTIZATION. School district bonds shall be issued in denominations to be determined by the board of trustees.

No school district bonds shall be issued except upon an amortization plan. The first amortized principal payment shall mature and be payable not more than two (2) years from and after the date of the bonds, and the various annual maturities of any issue of bonds shall be in such principal amounts as will, together with accruing interest on all outstanding bonds of such issue, be met and paid by an equal annual tax levy during the term for which such bonds shall be issued and shall satisfy one (1) of the following:

(1) The annual tax levy in any year shall not exceed by more than ten percent (10%) the average annual tax levy if the principal and interest coming due on the bonds was repaid in equal annual amounts; or

(2) The annual tax levy in any year shall not exceed by more than ten percent (10%) the average annual tax levy if the principal and interest coming due on the bonds, together with the principal and interest coming due on all other outstanding bonds of the school district, was repaid in equal annual amounts; or

(3) The annual tax levy shall result in the repayment of principal and interest coming due on the bonds, or the bonds, together with the principal and interest coming due on all other outstanding bonds of the school district, more rapidly than an equal annual tax levy.

Whenever the amortization plan does not satisfy any of the foregoing alternatives, the board of trustees may adopt such amortization plan as it

shall find will result to the benefit and advantage of the district, and the board of trustees may issue and sell such bonds with such annual maturities as it shall determine either prior to or after the fixing of the interest rates such bonds will bear, and in every such instance it shall be permissible for the board of trustees to issue such bonds in the annual maturities so determined upon and bearing the rate or rates of interest ascertained upon the sale of such bonds, and the plan and form thereof together with the contract, if any, for the issue must be approved by the state superintendent of public instruction.

Subject to the provisions of this section, bonds may be issued as serial or term bonds.

Each bond shall bear interest from the date of issue, payable semi-annually on the days of such months as shall be determined by the board of trustees, at such interest rate as said board may determine. Each bond of any issue shall be numbered in a consecutive series. Each issue of bonds shall mature and be paid in full not more than thirty (30) years from the date of the bonds.

No issue of school bonds shall at any time be sold at less than its aggregate par value.

[33-1107, added 1963, ch. 13, sec. 103, p. 27; am. 1963, ch. 263, sec. 1, p. 672; am. 1972, ch. 121, sec. 1, p. 240; am. 1988, ch. 135, sec. 1, p. 242; am. 2013, ch. 183, sec. 1, p. 437.]

33-1109. SIGNATURE AND RECORDING OF BONDS. Each bond shall be signed by the chairman of the board of trustees and countersigned by the clerk; and the seal of the district, if it has a seal, shall be attached.

All bonds shall be recorded by the treasurer of the district who shall keep record of the number, amount and status of the issue, together with the name of the successful purchaser therefor.

[33-1109, added 1963, ch. 13, sec. 105, p. 27; am. 2013, ch. 183, sec. 3, p. 438.]

33-1111. SALE OF BONDS. School bonds may be sold at private sale, as provided in section [57-232](#), Idaho Code, after notice as hereinafter provided, or may be sold at public sale as hereinafter provided.

Notice of the intention to sell such bonds at public or private sale shall be published once in the name of the issuer in a newspaper of general circulation within the issuer's boundaries at least three (3) days prior to the time scheduled by the issuer for approving the sale of such bonds. Failure to comply with this requirement shall not invalidate the sale of the bonds, so long as the issuer has made a good faith effort to comply.

If the bonds are sold at public sale, the notice shall describe the issue of bonds; shall state that the board of trustees will receive sealed bids or electronic bids pursuant to the provisions of section [57-233](#), Idaho Code, until a specified day and hour; and that said bids will be accepted or rejected at a regular or special meeting of the board at a time and place to be named in the notice. Said notice may require such deposits of forfeits as the board may deem necessary.

At the meeting held at the time and place named in the notice, the board of trustees shall open the bids, and may sell the same to whomever shall make the bid most advantageous to the school district, and the deposits of the unsuccessful bidders shall thereupon be returned to them. Should the success-

ful bidder fail or refuse to tender payment of the amount required for the purchase of the issue within ten (10) days after tender to him of the executed bonds and a certified copy of the bond proceedings, his deposit shall be forfeited; and the board may in its judgment accept the bid next most advantageous, readvertise the issue as before, or sell the bonds at private sale.

The board of trustees may reject any or all bids, and sell the bonds at private sale when this is found to be in the best interest of the district.

[33-1111, added 1963, ch. 13, sec. 107, p. 27; am. 1969, ch. 466, sec. 3, p. 1326; am. 1977, ch. 164, sec. 3, p. 425; am. 1987, ch. 51, sec. 1, p. 84; am. 2001, ch. 336, sec. 2, p. 1195; am. 2013, ch. 183, sec. 4, p. 438.]

33-1112. PAYMENT, DEPOSIT AND USE OF FUNDS. All moneys received from the sale of school bonds shall be paid immediately into the treasury of the district. The treasurer shall deposit such funds according to the provisions of the Public Depository Law, separate from any other funds of the school district. Said funds shall be immediately available for the purposes approved by the electors of the district. Proceeds of the sale of bonds may be used to pay architectural and engineering costs incurred in any construction authorized by electors; to pay legal and fiscal fees; to pay publishing, printing and election costs precedent to the issuance of bonds, including the printing of the bonds; or to reimburse any other funds of the district used for the above purposes.

[33-1112, added 1963, ch. 13, sec. 108, p. 27.]

33-1113. DISPOSITION OF UNEXPENDED BALANCE. Whenever there shall remain any balance of funds arising from the sale of bonds over and above the amount necessary to meet the requirements approved by the electors, such balance shall be placed in the bond interest and redemption fund, to be deposited or invested as provided by law for such fund, and applied only to the redemption of and payment of interest on, any bond issue of the district.

[33-1113, added 1963, ch. 13, sec. 109, p. 27.]

33-1114. LEVY FOR LIQUIDATION OF BONDED INDEBTEDNESS. Whenever it shall appear that the board of trustees of any school district has failed to certify to the board of county commissioners the levy required in section [33-802](#), Idaho Code, said board of county commissioners shall, in addition to all other levies set by them, set levies sufficient to meet all accruing bond, bond interest and judgment obligations of the district maturing during the year when such levies shall be collected and paid.

[33-1114, added 1963, ch. 13, sec. 110, p. 27; am. 1979, ch. 254, sec. 13, p. 675; am. 1996, ch. 322, sec. 28, p. 1059.]

33-1115. DISTRICT RESPONSIBLE FOR BONDS. The faith of each district is solemnly pledged for the payment of interest and redemption of principal on all bonds lawfully and validly issued.

[33-1115, added 1963, ch. 13, sec. 111, p. 27.]

33-1117. CALL OR REDEMPTION OF BONDS -- NOTICE. The board of trustees of any school district having outstanding bonds which are redeemable or

callable before final maturity, having sufficient money in its bond interest and redemption fund may redeem one (1) or more bonds, on any callable or redeemable date. Notice of redemption shall be given in the manner specified in the bonds or the resolution authorizing the bonds.

[33-1117, added 1963, ch. 13, sec. 113, p. 27; am. 1969, ch. 466, sec. 4, p. 1326; am. 2013, ch. 183, sec. 6, p. 439.]

33-1118. COMPLIANCE WITH STATUTE IS NOTICE OF EXERCISE OF OPTION. A compliance with the provisions of section [33-1117](#) shall be deemed sufficient notice to the owner or owners of such bonds that the school district has exercised its option to pay and redeem the bonds described, and interest thereon shall cease at the redeemable or callable date named in the notice.

[33-1118, added 1963, ch. 13, sec. 114, p. 27.]

33-1119. REDEMPTION OF BONDS HELD BY STATE. Whenever the bonds of any school district have been purchased and are held by the department of finance and any said bond, or the interest on any said bond, becomes due and payable, the treasurer of the district shall remit to said department the amount of money required to pay and redeem the same. The said department, upon finding such payment in order, shall mark such bonds or interest coupons "canceled," and return the same to the treasurer of the school district.

[33-1119, added 1963, ch. 13, sec. 115, p. 27; am. 1969, ch. 466, sec. 5, p. 1326.]

33-1120. DISPOSITION OF MONEY REMAINING AFTER REDEMPTION. Any money remaining in the bond interest and redemption fund of any school district after all of any issue of school bonds and all interest thereon have been paid, redeemed and canceled shall be held to apply against the redemption of any other bonds issued by the district or, such money may be credited to the school plant facilities reserve fund; if the district has not established such fund, such money may be transferred to the credit of the general fund of the district. Any transfer or credit authorized by this section shall be upon resolution of the board of trustees.

[33-1120, added 1963, ch. 13, sec. 116, p. 27; am. 1996, ch. 341, sec. 1, p. 1147.]

33-1121. REFUNDING BONDS AND ADVANCE REFUNDING BONDS. The board of trustees of any school district may issue negotiable bonds for the purpose of refunding any outstanding bonded indebtedness of the district pursuant to the provisions of [chapter 5, title 57](#), Idaho Code, subject to the following additional provisions:

(1) The provisions of section [33-1107](#), [33-1109](#), [33-1111](#), [33-1115](#), [33-1117](#), [33-1118](#) and [33-1120](#), Idaho Code, shall be applicable to refunding bonds.

(2) No election shall be required for the issuance of refunding bonds provided that the refunding bonds do not create an additional indebtedness. Additional indebtedness shall mean either that the term of the refunding bonds exceeds the term of the bonds to be refunded, except as provided in subsection (4) of this section; or that the total amount of principal and

interest to be paid on the refunding bonds exceeds the total of principal and interest to be paid on the bonds to be refunded.

(3) In the case of refunding bonds issued in advance of the date of calling and redeeming such outstanding bonds, the net interest cost of the refunding bonds shall not exceed the net interest cost of the bonds to be refunded.

"Net interest cost" of a proposed issue of refunding bonds is defined as the total amount of interest to accrue on said refunding bonds from their date to their respective maturities, plus the total amount of premiums payable to the holders of said outstanding bonds as a condition to their redemption, less the amount of any premium above their par value at which said refunding bonds are being or have been sold. "Net interest cost" of an outstanding issue, or issues, to be refunded is defined as the total amount of interest which would accrue on said outstanding bonds from the date of the proposed refunding bonds to the respective maturity dates of said outstanding bonds to be refunded. In all cases the net interest cost shall be computed without regard to any option of redemption prior to the designated maturities.

(4) The maturity of the refunding bonds may not exceed the term of the outstanding bonds except in cases where an extension, not to exceed sixty (60) days and in the same fiscal year shall be needed to enable the refunding bonds to comply with the requirements of the Idaho school bond guaranty act and the provisions of section [33-5306](#), Idaho Code.

[33-1121, added 1965, ch. 224, sec. 1, p. 512; am. 2005, ch. 392, sec. 1, p. 1317; am. 2013, ch. 183, sec. 7, p. 439.]