

TITLE 50  
MUNICIPAL CORPORATIONS

CHAPTER 10  
FINANCES

50-1001. FISCAL YEAR. The fiscal year of each city shall commence on the first day of October.

[50-1001, added 1967, ch. 429, sec. 161, p. 1249; am. 1976, ch. 45, sec. 1, p. 123.]

50-1002. ANNUAL BUDGET. (1) The city council of each city shall, prior to passing the annual appropriation ordinance, prepare a budget estimating the probable amount of money necessary for all purposes for which an appropriation is to be made, including interest and principal due on the bonded debt and sinking fund, itemizing and classifying the proposed expenditures by department, fund, or service, as nearly as may be practicable, and specifying any fund balances accumulated under section [50-1005A](#), Idaho Code. To support such proposed expenditure, the council shall prepare an estimate of the total revenue anticipated during the ensuing fiscal year for which a budget is being prepared classifying such receipts by source as nearly as may be possible and practicable, said estimate to include any surplus not subject to the provisions of sections [50-1004](#) and [50-1005A](#), Idaho Code, nor shall said estimated revenue include funds accumulated under section [50-236](#), Idaho Code. The proposed budget for the ensuing fiscal year shall list expenditures and revenues during each of the two (2) previous fiscal years by fund and/or department. Following tentative approval of the revenues and expenditures estimated by the council, the same shall be entered at length in the journal of proceedings. Prior to certifying to the county commissioners, a notice of time and place of public hearing on the budget, which notice shall include the proposed expenditures and revenues by fund and/or department, including the two (2) previous fiscal years, and a statement of the estimated revenue from property taxes and the total amount from sources other than property taxes of the city for the ensuing fiscal year, shall be published twice at least seven (7) days apart in the official newspaper. At said hearing, any interested person may appear and show cause, if any, why such proposed budget should or should not be adopted.

(2) Upon notification by the state controller, budget information shall conform to the standards established in the uniform accounting manual for local governmental entities pursuant to section [67-1075](#), Idaho Code.

[50-1002, added 1967, ch. 429, sec. 162, p. 1249; am. 1972, ch. 22, sec. 1, p. 27; am. 1976, ch. 45, sec. 2, p. 123; am. 1981, ch. 318, sec. 3, p. 664; am. 1994, ch. 89, sec. 1, p. 206; am. 2021, ch. 89, sec. 16, p. 309.]

50-1003. ANNUAL APPROPRIATIONS BILL -- AMENDING APPROPRIATION ORDINANCE -- SPECIAL APPROPRIATION UPON PETITION OR ELECTION. (1) The city council of each city shall, prior to the commencement of each fiscal year, pass an ordinance to be termed the annual appropriation ordinance, which in no event shall be greater than the amount of the proposed budget, in which the corporate authorities may appropriate such sum or sums of money as may be deemed necessary to defray all necessary expenses and liabilities of such corpo-

ration, not exceeding in the aggregate the amount of tax authorized to be levied during that year in addition to all other anticipated revenues. Provided, the amount appropriated from property tax revenues shall not exceed the amount of property tax revenue advertised pursuant to section [50-1002](#), Idaho Code.

(2) Such ordinance shall specify the object and purposes for which such appropriations are made and the amount appropriated for each object or purpose.

(3) The city council of any city may, by the same procedure as used in adopting the original appropriation ordinance at any time during the current fiscal year, amend the appropriation ordinance to a greater amount than that adopted, if after the adoption of the appropriation ordinance additional revenue will accrue to the city during the current fiscal year as a result of increase in state or federal grants or allocations, or as a result of an increase in an enterprise fund or funds to finance the operation and maintenance of governmental facilities and services that are entirely or predominantly self-supporting by user charges, or as a result of an increase in revenues from any source other than ad valorem tax revenues. A city whose property tax certification is made for the current fiscal year may amend its budget and annual appropriation ordinance, pursuant to the notice and hearing requirements of section [50-1002](#), Idaho Code, prior to certification to the county commissioners.

(4) No further appropriation, except as provided in this section, shall be made at any other time within such fiscal year unless the proposition to make each appropriation has been first sanctioned by a majority of the legal voters of such city, either by petition signed by them equal in number to a majority of the number who voted at the last general city election or approved at a special election duly called therefor, and all appropriations shall end with the fiscal year for which they are made.

[50-1003, added 1967, ch. 429, sec. 163, p. 1249; am. 1974, ch. 166, sec. 1, p. 1422; am. 1976, ch. 45, sec. 3, p. 124; am. 1981, ch. 318, sec. 4, p. 665; am. 1982, ch. 276, sec. 1, p. 708; am. 1987, ch. 172, sec. 1, p. 338; am. 1989, ch. 25, sec. 1, p. 29; am. 2021, ch. 337, sec. 1, p. 1027.]

50-1004. SPECIAL TAX ASSESSMENT -- WARRANT REDEMPTION FUND. At the time of passing the annual appropriation ordinance, said city councils, unless provision shall have been made as provided by law for the funding, refunding, purchase, redemption or exchange of the outstanding city warrant indebtedness, must, whenever any city shall have warrants outstanding and unpaid, for the payment of which there are no funds in the city treasury, in addition to other taxes provided by law, if such warrants amount to a sum equal to five per cent (5%) or more of the value of the taxable property of such city, levy and include a special tax assessment of not to exceed two tenths per cent (.2%) of market value for assessment purposes in such annual appropriation bill; if such warrants amount to a sum equal to four per cent (4%) and less than five per cent (5%) of such taxable property, they must levy and include a special tax or assessment of not to exceed sixteen hundredths per cent (.16%) of market value for assessment purposes in such annual appropriation bill; if such warrants amount to a sum equal to three per cent (3%) and less than four per cent (4%) of such taxable property, they must levy and include a special tax or assessment of not to exceed twelve hundredths per cent (.12%) of market value for assessment purposes in such annual appropriation bill; if such warrants amount to a sum equal to two per cent (2%) and less than three

per cent (3%) of such taxable property, they must levy and include a special tax or assessment of not to exceed eight hundredths per cent (.08%) of market value for assessment purposes in such annual appropriation bill; and if such warrants amount to one per cent (1%) and less than two per cent (2%) of such taxable property they must levy and include a special tax or assessment of not to exceed four hundredths per cent (.04%) of market value for assessment purposes in such annual appropriation bill; and if such warrants amount to less than one per cent (1%) of such taxable property, then they must levy and include such special tax or assessment on the dollar in such annual appropriation bill as shall be sufficient to pay such warrants.

All moneys arising from such special tax or assessment shall be placed in a special fund to be known as the "Warrant Redemption Fund" and the redemption of such warrants shall be paid exclusively from this fund.

All moneys in the city treasury at the end of each fiscal year not needed for that year's expenses and applicable thereto, and not subject to the provisions of section [50-1005A](#), Idaho Code, shall be transferred to said "Warrant Redemption Fund," if such there be.

[50-1004, added 1967, ch. 429, sec. 164, p. 1249; am. 1976, ch. 45, sec. 4, p. 125; am. 1996, ch. 208, sec. 21, p. 677.]

50-1005A. ACCUMULATION OF FUND BALANCES. Cities may accumulate fund balances at the end of a fiscal year and carry over such fund balances into the ensuing fiscal year sufficient to achieve or maintain city operations on a cash basis. A fund balance is the excess of the assets of a fund over its liabilities and reserves.

[50-1005A, added 1976, ch. 45, sec. 6, p. 126]

50-1006. EXPENDITURES NOT TO EXCEED APPROPRIATION -- EXCEPTIONS. The mayor and council shall have no power to appropriate, issue or draw on the treasurer for money unless the same has been appropriated or ordered by ordinance, or the claim for the payment of which such order or warrant is issued has been allowed according to the provisions of sections [50-1001](#) through [50-1042](#), Idaho Code, and appropriations for the class or object out of which such claim is payable has been made as provided in sections [50-1001](#) through [50-1042](#), Idaho Code. Neither the city council nor any department or officer of the corporation shall add to the corporation expenditures in any year anything over and above the amount provided in the annual appropriation bill for the year, except as herein otherwise specially provided; and no expenditures for any improvement to be paid shall exceed in any year the amount allocated for such improvement in the annual appropriation bill, provided, however, that nothing herein contained shall prevent one-half (1/2) plus one (1) of the members of the full council from declaring an emergency, the necessity for which was caused by casualty, accident, or act of nature after such annual appropriation is made. In the event of a declared emergency caused by casualty, accident, or act of nature, the city council may order the mayor and finance committee to borrow a sufficient sum to provide for the expense incurred in abating the emergency or the making of any repairs or restoration of improvements, for a space of time not exceeding the close of the next fiscal year, which sum and interest shall be added to the amount authorized to be raised in the next general tax levy and embraced therein.

Should any judgment be obtained against the corporation, the mayor and finance committee, under the sanction of the city council, may borrow for a

space of time not exceeding the close of the next fiscal year, a sufficient amount to pay the same, which sum and interest shall in like manner be added to the amount authorized to be raised in the general tax levy of the next year and embraced therein.

[50-1006, added 1967, ch. 429, sec. 166, p. 1249; am. 1980, ch. 136, sec. 6, p. 300; am. 1987, ch. 171, sec. 1, p. 337; am. 1996, ch. 322, sec. 50, p. 1079.]

50-1007. CERTIFICATION AND COLLECTION OF CITY TAXES. The council of each city not later than the second Monday in September, as provided in section [63-803](#)(3), Idaho Code, shall certify to the county commissioners of the county, the total amount required from a property tax upon property within the city to raise the amount of money fixed by their budget as previously approved which shall include all special taxes assessed as provided by law. The amount which may be so certified, assessed and collected shall not exceed the maximum levy provided by section [50-235](#), Idaho Code, to defray its general expenses for either the current or the ensuing fiscal year, together with any special taxes, authorized under the provisions of this act, and such tax as may be authorized by law to be levied for the payment of outstanding bonds and debts. In all sales for delinquent city taxes, if there be other delinquent taxes from the same person, or lien upon the same property, the sale shall be for all the delinquent taxes; and such sales and all sales made under and by virtue of this section or the provisions of law herein referred to shall be of the same validity, and in all respects be deemed and treated as though sales had been made for delinquent state and county taxes exclusively.

[50-1007, added 1967, ch. 429, sec. 167, p. 1249; am. 1972, ch. 14, sec. 1, p. 18; am. 1976, ch. 45, sec. 7, p. 126; am. 1977, ch. 184, sec. 1, p. 514; am. 1996, ch. 322, sec. 51, p. 1079.]

50-1008. COLLECTION OF SPECIAL ASSESSMENTS -- CERTIFICATION TO TAX COLLECTOR. All special assessments levied in any city to which the provisions of this act are made applicable shall be due and payable to the city treasurer and, if not paid within thirty (30) days after mailing of notification of assessment, shall be declared delinquent and be certified to the tax collector of the county by the city clerk not later than the first day of August and shall be by said tax collector placed upon the tax roll and collected in the same manner and subject to the same penalties as other city taxes. All money received on special assessments shall be held by the city treasurer as a special fund to be applied to the payment of the improvement for which the assessment was made, and said money shall be used for no other purpose whatever unless to reimburse such city for money expended for such improvement.

[50-1008, added 1967 ch. 429, sec. 168, p. 1249; am. 1970, ch. 227, sec. 1, p. 637; am. 1973, ch. 289, sec. 1, p. 612; am. 2021, ch. 26, sec. 1, p. 66.]

50-1010. AUDIT OF CITY FINANCES -- AUDIT TO BE FILED. It shall be the duty of the council in every city to cause to be made a full and complete audit of the financial statements of such city as required in section [67-450B](#), Idaho Code.

The council shall be required to include all necessary expenses for carrying out the provisions of this section in its annual budget.

[50-1010, added 1967, ch. 429, sec. 170, p. 1249; am. 1977, ch. 71, sec. 5, p. 139; am. 1982, ch. 42, sec. 1, p. 68; am. 1987, ch. 13, sec. 1, p. 18; am. 1993, ch. 327, sec. 23, p. 1217; am. 1993, ch. 387, sec. 15, p. 1434.]

50-1011. PUBLICATION OF FINANCIAL STATEMENTS -- NONCOMPLIANCE. It shall be the duty of the city treasurer to cause to be published quarterly during each fiscal year for at least one (1) insertion in the official newspaper of the city, a full statement of each separate account, fund or appropriation for the year to date, and balances of the debits and credits belonging thereto, indicating salaries, capital outlay and a percentage comparison to the original appropriation. All published financial statements shall include the following: "Citizens are invited to inspect the detailed supporting records of the above financial statements." Such statement shall be published within thirty (30) days from the end of each quarter, except for the final quarter of the fiscal year which shall be published no later than thirty (30) days from the date of completion of the annual audit. Notwithstanding the above, no one shall be precluded from making this filing prior to the completion of an audit. Failure upon the part of the treasurer of any city to comply with the requirements of this section shall be deemed a misdemeanor.

[50-1011, added 1967, ch. 429, sec. 171, p. 1249; am. 1979, ch. 90, sec. 2, p. 217; am. 1989, ch. 28, sec. 1, p. 33; am. 1990, ch. 88, sec. 1, p. 183.]

50-1013. DEPOSIT AND INVESTMENT OF FUNDS. The treasurer shall be required to keep all money in his hands belonging to the corporation in such place or places of deposit as shall be provided by ordinance; provided, however, that the treasurer may be directed and empowered by resolution, to invest any money in his hands in any of the following:

- (a) Revenue bonds issued by the revenue bond act.
- (b) City coupon bonds provided for under section [50-1019](#), Idaho Code.
- (c) Local improvement district bonds provided for under [chapter 17, title 50](#), Idaho Code.
- (d) Time deposit accounts with public depositories.
- (e) Bonds, treasury bills, interest-bearing notes, or other obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (f) General obligation bonds of this state, or those for which the faith and credit of this state are pledged for the payment of principal and interest.
- (g) General obligation bonds of any county, city, metropolitan water district, municipal utility district, school district or other taxing district of this state.
- (h) Notes, bonds, debentures, or other similar obligations issued by the farm credit system or institutions forming a part thereof under the farm credit act of 1971 (12 U.S.C. sections 2001-2259) and all acts of congress amendatory thereof or supplementary thereto; in bonds or debentures of the federal home loan bank board established under the federal home loan bank act (12 U.S.C. sections 1421-1449); in bonds, debentures and other obligations

of the federal national mortgage association established under the national housing act (12 U.S.C. sections 1701-1750g) as amended, and in the bonds of any federal home loan bank established under said act and in other obligations of agencies and instrumentalities of the government of the state of Idaho or of the United States.

(i) Bonds, notes or other similar obligations issued by public corporations of the state of Idaho including, but not limited to, the Idaho state building authority, the Idaho housing authority and the Idaho water resource board, but such investment shall not extend beyond seven (7) days.

(j) Repurchase agreements and reverse repurchase agreements covered by any legal investment for the state of Idaho or as otherwise allowed by this section, provided that reverse repurchase agreements shall only be used for the purpose of liquidity and not for leverage or speculation.

(k) Tax anticipation bonds or notes, income and revenue anticipation bonds or notes and registered warrants of the state of Idaho or of taxing districts of the state of Idaho.

(l) Savings accounts including, but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transaction accounts.

(m) Time deposit accounts and other savings accounts of state or federal savings and loan associations located within the geographical boundaries of the state in amounts not to exceed the insurance provided by the federal savings and loan corporation, including, but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transaction accounts.

(n) Share, savings and deposit accounts of state and federal credit unions located within the geographical boundaries of the state in amounts not to exceed the insurance provided by the national credit union share insurance fund and/or any other authorized share guaranty corporation, including, but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transaction accounts.

(o) Prime banker's acceptances.

(p) Prime commercial paper.

(q) Money market funds, mutual funds, or any other similar funds whose portfolios consist of any allowed investment as specified in this section.

(r) Bonds, debentures or notes of any corporation organized, controlled and operating within the United States which have, at the time of their purchase, an A rating or higher by a commonly known rating service.

[50-1013, added 1967, ch. 429, sec. 173, p. 1249; am. 1970, ch. 76, sec. 1, p. 192; am. 1972, ch. 170, sec. 1, p. 420; am. 1976, ch. 74, sec. 1, p. 244; am. 1981, ch. 19, sec. 1, p. 34; am. 1983, ch. 38, sec. 1, p. 89; am. 1986, ch. 74, sec. 3, p. 222; am. 1986, ch. 88, sec. 1, p. 257; am. 1987, ch. 162, sec. 1, p. 318; am. 2001, ch. 42, sec. 1, p. 78.]

50-1013A. INVESTMENT OF DEPOSITS OF DEFERRED COMPENSATION PLANS. A municipal corporation, in administering a deferred compensation plan, shall be governed by the uniform prudent investor act, [chapter 5, title 68](#), Idaho Code.

[50-1013A, added 1989, ch. 249, sec. 1, p. 599; am. 1997, ch. 14, sec. 4, p. 18.]

50-1014. TRANSFER OF FUNDS. The city council of the cities may transfer an unexpended balance in one fund to the credit of another fund.

[50-1014, added 1967, ch. 429, sec. 174, p. 1249.]

50-1015. DISPOSITION OF LICENSE FEES AND FINES. All license fees of every character and all fines and penalties recovered under the provisions of any city ordinance shall be paid into the city treasury for the use and benefit of the general fund, except that the council may transfer and distribute the moneys or revenue, in whole or in part, received and recovered from fines, penalties, forfeitures and costs for enforcing and prosecuting violations of ordinances regulating traffic (pedestrian, motor vehicle or bicycle), including but not limited to parking, moving and nonmoving violations of such traffic regulations to the fund or funds established by ordinance dedicated for the purpose of paying the indebtedness (principal and interest) incurred for the acquisition and construction of off-street parking facilities, including land, buildings, structures, equipment and appurtenances necessary for the parking of motor vehicles. The council may also by ordinance transfer and distribute any portion of said fines, penalties, forfeitures and costs, after deducting that amount required to pay an indebtedness (principal and interest) incurred for acquiring and constructing said off-street parking facilities, for the purpose of maintaining and operating said off-street parking facilities.

[50-1015, added 1967, ch. 429, sec. 175, p. 1249; am. 1976, ch. 164, sec. 1, p. 594.]

50-1015A. DISPOSITION OF PARKING FEES AND FINES. All moneys collected for the regulation of parking on city streets, whether collected through city parking meters or by the city clerk, shall not be subject to disposition in the same manner as moneys collected for violations of city ordinances, but shall be placed in the general fund of the city.

[50-1015A, added 1969, ch. 120, sec. 1, p. 380.]

50-1016. DEDUCTIONS FROM WAGES. Any city may deduct, upon written approval of the individual employee, sums certain from said employee's salary or wages for the purpose of paying said sums for premiums on group life, health, accident, disability, hospital and surgical insurance, or any other purposes approved by the city council. Any city may pay all or any part of such deductions as approved by the council.

Any city may adopt a city retirement and pension plan for the benefit of its employees and for that purpose may deduct, upon written approval of the individual employee, sums certain from said employee's wages as a contribution to said plan and any city may pay all or any part of such premiums as approved by the council and may make such other contributions as may be required to make such plan actuarially sound. Such plan may be administered by the employer or by a third party organization selected through a competitive selection process. Further, the employer may cooperate with other city or county employers for joint administration of the plan.

[50-1016, added 1967, ch. 429, sec. 176, p. 1249; am. 1976, ch. 47, sec. 1, p. 146; am. 1997, ch. 207, sec. 1, p. 624.]

50-1017. PRESENTATION OF CLAIMS. All claims against the city shall be approved by the city council prior to the payment of such claims and the city council shall establish and maintain an adequate and reasonable system of internal accounting controls. No costs shall be recovered against such city in any action brought against it for any unliquidated claim which has not been presented to the city council for payment, nor upon claims allowed in part, unless the recovery shall be for a greater sum than the amount allowed with interest due.

[50-1017, added 1967, ch. 429, sec. 177, p. 1249; am. 1972, ch. 107, sec. 1, p. 221; am. 1977, ch. 240, sec. 1, p. 717; am. 2003, ch. 69, sec. 1, p. 235.]

50-1018. PAYMENT OF CLAIMS. Upon approval of claims by the council, payment may be ordered by warrant or by electronic means, signed by or authorized by the mayor and clerk or by check or by electronic means signed by or authorized by the mayor and treasurer. The order for their payment shall specify the particular fund or appropriation out of which they are payable, as specified in the annual appropriation bill. In the absence of sufficient funds, the council may, by resolution, order payment of claims by money borrowed by either:

- (1) Registered warrants as provided in section [31-2125](#), Idaho Code, or
- (2) By issuing its tax anticipation notes as provided in section [63-3102](#), Idaho Code, or
- (3) Short term borrowing not involved with the tax effort in anticipation of approved federal or state grants.

[50-1018, added 1967, ch. 429, sec. 178, p. 1249; am. 1976, ch. 48, sec. 1, p. 147; am. 2003, ch. 69, sec. 2, p. 235.]

50-1019. PURPOSES FOR WHICH BONDS MAY BE ISSUED -- LIMITATION ON AMOUNT. Every city incorporated under the laws of the territory of Idaho or of the state of Idaho shall have power and authority to issue city coupon bonds not to exceed in aggregate at any time, ten per cent (10%) of the assessed full cash valuation [two per cent (2%) of the market value for assessment purposes] of the real and personal property in said city, according to the assessment of the preceding year, for any or all of the purposes specified [in subsections 1 through 10 of this section,] as follows:

1. To provide for constructing, laying out, grading, curbing, draining, sidewalking or otherwise improving streets, alleys, intersections, crossings and crosswalks; and to construct, or aid in the construction of bridges across streams within or contiguous to, or within one (1) mile of the exterior limits of, such city.

2. To provide for the funding, refunding, purchase and redemption of the outstanding indebtedness, bonds may be issued under this section for such purposes, without submission of the question of issuance of such bonds to the electors of the city, when the same can be done to the profit and benefit of such city without incurring any additional liability.

3. To provide for the establishment of hospitals and cemeteries, either within or without the corporate limits of such city.

4. To provide for the purchase, improvement and equipment of lands and buildings thereon, for public parks, monuments, recreation facilities and zoos, either within or without the corporate limits of such city.



5. To provide for the purchase, erection, construction and furnishing of city public libraries.

6. To provide for the establishment of a fire department by the purchase of building sites, buildings, and suitable equipment and apparatus necessary to provide fire protection.

7. To provide for the purchase, acquisition, improvement and equipment of aviation facilities either wholly or partly within or without the corporate limits of such city, or wholly or partly within or without the state of Idaho.

8. To provide for flood control by acquisition and purchase of right-of-way and to establish, alter, enlarge, improve, reconstruct and change the channels of watercourses or any stream, river or body of water within or without the corporate limits of the city.

9. To provide for the acquisition, construction, remodeling, improvement or otherwise, of buildings for public use, together with all necessary appurtenant facilities and equipment, including all necessary land for building sites, either within or without the corporate limits of such city.

10. To provide for the purchase, acquisition, erection and construction of off-street parking sites, structures, buildings, facilities, equipment and appurtenances.

11. To provide for the purchase, acquisition, improvement and equipment of transit systems.

All bonds of any municipality which were issued, sold and delivered to the purchasers thereof prior to April 12, 1967, for the purpose of providing for the building, laying, construction, equipment, extension, enlargement, alteration, improvement or maintenance of storm sewers or sanitary sewerage systems, shall be excluded when determining the aggregate amount of bonds of any city issued hereunder which are outstanding for the purpose of computing the debt limitation provided for in the first paragraph of this section.

[50-1019, added 1967, ch. 429, sec. 179, p. 1249; am. 1968 (2nd E.S.), ch. 7, sec. 1, p. 15; am. 1970, ch. 130, sec. 1, p. 305; am. 1976, ch. 163, sec. 1, p. 592; am. 1980, ch. 54, sec. 1, p. 111; am. 1980, ch. 350, sec. 22, p. 906.]

50-1020. WATERWORKS -- LIGHT AND POWER PLANTS -- SEWERAGE SYSTEMS. Every city incorporated under the laws of the territory of Idaho or of the state of Idaho shall have power and authority to issue city coupon bonds in a sufficient amount to acquire, by purchase or otherwise, waterworks plants and water supply, light and power plants, storm sewers and sanitary sewerage systems, and to construct, enlarge, extend, repair, alter and improve such plants or systems notwithstanding the percentage limitation of the previous section. "Waterworks plants and water supply" include by way of example but not by way of limitation, a public water system providing water at any temperature for space heating or cooling, culinary, sanitary, recreational or therapeutic uses.

The amount for which bonds may be issued for purposes as in this section provided shall be determined by the council and stated in the ordinance therefor, and shall be authorized in such amount as the city council shall deem necessary by one or more bond elections, called as provided in section [50-1026](#), Idaho Code, or amendatory act.

[50-1020, added 1967, ch. 429, sec. 180, p. 1249; am. 1970, ch. 130, sec. 2, p. 305; am. 1979, ch. 304, sec. 2, p. 825.]

50-1021. PREVIOUS ISSUES VALIDATED. All bonds authorized at any city election heretofore held, as provided in said section [50-1026](#)[, Idaho Code], or acts amendatory thereof, for the purpose of acquiring adequate plants for such city by purchase or otherwise, and by enlarging, extending[, ] repairing, altering or improving any existing city water, light and power or sewage [sewerage] systems, shall be deemed to have been authorized for all or any of the purposes for which such bonds may hereafter be issued under this section, and all such bonds which at such election have been heretofore authorized, when issued and sold, are hereby declared to be legal and binding obligations of such city, provided all requirements of law have been fully complied with, and the same are hereby declared to be of like force and effect as if the city, at the time such election was called and held, had possessed all the power herein granted and conferred.

[50-1021, added 1967, ch. 429, sec. 181, p. 1249.]

50-1022. JOINT SERVICES. In addition to the authority contained in the foregoing sections and in sections [67-2326](#) through and including [67-2333](#), Idaho Code, it shall be lawful for two (2) or more cities, so situated with reference to each other that it is practicable and convenient to furnish the said inhabitants thereof with water, power or sewerage from a single plant and system, to join in the construction or purchase of such plant or system upon a substantial compliance with the provisions of sections [50-1022](#) to [50-1025](#), Idaho Code, and not otherwise.

[50-1022, added 1967, ch. 429, sec. 182, p. 1249; am. 1971, ch. 10, sec. 1, p. 22.]

50-1023. JOINT SERVICES -- AGREEMENT ON APPORTIONMENT. Whenever two (2) or more cities desire jointly to construct water, power or sewage [sewerage] systems, it shall be necessary for the councils to agree among themselves as to the kind and character of construction of the said plant and system, the amount of service to which each city shall be entitled, the approximate cost of such systems and the proportionate part thereof which shall be borne by each city, which proportionate part shall be as nearly just and equitable as possible, and shall be determined in such manner as may be agreeable to all concerned.

[50-1023, added 1967, ch. 429, sec. 183, p. 1249.]

50-1024. JOINT SERVICES -- BOND ELECTION IN EACH CITY. Whenever the proportionate share of the cost of such construction or purchase to be borne by each city has been determined, an election shall be held in each city as now provided by law in similar cases, for the purpose of determining whether or not coupon bonds shall be issued by such city in an amount equal to its proportionate share of the cost of such construction or purchase.

[50-1024, added 1967, ch. 429, sec. 184, p. 1249.]

50-1025. JOINT SERVICES -- COMMITTEE FOR CONSTRUCTION OR PURCHASE. If, in each of said cities the question of issuing bonds for the construction or purchase of such systems, plants and equipment shall have been favorably decided by the electors of such city, said bonds shall be issued as now provided by law, and the city councils of the cities in question shall meet, and

organize and appoint a committee to be composed of their own members, upon which each of said cities shall have equal representation, for the purpose of constructing such plants and systems or for purchasing the same if such is available. The said committee shall have all necessary power to make contracts for the construction or purchase of such plants and systems and to bind the said cities as herein contemplated.

[50-1025, added 1967, ch. 429, sec. 185, p. 1249.]

50-1026. CITY BONDS -- ORDINANCE -- ELECTION. Whenever the city council of a city shall deem it advisable to issue the coupon bonds of such city, the mayor and council shall provide therefor by ordinance, which shall specify and set forth all the purposes, objects, matters and things required by section [57-203](#), Idaho Code, and make provision for the collection of an annual tax sufficient to pay the interest on such proposed bonds as it falls due, and also to constitute a sinking fund for the payment of the principal thereof within thirty (30) years from the time of contracting the same as required by the constitution and laws of the state of Idaho.

The ordinance shall also provide the date for holding an election that is in accordance with the dates authorized in section [50-405](#), Idaho Code, which falls more than forty-five (45) days after the clerk of the political subdivision orders that such election shall be held. Notice shall be given in the official newspaper of the city by the county clerk in accordance with election law in [title 34](#), Idaho Code. Such election shall be conducted as other city elections. The voting at such elections must be by ballot, and the ballot used shall be substantially as follows: "In favor of issuing bonds to the amount of.... dollars for the purpose stated in Ordinance No.....," and "Against issuing bonds to the amount of.... dollars for the purpose stated in Ordinance No....." If at such election, held as provided in this chapter, two-thirds (2/3) of the qualified electors voting at such election assent to the issuing of such bonds and the incurring of the indebtedness thereby created for the purpose aforesaid, such bonds shall be issued in the manner provided by the laws of the state of Idaho.

[50-1026, added 1967, ch. 429, sec. 186, p. 1249; am. 1971, ch. 25, sec. 7, p. 61; am. 2009, ch. 341, sec. 127, p. 1057; am. 2011, ch. 11, sec. 25, p. 37.]

50-1026A. CITY BONDS -- PLEDGE OF REVENUES. (a) In the ordinance required in section [50-1026](#), Idaho Code, providing for the issuance of bonds of a city to be issued to acquire, improve, construct or extend a revenue producing system or facility to be owned and operated by the city, the city council may pledge, as an additional source of payment of such bonds, all or any part of the revenues derived or to be derived from rates, fees, tolls, or charges imposed for the services, facilities, or commodities furnished by the revenue producing system or facility to be so acquired, improved or extended.

(b) The notice of the election on bonds provided for in section [50-1026](#), Idaho Code, shall describe any pledge of revenues made pursuant to this section. The proposition appearing on the ballot provided for in section [50-1026](#), Idaho Code, shall indicate that the bonds are to be additionally secured by a pledge of revenues of designated revenue producing systems or facilities owned and operated by the city.

(c) The city council of a city may, in the ordinance required in section [50-1026](#), Idaho Code, providing for the issuance of bonds to which revenues have been pledged as provided in this section, covenant to prescribe and collect reasonable rates, fees, tolls or charges for the services, facilities, or commodities furnished by any revenue producing system or facility owned and operated by the city, all or a portion of the revenues of which have been pledged to bonds of the city as provided in this section, and may covenant to prescribe and collect such rates, fees, tolls or charges as will produce revenues sufficient, in addition to any other requirements of law, to pay all or a portion of the maturing principal of an interest on the bonds to which such revenues have been pledged.

(d) The provisions of section [57-214](#), Idaho Code, to the contrary notwithstanding, bonds of a city to which revenues have been pledged as provided in this section, if issued to provide electric improvements or facilities, may be sold in such manner and at such price as the city council may in its discretion determine advisable, provided that such bonds may not be issued to acquire generation, transmission, or distribution facilities owned by other utilities without the consent of the utility owning the improvement or facility. Bonds of a city to which revenues have been pledged as provided in this section may be issued in coupon or registered form. The city council may provide for the use of a portion of the proceeds of sale of bonds to which revenues have been pledged as provided in this section to pay interest on the bonds during the period to be covered by the construction of the facility or improvement for which the bonds are to be issued and to establish such reserves as the city council shall deem to be necessary.

(e) The provisions of section [50-1041](#), Idaho Code, shall not apply to bonds of a city to which revenues have been pledged as provided in this section. Such bonds shall be deemed not to have been issued under the revenue bond act.

[50-1026A, added 1981, ch. 218, sec. 1, p. 406; am. 1982, ch. 366, sec. 1, p. 917.]

50-1027. REVENUE BONDS -- SHORT TITLE. The following fifteen (15) sections may be cited as the Revenue Bond Act.

[50-1027, added 1967, ch. 429, sec. 187, p. 1249.]

50-1028. GRANT OF AUTHORITY. Any city acquiring, constructing, re-constructing, improving, bettering or extending any works pursuant to this act, shall manage such works in the most efficient manner consistent with sound economy and public advantage, to the end that the services of such works shall be furnished at the lowest possible cost. No city shall operate any works primarily as a source of revenue to the city, but shall operate all such works for the use and benefit of those served by such works and for the promotion of the welfare and for the improvement of the health, safety, comfort and convenience of the inhabitants of the city.

[50-1028, added 1967, ch. 429, sec. 188, p. 1249.]

50-1029. DEFINITIONS. For the purpose of this act, unless a different meaning clearly appears from the context, the following terms shall be ascribed the following meanings:

(a) The term "works" shall include water systems, drainage systems, sewerage systems, recreation facilities, off-street parking facilities, airport facilities and air navigation facilities, electric systems or any of them as herein defined;

(b) The term "water system" shall include reservoirs, storage facilities, water mains, conduits, aqueducts, pipelines, pumping stations, filtration plants, and all appurtenances and machinery necessary or useful for obtaining, storing, treating, purifying or transporting water for domestic uses or purposes. The term "domestic uses or purposes" includes by way of example but not by way of limitation the use of water at any temperature for space heating or cooling, culinary, sanitary, recreational or therapeutic purposes;

(c) The term "sewerage system" shall include intercepting sewers, outfall sewers, force mains, collecting sewers, pumping stations, ejector stations, treatment plants, structures, buildings, machinery, equipment, connections and all other appurtenances necessary, useful or convenient for the collection, transportation, treatment, purification, and disposal of the sewage of any city or any part of territory included within the territorial limits of any city;

(d) The term "off-street parking" shall include all machinery, equipment and appurtenances, including lands, easements, rights-of-way and buildings required, necessary or useful for the parking of motor vehicles on lands or places other than public highways;

(e) The term "airport facilities and air navigation facilities" shall include land acquisition, construction costs, buildings, equipment, and other necessary appurtenances, either wholly or partly within or without the corporate limits of such political subdivision of the state or owned or operated by a regional airport authority as defined by law, or wholly or partly within or without the state of Idaho, which are hereby deemed to be for a public purpose, which facilities are to be financed for, or to be leased, sold or otherwise disposed of to private persons, associations or corporations, or to be held by the political subdivision of the state or regional airport authority as defined by law;

(f) The term "rehabilitate existing electrical generating facilities" shall include the reconstruction, replacement, and betterment of existing generation facilities, properties and other related structures, together with all necessary equipment and appurtenances related thereto, used in or useful for the generation of electricity, including power plants, turbine generators, dams, penstocks, step-up transformers, electrical equipment and other facilities related to hydroelectric production plants, and related facilities for flood control, environmental, public recreation and fish and wildlife mitigation and enhancement purposes made necessary in order to comply with applicable state and federal requirements, but does not include transmission and distribution lines and their related structures, equipment and appurtenances;

(g) The term "drainage system" shall include ditches, channels, creeks, ponds, intake structures, diversion structures, levies, storm sewers, pump stations, force mains, buildings, easements, machinery, equipment, connections and all other appurtenances necessary, useful or convenient for the collection, treatment and disposal of any surface water, nuisance ground or subsurface water or stormwater of any city; and

(h) The term "electric system" shall include all electric generation, transmission and distribution facilities comprising a municipal electric

system and used to supply electricity to customers located within the service area of such system established by law, including all properties, structures, facilities, equipment and appurtenances used in or useful for the generation, transmission and distribution of electricity. The term "electric system" includes, by way of example, but not by way of limitation, power plants for the generation of electricity by any means, substations, transformers, transmission lines, distribution lines, and all other facilities, equipment and appurtenances necessary or desirable in connection with the generation, transmission or distribution of electricity, including energy conservation, public purpose and environmental facilities, programs and measures, and joint electric facilities as defined in section [50-342A](#), Idaho Code.

[50-1029, added 1967, ch. 429, sec. 189, p. 1249; am. 1969, ch. 193, sec. 1, p. 564; am. 1977, ch. 50, sec. 1, p. 91; am. 1978, ch. 176, sec. 1, p. 402; am. 1978, ch. 330, sec. 1, p. 848; am. 1979, ch. 304, sec. 3, p. 826; am. 1991, ch. 311, sec. 1, p. 818.; am. 2011, ch. 129, sec. 1, p. 358.]

50-1030. POWERS. In addition to the powers which it may now have, any city shall have power under and subject to the following provisions:

(a) To acquire by gift or purchase and to construct, reconstruct, improve, better or extend any works within or without the city, or partially within or partially without the city, or within any part of the city, and acquire by gift or purchase lands or rights in lands or water rights in connection therewith, including easements, rights-of-way, contract rights, leases, franchises, approaches, dams and reservoirs; to sell excess or surplus water under such terms as are in compliance with section [42-222](#), Idaho Code, and deemed advisable by the city; to lease any portion of the excess or surplus capacity of any such works to any party located within or without the city, subject to the following conditions: that such capacity shall be returned or replaced by the lessee when and as needed by such city for the purposes set forth in section [50-1028](#), Idaho Code, as determined by the city; that the city shall not be made subject to any debt or liability thereby; and the city shall not pledge any of its faith or credit in aid to such lessee;

(b) To rehabilitate existing electric generating facilities;

(c) To exercise the right of eminent domain for any of the works, purposes or uses provided by this act, in like manner and to the same extent as provided in section [7-720](#), Idaho Code;

(d) To operate and maintain any works or rehabilitated existing electrical generating facilities within or without the boundaries of the city, or partially within or without the boundaries of the city, or within any part of the city;

(e) To issue its revenue bonds hereunder to finance, in whole or in part, the cost of the acquisition, construction, reconstruction, improvement, betterment or extension of any works, or to finance, in whole or in part, the cost of the rehabilitation of existing electrical generating facilities;

(f) To prescribe and collect rates, fees, tolls or charges, including the levy or assessment of such rates, fees, tolls or charges against governmental units, departments or agencies, including the state of Idaho and its subdivisions, for the services, facilities and commodities furnished by such works, or by such rehabilitated existing electrical generating facili-

ties, and to provide methods of collections and penalties, including denial of service for nonpayment of such rates, fees, tolls or charges;

(g) To pledge an amount of revenue from such works or rehabilitated existing electrical generating facilities, including improvement, betterment or extensions thereto, thereafter constructed or acquired, sufficient to pay said bonds and interest as the same shall become due, and to create and maintain reasonable reserves therefor. Such amount may consist of all or any part or portion of such revenues. In determining such cost, there may be included all costs and estimated costs of the issuance of said bonds; all engineering, inspection, fiscal and legal expenses and interest which it is estimated will accrue during the construction period and for six (6) months thereafter on money borrowed or which it is estimated will be borrowed pursuant to sections [50-1027](#) through [50-1042](#), Idaho Code, and the costs of any bond reserve funds or working capital deemed necessary in connection with the bond issue;

(h) In the procurement of off-street parking sites, facilities, equipment and appurtenances, any city shall have power, in addition to those heretofore conferred, to pledge the net revenues to be derived from on-street parking facilities not otherwise pledged, to be combined with the rates, fees, tolls and charges to be derived from the operation of off-street parking facilities, after the payment of all operative and maintenance costs, to the payment of revenue bonds and interest thereon issued under the authority of the revenue bond act;

(i) To issue bonds for the purpose of refunding any bonds theretofore issued under authority of the revenue bond act and to pay accrued interest and applicable redemption premiums on the bonds to be refunded, if the bonds to be refunded are due, callable or redeemable by their terms on or prior to the date that the refunding bonds are issued, or will become due, callable or redeemable by their terms within twelve (12) months thereafter, or if the bonds to be refunded, even though not becoming due, callable or redeemable within such period, are voluntarily surrendered by the holders thereof, for cancellation at the time of the issuance of the refunding bonds. All or part of any issue may be refunded and all or part of several issues may be refunded into a single issue of refunding bonds. There may be included with the refunding bonds, as part of a single issue, or in combination in one (1) or more series, bonds for any other purpose or purposes for which bonds are authorized to be issued under the revenue bond act. Refunding bonds shall be issued and secured in such manner as may be provided in the proceedings authorizing their issuance and as otherwise provided in the revenue bond act, and such changes may be made in the security and revenue pledged to the payment of the bonds so refunded, as provided by the governing body in the proceedings authorizing such bonds. No election on the issuance of refunding bonds shall be required, but if by an increase in the amount of bonds or by changes in the security or pledged revenues, the requirements of the constitution for an election shall become applicable, or if refunding bonds are combined into a single issue with bonds authorized for nonrefunding purposes, then such bonds with changes in security or revenues, or such bonds in excess of the amount of bonds refunded, as the case may be, must have been approved at an election as otherwise provided in the revenue bond act and the constitution. Refunding bonds may be exchanged for not less than a like principal amount of bonds authorized to be refunded, may be sold, or may be exchanged in part and sold in part. If sold, the proceeds of the sale, not required for the payment of expenses, and in any event, in an amount sufficient to assure the retire-

ment of the bonds refundable, when such bonds become available for retirement, if not applied to a simultaneous payment and cancellation of the bonds refunded shall be escrowed with a bank or trust company and may be invested in United States government obligations or in obligations unconditionally guaranteed by the United States of America in such manner as may be provided in the authorizing proceedings;

(j) To issue its revenue bonds for airport facilities and air navigation facilities to be held by the political subdivision of the state or regional airport authority as defined by law payable solely from fees, charges, rents, payments, grants or any other revenues derived from the airport or any of its facilities, structures, systems of projects, or from any land, facilities, buildings, projects or other property financed by such bonds; and to issue special facility bonds for airport facilities and air navigation facilities to be financed for, or to be leased, sold or otherwise disposed of to private persons, associations or corporations, to pledge to the payment of such bonds the fees, charges, rents, payments, grants, or any other revenues from the financed facilities and to secure such bonds by a deed of trust, mortgage or other lien on the financed property or by other security or credit enhancement; and neither airport revenue bonds nor special facility bonds shall be secured by the full faith and credit or the taxing power of the political subdivision of the state or regional airport authority as defined by law.

[50-1030, added 1967, ch. 429, sec. 190, p. 1249; am. 1971, ch. 112, sec. 1, p. 383; am. 1977, ch. 50, sec. 2, p. 92; am. 1987, ch. 206, sec. 1, p. 433; am. 2011, ch. 129, sec. 2, p. 359.]

50-1031. SUPERVISION OF PROJECTS. The construction, acquisition, improvement, equipment, custody, operation and maintenance of any works or rehabilitated existing electrical generating facilities under the provisions of this act, and the collection of revenues therefrom for the service rendered thereby, shall be under the supervision and control of the governing body of the city.

[50-1031, added 1967, ch. 429, sec. 191, p. 1249; am. 1977, ch. 50, sec. 3, p. 95.]

50-1032. PROJECTS TO BE SELF-SUPPORTING. The council of a city issuing bonds pursuant to this act shall prescribe and collect reasonable rates, fees, tolls or charges for the services, facilities and commodities furnished by such works or rehabilitated existing electrical generating facilities, and shall revise such rates, fees, tolls or charges from time to time, to provide that all such works or rehabilitated existing electrical generating facilities shall be and always remain self-supporting. The rates, fees, tolls or charges prescribed shall be such as will produce revenue at least sufficient, (a) to pay when due all bonds and interest thereon for the payment of which such revenue is or shall have been pledged, charged or otherwise encumbered including reserves therefor, and (b) to provide for all expenses of operation and maintenance of such works or rehabilitated existing electrical generating facilities, including reserves therefor.

[50-1032, added 1967, ch. 429, sec. 192, p. 1249; am. 1977, ch. 50, sec. 4, p. 95.]



50-1033. USE OF PROJECTS -- REVENUE. Any city issuing bonds under sections [50-1027](#) through [50-1042](#), Idaho Code, for the acquisition, construction, reconstruction, improvement, betterment or extension of any works or to rehabilitate existing electrical generating facilities, shall have the right to appropriate, apply or expend the revenue of such works or rehabilitated existing electrical generating facilities for the following purposes: (a) to pay when due all bonds and interest thereon, for the payment of which such revenue is or shall have been pledged, charged or otherwise encumbered, including reserves therefor; (b) to provide for all expenses of operation, maintenance, replacement and depreciation of such works or rehabilitated existing electrical generating facilities, including reserves therefor; (c) to pay and discharge notes, bonds or other obligations and interest thereon, not issued under this act for the payment of which the revenue of such works or rehabilitated existing electrical generating facilities may have been pledged, charged or encumbered; (d) to pay and discharge notes, bonds or other obligations and interest thereon which do not constitute a lien, charge or encumbrance on the revenue of such works or rehabilitated existing electrical generating facilities, which may have been issued for the purpose of financing the acquisition, construction, reconstruction, improvement, betterment or extension of such works or to rehabilitate existing electrical generating facilities; and (e) provide a reserve for improvements to such works or rehabilitated existing electrical generating facilities. Unless and until full and adequate provision has been made for the foregoing purposes, no city shall have the right to transfer the revenue of such works or rehabilitated existing electrical generating facilities to its general fund.

[50-1033, added 1967, ch. 429, sec. 193, p. 1249; am. 1977, ch. 50, sec. 5, p. 96.]

50-1034. PRELIMINARY EXPENSES. The city may provide for the payment of all necessary preliminary expenses actually incurred in the making of surveys, estimates of costs and revenues, employment of engineers and other employees, making of notices, taking of options, legal and clerical help and all other expenses necessary to be made and paid prior to the authorization for the issuance of such revenue bonds, provided, that no such expenditures shall be made or paid unless an appropriation has been made therefor in the same manner as is required by law for city funds. Any funds so expended by the city shall be fully reimbursed and repaid to the city out of the sale of such revenue bonds before any other disbursements are made therefrom, and the amount so advanced by the city to pay such preliminary expenses shall be a first charge against the proceeds resulting from the sale of such revenue bonds until the same has been repaid as herein provided.

[50-1034, added 1967, ch. 429, sec. 194, p. 1249.]

50-1035. ORDINANCE PRIOR TO CONSTRUCTION -- ELECTION. Before any city shall construct or acquire any works or rehabilitated existing electrical generating facilities under this chapter, the council of such city shall enact an ordinance or ordinances which shall, (a) set forth a brief and general description of the works or rehabilitated existing electrical generating facilities, and if the same are to be constructed, a reference to the preliminary report or plans and specifications which shall theretofore have been prepared and filed by an engineer chosen for that purpose; (b) set forth

the cost thereof estimated by the engineer chosen as aforesaid; (c) order the construction or acquisition of such works or the rehabilitation of such existing electrical generating facilities; (d) direct that revenue bonds of the city shall be issued pursuant to this chapter in such amount as may be necessary to pay the cost of the works or rehabilitated existing electrical generating facilities; and (e) contain such other provisions as may be necessary in the proposal.

Such ordinance shall be passed, approved and published as provided by law for the enactment of general ordinances, but such city shall not incur or authorize in any year any indebtedness or liability under said ordinance exceeding in that year, the income and revenue provided for it for such year, without the assent of two-thirds (2/3) of the qualified electors of such city voting at an election held for the purpose of authorizing or refusing to authorize the indebtedness or liability provided for in said ordinance; provided, that any city may, with the assent of a majority of the qualified electors voting at an election to be held for such purpose, issue revenue bonds for the purpose of providing funds to own, purchase, construct, extend or equip, within and without the corporate limits of such city, water systems, sewerage systems, water treatment plants, sewerage treatment plants, electric systems, or to rehabilitate existing electrical generating facilities, the principal and interest of which to be paid solely from the revenue derived from rates and charges for the use of, and the service rendered by such systems, plants and facilities. In accordance with section 3E, article VIII of the constitution of the state of Idaho, any political subdivision of the state or regional airport authority as defined by law, operating an airport may issue revenue bonds payable solely from fees, charges, rents, payments, grants or any other revenues derived from or relating to airport facilities and air navigation facilities to finance the costs of acquiring, constructing, installing and equipping airport facilities and air navigation facilities and such bonds shall not be secured by the full faith and credit or the taxing power of the political subdivision of the state or regional airport authority as defined by law.

Said ordinances shall provide for the holding of said election in accordance with the dates authorized in section [50-405](#), Idaho Code, by the county clerk in accordance with the provisions of [title 34](#), Idaho Code. The notice of election shall set forth the purpose of said ordinance, the amount of bonds authorized by it, the maximum number of years from their respective dates for which such bonds may run, the voting places, the hours between which the polls will be open and the qualifications of voters who may vote thereat. In all other respects such election shall be conducted as are other city elections. The voting at such elections must be by ballot, and the ballots used shall be substantially as follows:

"In favor of issuing revenue bonds for the purposes provided by Ordinance No....."

"Against the issuance of revenue bonds for the purposes provided by Ordinance No....."

If, at such election, the required vote is in favor of issuing such revenue bonds, then such city may issue such bonds and create such indebtedness or liability in the manner and for the purpose specified in said ordinance.

[50-1035, added 1967, ch. 429, sec. 195, p. 1249; am. 1973, ch. 40, sec. 1, p. 75; am. 1977, ch. 50, sec. 6, p. 97; am. 1981, ch. 300, sec. 2, p. 621; am. 2009, ch. 341, sec. 128, p. 1057; am. 2011, ch. 129, sec. 3, p. 361.]

50-1035A. ISSUANCE OF REVENUE BONDS AT RATES OF INTEREST IN EXCESS OF ORIGINAL SPECIFICATION. Any city may issue revenue bonds of the city bearing interest at such rate or rates as shall be prescribed by ordinance if:

(a) The principal amount of such revenue bonds does not exceed the then unissued balance of the principal amount of revenue bonds of the same type authorized at an election heretofore held in the city;

(b) The revenue bonds are issued for the same purpose as that for which the unissued bonds were authorized; and

(c) The bonds are issued in accordance with the provisions of the revenue bond act; provided, that an election shall have been held and conducted in the manner provided in section [50-1035](#), Idaho Code, on the proposition of issuing revenue bonds under the provisions of this section at a rate or rates of interest in excess of the maximum rate of interest specified in the notice of election at which the unissued bonds were authorized and the proposition shall have been approved by the same percentage of the qualified electors of the city voting at the election as was required in section [50-1035](#), Idaho Code, at the election at which the unissued bonds were authorized.

[50-1035A, added 1981, ch. 300, sec. 3, p. 622.]

50-1036. BONDS -- FORM -- CONDITIONS -- BOND ANTICIPATION NOTES. (a) All revenue bonds issued under authority of this act shall be sold, executed and delivered in the same manner as provided by the municipal bond law for the sale of general obligation negotiable coupon bonds, except that issues of revenue bonds may, in the discretion of the governing body, be sold at a private sale without advertising the same at competitive bidding and at a price above, at, or below par. The ordinance authorizing the issuance of said bonds shall prescribe the form of bonds. Said bonds shall bear interest at a rate or rates, payable annually, or at such lesser intervals as may be prescribed by ordinance; may be in one (1) or more series, bear such date or dates, mature at such time or times, and be redeemable before maturity at the option of the city; may be payable in such medium of payment, at such place or places, may carry such registration privileges, may be subject to such terms of redemption, may contain such terms, covenants and conditions, and may be in such form, either coupon or registered, as such ordinance may provide. Pending preparation of the bonds, interim certificates, in such form and with such provisions as the council may determine, may be issued. Said bonds and interim certificates shall be fully negotiable within the meaning of and for all the purposes of the negotiable instruments law.

Notwithstanding the provisions of the municipal bond law, the governing body in any proceedings authorizing bonds under this act may:

(1) provide for the initial issuance of one (1) or more bonds, in this act called "bond," aggregating the amount of the entire issue;

(2) make such provision for instalment payments of the principal amount of any such bond as it may consider desirable;

(3) provide for the making of any such bond payable to bearer or otherwise, registrable as to principal or as to both principal and interest, and where interest accruing thereon is not represented by interest coupons, for the indorsing of payments of interest on such bonds; and

(4) further make provision in any such proceedings for the manner and circumstances in and under which any such bond may in the future, at the request of the holder thereof, be converted into bonds of smaller denominations, which bonds of smaller denominations may in turn be either

coupon bonds or bonds registrable as to principal, or principal and interest, or both.

(b) Whenever the governing body considers it advisable and in the interests of the city to anticipate the issuance of revenue bonds to be issued under this act, the governing body may from time to time and pursuant to appropriate resolution issue bond anticipation notes. Each resolution authorizing the issuance of bond anticipation notes shall:

(1) describe the revenue bonds in anticipation of which the notes are to be issued; and

(2) shall specify the principal amount of the notes, the rate of interest and maturity date of the notes, which maturity date shall be not to exceed five (5) years from the date of issue of such notes; but the time of payment of any such notes may be extended for a period of not exceeding three (3) years from their maturity date.

Bond anticipation notes shall be issued and sold from time to time in such manner and at such price as the governing body shall by resolution determine. Bond anticipation notes shall be in bearer form, except that the governing body may provide for the registration of the notes in the name of the owner either as to principal alone, or as to principal and interest, and on such terms and conditions as the governing body may determine in the authorizing resolution. Interest on bond anticipation notes may be made payable semiannually, annually, or at maturity. Bond anticipation notes may be made redeemable prior to maturity at the option of the governing body in the manner and upon the terms fixed by the resolution authorizing their issuance. Bond anticipation notes shall be executed and shall be in such form and have such details and terms as shall be provided in the authorizing resolution.

Contemporaneously with the issuance of the revenue bonds in anticipation of which bond anticipation notes are issued, all bond anticipation notes so issued, even though they may not then have matured, shall be paid, both as to principal and interest, to date of payment; and all such notes shall be surrendered and canceled.

Bond anticipation notes and the interest on them shall be secured by a pledge of the income and revenues derived by the city from the project to be undertaken with the proceeds of the bond anticipation notes and shall also be made payable from funds derived from the sale of the revenue bonds in anticipation of which the notes are issued.

Bond anticipation notes may be refunded by the issuance of other bond anticipation notes maturing within not more than eight (8) years from the date of the issuance of the initial issue of bond anticipation notes for which this refunding is to be effected.

[50-1036, added 1967, ch. 429, sec. 196, p. 1249; am. 1970, ch. 133, sec. 13, p. 23; am. 1970, ch. 219, sec. 1, p. 619; am. 1971, ch. 330, sec. 1, p. 1297; am. 1978, ch. 176, sec. 2, p. 403; am. 1981, ch. 300, sec. 1, p. 620.]

50-1037. BONDS -- ISSUANCE -- TERMS -- CONDITIONS. Whenever revenue bonds are authorized to be issued, the city council shall by ordinance provide for the issuance thereof. The ordinance authorizing the issuance of said revenue bonds, for the purpose authorized, shall contain covenants as to:

(a) The purpose or purposes to which the proceeds of the sale of said bonds may be applied and the use and disposition thereof;

(b) The use and disposition of the revenue of the works or rehabilitated existing electrical generating facilities for which said bonds are to be issued, including the creation and maintenance of reserves;

(c) The transfer from the general fund of the city to the account or accounts of the works or rehabilitated existing electrical generating facilities, of a sum or sums of money for furnishing the city or any of its departments, boards or agencies with the services, facilities and commodities of such works or rehabilitated existing electrical generating facilities;

(d) The issuance of other or additional bonds payable from the revenue of such works or rehabilitated existing electrical generating facilities;

(e) The operation and maintenance of such works or rehabilitated existing electrical generating facilities;

(f) The insurance to be carried thereon, the use and disposition of insurance moneys;

(g) Books of account and inspection and audit thereof;

(h) The appointment and duties of a trustee. Provisions may be made for the securing of the bonds by a trust indenture, but no such indenture shall convey, mortgage or create any lien upon property of the city;

(i) The terms and conditions upon which the holders thereof or any trustee therefor shall be entitled to the appointment of a receiver which receiver may enter and take possession of such works, operate and maintain the same, prescribe rates, fees, tolls or charges and collect, receive and apply all revenue thereafter arising therefrom in the same manner as the city itself might do. The provisions of this section and of any such ordinance shall be a contract with the holder of said bonds, and the duties of the city and its council under this section and under such ordinance, shall be enforceable by the holder by mandamus or other appropriate suit, action or proceeding at law or in equity.

[50-1037, added 1967, ch. 429, sec. 197, p. 1249; am. 1977, ch. 50, sec. 7, p. 98.]

50-1038. VALIDITY OF BONDS. Any ordinance authorizing said bonds may provide that the bonds shall contain a recital that they are issued pursuant to section[s] 50-1027 through 50-1042, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

[50-1038, added 1967, ch. 429, sec. 198, p. 1249.]

50-1039. LIEN OF BONDS. All bonds of the same issue shall, subject to the prior and superior rights of outstanding bonds, claims or obligations, have prior and paramount lien on the revenue of the works or rehabilitated existing electrical generating facilities for which said bonds have been issued, except that where provision is made in the ordinance authorizing any issue or series of bonds for the issuance of additional bonds in the future on a parity therewith pursuant to procedures or restrictions provided in such ordinance, additional bonds may be issued in the future on a parity with such issue or series in the manner so provided in such ordinance. All bonds of the same issue shall be equally and ratably secured without priority by reason of number, date of bonds, date of sale, date of execution, or date of delivery, by a lien on said revenue in accordance with the provisions of the Revenue Bond Act and the ordinance authorizing said bonds. Special facility bonds issued for airport facilities and air navigation facilities to be owned by private persons, associations or corporations and not by the political sub-

division of the state or regional airport authority as defined by law shall be additionally secured by a deed of trust, mortgage or other lien on the facilities or other security or credit enhancement provisions.

[50-1039, added 1967, ch. 429, sec. 199, p. 1249; am. 1970, ch. 219, sec. 1, p. 619; am. 1977, ch. 50, sec. 8, p. 99; am. 2011, ch. 129, sec. 4, p. 362.]

50-1040. CITY NOT LIABLE ON BONDS. Bonds issued pursuant to sections [50-1027](#) through [50-1042](#) shall not be a debt of the city and the city shall not be liable thereon, nor shall they be payable out of any funds other than the revenue pledged to the payment thereof. Each bond issued under the Revenue Bond Act shall recite, in substance, that said bond, including interest thereon, is payable solely from the revenue pledge to the payment thereof. Bonds may be issued under sections [50-1027](#) through [50-1042](#) notwithstanding and without regard to any limitation or restriction on the amount or percentage of indebtedness, or of outstanding obligations of a city.

[50-1040, added 1967, ch. 429, sec. 200, p. 1249.]

50-1041. TAX LEVY TO PAY BONDS PROHIBITED. The provisions of [section] 57-203, Idaho Code, relating to the levy of taxes for the payment of bonds, shall not be applicable to bonds issued by a city under the Revenue Bond Act, and the principal or interest thereof shall not be charged upon the city issuing the same. The holder or holders of any bonds issued under the Revenue Bond Act shall not have the right to compel any exercise of the taxing power of the city to pay said bonds or the interest thereon.

[50-1041, added 1967, ch. 429, sec. 201, p. 1249.]

50-1042. PROJECTS AND BONDS EXEMPT FROM TAXATION. So long as a city shall own any works or rehabilitated existing electrical generating facilities, the property and revenue of such works or rehabilitated existing electrical generating facilities shall be exempt from taxation. Bonds issued under sections [50-1027](#) through [50-1042](#), Idaho Code, and the income therefrom shall be exempt from taxation, except transfer and estate taxes.

[50-1042, added 1967, ch. 429, sec. 202, p. 1249; am. 1977, ch. 50, sec. 9, p. 99.]

50-1043. SHORT TITLE. This act shall be known and may be cited as the "City Property Tax Alternatives Act of 1978."

[50-1043, added 1978, ch. 261, sec. 1, p. 567.]

50-1044. AUTHORITY FOR RESORT CITY RESIDENTS TO APPROVE AND RESORT CITY GOVERNMENTS TO ADOPT, IMPLEMENT AND COLLECT CERTAIN CITY NONPROPERTY TAXES. The voters of any resort city with a population not in excess of ten thousand (10,000) according to the most recent census within the state of Idaho, organized under the general laws of the state, special charter, or a general incorporation act, are hereby given the freedom to authorize their city government to adopt, implement and collect one (1) or more local-option nonproperty taxes as provided herein. A resort city is a city that derives the major portion of its economic well-being from businesses catering to

recreational needs and meeting needs of people traveling to that destination city for an extended period of time. The corporate authorities of any such resort city are hereby given the freedom and authority to adopt, implement and collect one (1) or more local-option nonproperty taxes as provided herein, if approved by the required majority of city voters voting in an election as provided herein. No local-option nonproperty tax proposal may be presented to resort city voters for approval or modification for a period of eleven (11) months after an election to approve or disapprove such tax. The election may be a special election conducted for the exclusive purpose of approving or disapproving such tax or may be conducted as a part of any other special or general city election.

[50-1044, added 1978, ch. 261, sec. 2, p. 567; am. 1981, ch. 328, sec. 1, p. 687; am. 2013, ch. 135, sec. 13, p. 316.]

50-1045. CITY PROPERTY TAX RELIEF FUND. Any resort city may establish a city property tax relief fund into which may be placed all or any portion of revenues received from any nonproperty tax levied in accordance with the provisions of this act and such nonproperty tax revenues may be used to replace city property taxes in the ensuing fiscal year by the amount of nonproperty tax revenues placed in the city property tax relief fund if city voters have approved of such use of nonproperty tax revenues in the election authorizing such city nonproperty tax. Any resort city that receives more revenues from any local-option nonproperty tax than such city has budgeted shall establish a city property tax relief fund into which shall be placed all revenues received in excess of the budget amount and such excess revenues shall be used to replace city property taxes in the ensuing fiscal year by the amount of all excess revenues placed in said city property tax relief fund.

[50-1045, added 1978, ch. 261, sec. 3, p. 568.]

50-1046. CITY LOCAL-OPTION NONPROPERTY TAXES PERMITTED BY SIXTY PER CENT MAJORITY VOTE. A sixty per cent (60%) majority of the voters of any resort city voting on the question may approve and, upon such approval, any city may adopt, implement, and collect, subject to the provisions of this act, the following city local-option nonproperty taxes: (a) an occupancy tax upon hotel, motel, and other sleeping accommodations rented or leased for a period of thirty (30) days or less; (b) a tax upon liquor by-the-drink, wine and beer sold at retail for consumption on the licensed premises; and (c) a sales tax upon part or all of sales subject to taxation under [chapter 36, title 63](#), Idaho Code.

[50-1046, added 1978, ch. 261, sec. 4, p. 568; am. 1984, ch. 225, sec. 1, p. 542.]

50-1047. GENERAL PROVISIONS. Any ordinance assessing a tax pursuant to this act shall contain a finding by the local governing body of the city based upon evidence presented to it that the condition set forth in section [50-1044](#), Idaho Code, exists and shall provide the methods for reporting and collecting taxes due. Taxes collected pursuant to any such ordinance shall be remitted to the city official designated in such ordinance or other such official contracting, pursuant to this act, with the city to provide collection services, and shall constitute revenue of the city available for any lawful corporate purpose approved by city voters subject to the

provisions of this act. In any election, the ordinance submitted to city voters shall: (a) state and define the specific tax to be approved; (b) state the exact rate of the tax to be assessed; (c) state the exact purpose or purposes for which the revenues derived from the tax shall be used; and (d) state the duration of the tax. No tax shall be redefined, no rate shall be increased, no purpose shall be modified, and no duration shall be extended without subsequent approval of city voters. An ordinance adopting any local-option nonproperty tax authorized by this act may provide for separate identification of taxes as may be appropriate. The city clerk of any city adopting an ordinance pursuant to this act shall, immediately following approval of such ordinance, or any amendment thereto, forward a copy of said ordinance or amendment to the chairman of the state tax commission, and the chairman of the state board of tax appeals.

[50-1047, added 1978, ch. 261, sec. 5, p. 568; am. 1979, ch. 221, sec. 1, p. 616; am. 1994, ch. 180, sec. 92, p. 488; am. 2003, ch. 32, sec. 25, p. 132.]

50-1048. COORDINATION WITH COUNTY LOCAL-OPTION NONPROPERTY TAXES. In the event that counties are given local-option nonproperty tax authority, it is the intent of the legislature that such county local-option nonproperty taxes be coordinated with existing city local-option nonproperty taxes in the county.

[50-1048, added 1978, ch. 261, sec. 6, p. 569.]

50-1049. COLLECTION AND ADMINISTRATION OF LOCAL-OPTION NONPROPERTY TAXES BY STATE TAX COMMISSION -- DISTRIBUTION. (a) A city which has levied a tax pursuant to section [50-1044](#), Idaho Code, may contract with the state tax commission for the collection and administration of such taxes in like manner and under the definitions, rules and regulations of the tax commission for the collection and administration of the state sales tax under [chapter 36, title 63](#), Idaho Code. A city which levies such tax shall have the right to review and audit the records of collection thereof maintained by the commission and the returns of taxpayers relating to such tax. Alternatively, such city shall have authority to administer and collect such tax.

(b) All revenues collected by the tax commission pursuant to section [50-1044](#), Idaho Code, shall be distributed as follows:

(1) An amount of money shall be distributed to the state refund account sufficient to pay current refund claims. All refunds authorized by the commission to be paid shall be paid through the state refund account and those moneys are continuously appropriated;

(2) An amount of money equal to such fee as may be agreed upon between the commission and such city for the actual cost of the collection and administration of the tax. The amount retained by the commission shall not exceed the amount authorized to be expended by appropriation by the legislature. Any unencumbered balance in excess of the actual cost at the end of each fiscal year shall be distributed as provided in paragraph (3) of this subsection;

(3) All remaining moneys received pursuant to this chapter shall be placed in an account designated by the state controller and remitted monthly to the city levying such tax.



[50-1049, added 1979, ch. 221, sec. 2, p. 616; am. 1986, ch. 73, sec. 7, p. 207; am. 1994, ch. 180, sec. 93, p. 488.]

CHAPTER 11  
PLANNING COMMISSIONS -- [REPEALED]