TITLE 57
PUBLIC FUNDS IN GENERAL

CHAPTER 2
MUNICIPAL BOND LAW

57-201. TITLE OF ACT. This act shall be known as the "Municipal Bond Law" of the state of Idaho.

[(57-201) 1927, ch. 262, sec. 1, p. 262; I.C.A., sec. 55-201.]

57-202. APPLICATION OF ACT -- DEFINITIONS. All bonds, including funding and refunding bonds, hereafter issued, under lawful authority, by any county, city, village or highway district of the state of Idaho, excepting local street and sewer improvement bonds issued under the provisions of chapter 41, title 42 and chapter 31, title 50, shall be issued in the form and manner, and be registered, disposed of and redeemed, in accordance with the provisions of this act.

The following expressions are used in this act with the following designated meanings:

(a) "Governing board" or "governing body," as meaning the board of county commissioners of a county, and/or the board of highway district commissioners of a highway district and/or the council and mayor of a city.

(b) "Issuer," "issuing corporation" and "corporation," as meaning each or all of said municipal corporations and bodies corporate named hereinbefore.

(c) Any provision that any action or thing shall be authorized, taken, or done by "ordinance or resolution," shall be taken to mean that any such governing body shall proceed by ordinance or by resolution as required or permitted by law or by the customary mode of proceeding by each such governing body, respectively, not forbidden by law.

[(57-202) 1927, ch. 262, sec. 2, p. 546; I.C.A., sec. 55-202; am. 2010, ch. 79, sec. 35, p. 155.]

57-203. AUTHORIZATION OF BONDS. Whenever the governing board of any such corporation shall deem it advisable to issue the negotiable coupon bonds thereof for any authorized purpose, such governing board shall provide therefor by ordinance or resolution, duly passed and adopted and spread at length on the permanent record of its proceedings, which ordinance or resolution shall specify and state the amount and purpose of such proposed bond issue, the ultimate maturity of such bond issue, and that the annual bond maturities thereof shall be payable in accordance with the provisions of this act. If such issue will create a new debt the object thereof must be stated; and if the purpose thereof shall be the funding or refunding of an existing indebtedness, such existing indebtedness shall be described sufficiently for identification and all bonds, warrants or other securities thus to be funded or refunded shall be described by setting forth their identifying numbers, dates and amounts and the fund or funds out of which the same, according to their terms, are payable; and said ordinance or resolution, or a subsequent ordinance or resolution which shall be passed or adopted before or at the time of incurring such bond indebtedness, shall specify the provisions to be made for the payment of principal and interest of such bonds and also to constitute a sinking fund for the payment of the

principal thereof within thirty (30) years from the time of contracting such bond indebtedness as required by law: provided, that where such bonds shall be required by law to be authorized by an election upon the question of the authorization thereof, the ordinance or resolution providing for and calling such election thereon shall comply with the foregoing provisions and requirements of this section in the ordinance or resolution. The governing body of the issuing corporation shall prescribe the bond form and coupon form by ordinance or resolution at any time prior to the delivery of such bonds to the purchaser thereof.

[(57-203) 1927, ch. 262, sec. 3, p. 546; I.C.A., sec. 55-203; am. 1963, ch. 183, sec. 1, p. 542; am. 1969, ch. 238, sec. 1, p. 753.]

57-204. BONDS -- FORM AND RECITALS. Each bond shall be numbered consecutively and shall be payable and paid to bearer, in numerical order, lowest numbers first, and shall state and recite upon the face thereof the purpose for which the same is issued, the principal amount thereof, rate of interest thereon, date of issue, time and place or places of payment, and that it is issued in conformity with and after full compliance with the constitution of Idaho and this act and all other laws applicable thereto, and that the full faith, credit and all taxable property within the issuing corporation are and shall continue pledged for and until the full payment of the principal and interest thereof; and there may be set forth upon the face of said bonds such other statements and recitals as are customary and not prohibited by law.

[(57-204) 1927, ch. 262, sec. 4, subd. (a), p. 546; I.C.A., sec. 55-204.]

57-205. BONDS -- EXECUTION AND SIGNING. Each bond shall be executed and signed in the corporate name as follows, viz: by the mayor of an issuing city; by the chairman of the board of trustees of an issuing village, and by the chairman or president of the governing board of an issuing county or highway district; and each bond shall be countersigned by the treasurer thereof and shall be attested by the signature of the clerk or secretary thereof under the official seal of the issuing corporation.

[(57-205) 1927, ch. 262, sec. 4, subd. (b), p. 546; I.C.A., sec. 55-205.]

57-206. BONDS -- INTEREST COUPONS -- FORM AND RECITALS. The interest coupons which shall be attached to each such bond shall be numbered from one upwards consecutively commencing with that coupon first maturing, and all such interest coupons shall state on the face thereof the amount thereof, name of the issuing corporation, the identifying series and issue and number of the bond to which it is attached and each such coupon shall provide for the payment of the interest accruing semiannually upon said bond and said interest coupons shall be payable semiannually, and at the same place or places of payment as fixed in such bond and shall be signed by the treasurer of the issuer by his written or facsimile signature: provided, however, that the first and last coupons of any bond series or issue may provide for the payment of interest for a shorter or longer period than six (6) months but not in excess of one (1) year.

[(57-206) 1927, ch. 262, sec. 4, subd. (c), p. 546; I.C.A., sec. 55-206.]

57-207. BONDS -- DENOMINATION. The denominations of each such bond shall be one thousand dollars ($1,000) or any even multiple thereof not exceeding one hundred thousand dollars ($100,000) as fixed by ordinance or resolution prior to the issuance thereof; provided, that bond number one (1) of each series or issue may be issued in any denomination not exceeding one hundred thousand dollars ($100,000).

[(57-207) 1927, ch. 262, sec. 4, subd. (d), p. 546; I.C.A., sec. 55-207; am. 1963, ch. 183, sec. 2, p. 542; am. 1984, ch. 135, sec. 1, p. 321.]

57-208. BONDS -- INTEREST RATE. All such bonds shall bear interest at a rate or rates as may be fixed by any such governing board prior to the issuance of such bonds, which interest shall be payable semiannually (or as specially provided for hereinbefore) on such dates as may be fixed by any such governing board prior to the issue of any such bonds: provided, that when any proposition of the issuance of any such bond submitted to the vote of the electors shall have specified a maximum rate of interest to be borne by such bonds, the rate of interest thereon shall not exceed such specified maximum rate.

[(57-208) 1927, ch. 262, sec. 4, subd. (e), p. 546; I.C.A., sec. 55-208; am. 1970, ch. 133, sec. 18, p. 309.]

57-209. BONDS AND INTEREST COUPONS -- WHERE PAYABLE. Such bonds and interest coupons shall be made payable and be payable at the office of the treasurer of the issuer or at the office of the treasurer of the State of Idaho, or at some bank or trust company in the state of Idaho or in the city and state of New York, which place or places of payment shall be designated by the governing board of the issuer prior to the issuance of such bonds, and such places of payment may be made and expressed in the alternative upon the face of the bonds and coupons and the bonds and coupons may be made payable at such alternative places of payment at the option of the holder thereof.

[(57-209) 1927, ch. 262, sec. 4, subd. (f), p. 546; I.C.A., sec. 55-209; am. 1935, ch. 45, sec. 1, p. 83.]

57-210. BONDS -- MAXIMUM TERM. No bonds shall be issued to run for a longer term than thirty (30) years from the date of the bonds.

[(57-210) 1927, ch. 262, sec. 4, subd. (g), p. 546; I.C.A., sec. 55-210; am. 1963, ch. 183, sec. 3, p. 542; am. 1969, ch. 238, sec. 2, p. 753.]

57-211. BONDS -- AMORTIZED MATURITIES. The bonds of any one (1) issue shall mature and be payable upon an annual amortization plan, the first annual amortized principal payment shall mature and be payable within two (2) years from and after the date of the bonds, and the various annual maturities shall, as nearly as practicable, be in such principal amounts as will, together with the accruing interest on all outstanding bonds of such issue, be met and paid by an equal annual tax levy for the payment of the principal of

said bonds and interest thereon during the term for which such bonds shall be issued: provided, however:

(a) That anything in this section to the contrary notwithstanding, whenever the governing body of the issuing corporation shall in its sole discretion determine it to be to the advantage of such corporation, it 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 governing body 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.

(b) That nothing herein contained shall be construed as prohibiting any serial maturity from being in the sum of $5,000 or an even multiple thereof.

[(57-211) 1927, ch. 262, sec. 4, subd. (h), p. 546; I.C.A., sec. 55-211; am. 1933, ch. 38, sec. 1, p. 50; am. 1935, ch. 95, sec. 1, p. 180; am. 1963, ch. 183, sec. 4, p. 542.]

57-212. BONDS FOR EACH PURPOSE A DISTINCT SERIES. All bonds authorized by the vote of the electors upon a distinct proposition submitted unto them or authorized by any governing board where no popular election is required by law and for one purpose, shall constitute a distinct series, the bonds of which may be issued by any such governing board in separate issues, if deemed by such governing board to be to the best interest of the issuer so to do. The bonds of each series and of each of the issues thereunder shall be distinguished upon the face of each of such bonds by some distinguishing numbers or letters or descriptive language as may be determined by any such governing board; and the bonds of each such issue shall be numbered from one upwards consecutively.

[(57-212) 1927, ch. 262, sec. 4, subd. (i), p. 546; I.C.A., sec. 55-212.]

57-213. BONDS -- REGISTRATION. After the sale of any such bonds and before the issuance by delivery to the purchaser thereof, the same shall be registered as required hereinafter, and the officer or officers making such registration shall certify the fact of such registration by him upon the back of each bond.

[(57-213) 1927, ch. 262, sec. 4, subd. (j), p. 546; I.C.A., sec. 55-213.]

57-214. SALE OF BONDS -- PROCEDURE -- MINIMUM PRICE. Funding and refunding bonds shall be sold as provided in sections 57-214 through 57-218, Idaho Code, or they may be issued by way of exchange for unpaid indebtedness or outstanding bonds to be funded or refunded thereby, as may be determined by any such governing body.

All other bonds shall be sold, after notice given as provided in section 57-215, Idaho Code, at private sale as provided in section 57-232, Idaho Code, or after notice given as herein provided, at public sale at a regular or special meeting of the governing body of the issuer corporation, and any funding or refunding bonds shall be sold in like manner, if so ordered by any such governing body. No bonds shall be sold for less than par and accrued interest to date of delivery. Any bonds, notes or other obligations may be sold by electronic bidding as provided in section 57-233, Idaho Code.

[(57-214) 1927, ch. 262, sec. 5, subd. (a), p. 546; I.C.A., sec. 55-214; am. 2001, ch. 264, sec. 2, p. 968.]

57-215. SALE OF BONDS -- NOTICE AND REQUEST FOR BIDS -- PUBLICATION. (1) If bonds are sold at public sale, notice of the intention to sell any such bonds and requesting bids therefor shall be published in the name of the governing body of any such issuer in the official newspaper thereof for at least three (3) consecutive publications therein at weekly intervals. The date of sale thereof, as therein designated, shall be after the lapse of at least twenty-one (21) full days from and after the date of the first publication of such notice, counting the date of the first publication as the first of such twenty-one (21) days; and if said corporation shall not have designated an official newspaper the publication shall be had in any newspaper published and of general circulation within the corporate limits of said issuing corporation as specially designated or approved by any such governing body; and if there shall be no newspaper published within the corporate limits of any such issuing corporation, such notice shall be published in a newspaper of general circulation in the county of such issuing corporation as designated or approved by any such governing body. The mayor or chairman or presiding officer of any such corporation and the clerk or secretary thereof shall cause such publication to be made and given as prescribed herein, subject to the direction, designation or approval of any such governing body as herein set forth. It shall be proper to commence the publication of such notice of sale prior to, or contemporaneous with, the publication of the notice of the election at which the proposition of the issuance of any such bonds shall be submitted; provided only that such bonds shall not be sold until their issuance shall have been duly authorized.

(2) If bonds are sold at private sale, notice of the intention to sell such bonds at 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 private 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.

[(57-215) 1927, ch. 262, sec. 5, subd. (b), p. 546; I.C.A., sec. 55-215; am. 1977, ch. 244, sec. 1, p. 721; am. 2001, ch. 264, sec. 3, p. 968.]

57-216. SALE OF BONDS -- CONTENTS OF NOTICE -- BIDS -- DEPOSIT BY BIDDER -- ACCEPTANCE OR REJECTION OF BIDS. A notice of public sale shall set forth the intention of the issuing corporation to sell such bonds or a specified part thereof and shall request and require sealed or electronic bids therefor and require bidders to submit bids specifying (a) the lowest rate of interest and premium, if any above par, at which the bidder will purchase such bonds, or (b) the lowest rate of interest at which the bidder will purchase such bonds at par, and shall require each such bid (except any bid which may be received from the state of Idaho or its department of finance) to be accompanied by a cashier's check, a certified check, or surety bond made payable to the issuing corporation in such amount as the governing body deems necessary or by a cash deposit in like amount, which such cashier's check, certified check, surety bond or cash deposit shall be returned to any such bidder if his bid be not accepted, and which cashier's check, certified check, surety bond or cash deposit of any successful bidder who shall fail, neglect,

or refuse to accept the bonds so sold to complete and to pay therefor in accordance with the terms of such successful bid within thirty (30) days following the acceptance thereof, shall be forfeited to the issuing corporation. Such notice shall state the maximum rate of interest which such bonds may legally bear and that none of the bonds shall be sold for less than par and accrued interest to date of delivery thereof, and shall specify the place and designate the day and hour, respectively, as the place where, and the time prior to which, any such sealed or electronic bids will be received for the purchase of such bonds; and at said place and time so specified in such notice and fixed or approved by the governing body as the place and time for the consideration of any such bids the said governing body and the mayor, chairman, or other chief executive officer or presiding officer of the governing body shall meet in public special or regular meeting for the purpose of considering such bids, awarding the bonds, or rejecting any and all bids therefor. At such meeting or at an adjournment thereof the said bonds shall be sold to the bidder making the best bid therefor, subject, as aforesaid, to the right of any such governing body to reject any and all bids and to readvertise any such bonds for sale in the manner herein prescribed, or at private sale, until said bonds have been sold.

[(57-216) 1927, ch. 262, sec. 5, subd. (c), p. 546; I.C.A., sec. 55-216; am. 1951, ch. 45, sec. 1, p. 55; am. 2001, ch. 264, sec. 4, p. 969.]

57-217. SALE OF BONDS -- DISCOUNT OR COMMISSION TO BIDDER PROHIBITED -- EMPLOYMENT OF EXPERT SERVICES AUTHORIZED. No discount or commission shall be allowed or paid on or for any such sale to any purchaser or bidder, directly or indirectly, for or on account of any legal or other services rendered by any such bidder's attorneys or employees in connection with the issuance or sale of such bonds: provided, that the governing body of any such issuer may employ expert legal or other expert services in connection with the authorization and issuance of such bonds if in the judgment of such governing body it will be to the financial interest of the issuer so to do.

[(57-217) 1927, ch. 262, sec. 5, subd. (d), p. 546; I.C.A., sec. 55-217.]

57-218. FUNDING AND REFUNDING BONDS -- ISSUANCE AFTER APPLICATION OF AVAILABLE MONEYS TO PAYMENT OF OUTSTANDING BONDS. If any governing body shall determine that the outstanding indebtedness of any such corporation may be funded or refunded, to the profit and benefit of such corporation and without incurring any additional liability by the issuance of funding or refunding bonds, it may provide by ordinance or resolution for the issuance of such funding or refunding bonds in an amount equal to the unpaid principal and interest of such outstanding bonds or other indebtedness: provided, that before any such governing body shall issue any bonds to refund the outstanding bonded indebtedness or to fund any of the other outstanding indebtedness of any such issuing corporation as in this section specially provided and in this act elsewhere provided, it shall cause all moneys on hand in the corporate treasury available for the payment and discharge of any such outstanding bonded indebtedness, or to the payment and discharge of any such unpaid other indebtedness of said corporation, to be applied in payment and discharge thereof, and shall issue such refunding bonds, or funding

bonds, respectively, for the remainder only of the bonded indebtedness, or other indebtedness, respectively.

[(57-218) 1927, ch. 262, sec. 5, subd. (e), p. 546; I.C.A., sec. 55-218.]

57-219. REGISTRATION OF BONDS -- LIABILITY OF TREASURER. After the sale of any such bonds and before the issuance by delivery to the purchaser thereof, and before the delivery of any funding or refunding bonds which may be issued by way of exchange for any outstanding indebtedness or bonds funded or refunded thereby, all of such bonds shall be duly registered by the county auditor or by the clerk or secretary of the issuing corporation in numerical order in a permanent public record book kept by him in his said office for that purpose, and thereafter the governing body or governing board of the issuing corporation may from time to time in accordance with the terms of sale of such bonds deliver or cause to be delivered any or all of such bonds to the treasurer of such issuer, who shall file his receipt therefor in the office of such auditor, clerk or secretary of the issuing corporation. Such treasurer shall, as and when such bonds are delivered to him as aforesaid, forthwith also register the same in a permanent public record book kept by him in his said office for that purpose, and thereafter such treasurer shall deliver such bonds to the purchaser or purchasers thereof as directed by the governing body of the issuing corporation and upon receipt by him of the purchase price thereof, and shall note in such register the name or names of the purchasers to whom such bonds are delivered and date of delivery thereof. All registration of bonds shall show the number, date, and amount of each bond, rate of interest thereon, date of maturity thereof, place or places of payment, and the number and denominations of attached coupons, together with any other proper data describing such bonds for the purpose of future identification thereof.

The treasurer shall be liable upon his official bond for any loss or damage suffered by the issuing corporation by reason of any delivery by him of any such bond in violation of the provisions of this section.

[(57-219) 1927, ch. 262, sec. 6, p. 546; I.C.A., sec. 55-219.]

57-220. APPLICATION OF PROCEEDS. The proceeds of any such bonds shall not be applied to, or used for, any purpose or purposes, other than that for which such bonds are issued, and such proceeds shall, until properly disbursed, be kept in a fund separate and apart from all proceeds of other bond issues and other funds of the issuing corporation; provided, however, that when, in the judgment of the governing board of the issuing corporation, the proceeds of any bond issue should be temporarily invested pending application of such proceeds to the purposes for which the bonds were issued, the governing board of the issuing corporation may invest the proceeds of such issue or any part thereof in registered securities of the United States. Any unexpended balance remaining after the accomplishment of such purpose or purposes shall be used and applied only to and for the payment and redemption of such bonds and the payment of interest thereon, pro tanto.

[(57-220) 1927, ch. 262, sec. 7, p. 546; I.C.A., sec. 55-220; am. 1949, ch. 210, sec. 1, p. 444.]

57-221. SECURITY. The full faith and credit of the issuing corporation, and all taxable property within its limits, as constituted at the time of the issuance of such bonds, are, shall be, and must continue, pledged to the full and prompt payment of the principal and interest thereof. Should any tax for the payment of interest on any bonds issued under the provisions of this act at any time not be levied or collected in time to meet such payments, the interest on such bonds shall be paid out of the current expense, general expense or general fund of such issuing corporation, and the money so used for such payment of interest must thereafter be repaid to the fund from which so taken out of the first taxes collected for the payment of such interest.

[(57-221) 1927, ch. 262, sec. 8, p. 546; I.C.A., sec. 55-221.]

57-222. TAX LEVIES AND SINKING FUND. The governing board of the issuing corporation shall levy and cause to be levied annually at the time when and in the manner in which other general taxes of such issuing corporation are levied, upon all the taxable property within its limits, in addition to all other authorized taxes and assessments, a tax or assessment sufficient to meet the payments of principal and interest on such bonds as the same mature, and to constitute a sinking fund for the payment of the principal amount of said bonds within thirty (30) years from the time of contracting the indebtedness evidenced thereby and in accordance with the provisions made for the payment of the principal and interest of such bonds and also to constitute a sinking fund for the payment of the principal thereof, as theretofore provided by ordinance or by resolution and as required by the constitution and law of Idaho; and such taxes shall be levied, assessed, certified, extended and collected by the proper officers and at the times, all as fixed by law and as other taxes are levied, assessed, certified, extended and collected in, for and by the issuing corporation and by the same officers thereof until the principal and interest of all such bonds and interest thereon shall be fully paid. All of such taxes when collected shall be credited by the proper receiving officers to separate funds distinct from the funds for the payment of principal or interest on bonds of any other series or issue, and apart from any other funds of the issuing corporation.

[(57-222) 1927, ch. 262, sec. 9, p. 546; I.C.A., sec. 55-222; am. 1969, ch. 238, sec. 3, p. 753.]

57-223. SEPARABILITY. Should any portion of this act for any reason be declared unconstitutional, invalid or ineffective, all other portions hereof which can be given effect shall remain in full force and effect notwithstanding such partial defect, it being the intent of this act that each portion hereof is adopted alone on its merits independent of each and every other portion.

[(57-223) 1927, ch. 262, sec. 20, p. 546; I.C.A., sec. 55-223.]

57-224. REDEMPTION. The treasurer of the issuing corporation, upon presentation to him for payment of any legally issued and unpaid bond or coupon, on or after the date of maturity therein specified, shall redeem the same without any further warrant or order from the governing board of the issuing corporation, or any other officer thereof, but no bond shall be redeemed prior to maturity except upon the order of any such governing board. Said treasurer shall note in his bond register, in spaces therein provided

for such purposes, the date of redemption and the amount of each bond or coupon by him redeemed from time to time, and shall indicate, by legibly perforating or stamping in ink on the face thereof, that each such bond or coupon has been redeemed and the date of payment, and shall, at the end of each month, or at such other time as he may be required by law to report to, or settle his accounts with, the governing board of the issuing corporation, or its auditor, clerk or secretary, surrender with such report or settlement the canceled coupons or bonds so redeemed as vouchers evidencing the payment thereof. It shall be the duty of the auditor, clerk or secretary of the issuing corporation, as the case may be, to enter in his bond register the date of payment and amount of each canceled coupon so surrendered to him by the treasurer, and in case any bond is redeemed prior to the ultimate maturity thereof, he shall ascertain that all unmatured coupons originally issued with any such bond are attached thereto at the time of redemption.

[(57-224) 1927, ch. 262, sec. 21, p. 546; I.C.A., sec. 55-224.]

57-225. BONDS ISSUED UNDER FORMER LAWS. All bonds issued or authorized under the provisions of any law or laws herein amended, repealed or affected before the effective date of this act, and all proceedings relative to the same and to the redemption and payment thereof shall be governed and continue to be governed by the provisions of such law or laws and the same are hereby continued in force for such purpose notwithstanding the enactment of this act.

[(57-225) 1927, ch. 262, sec. 23, p. 546; I.C.A., sec. 55-225.]

57-226. EFFECTIVE DATE OF ACT. This act shall take effect and be in force from and after the first day of July, A.D. 1927.

[(57-226) 1927, ch. 262, sec. 24, p. 546; I.C.A., sec. 55-226.]

57-227. ISSUANCE AND SALE OF BONDS AND SECURITIES TO UNITED STATES GOVERNMENT -- INTEREST RATE. Bonds and securities of all kinds heretofore or hereafter authorized, issued by any issuing corporation or district (hereinafter called the "issuer" and as hereinafter specified), whether such bonds and securities be issued for such issuer itself or for any other taxing or assessment district within its limits, and whether payable in whole or in part out of and from general taxes or payable in whole or in part out of and from the earnings to be derived from any utility, system, construction, work, or works, belonging to or operated by any such issuer, or payable in whole or in part out of and from "local" or "benefit" assessments upon lands within any assessment district or assessment subdivision within any such issuer, or payable from any other source, may be sold to the United States Government or to any department, corporation or agency thereof or to any department, corporation, agency or body, created, organized or existing under or pursuant to any act of congress, by private sale without giving any prior notice thereof by publication or otherwise and in such manner as the governing authority of such issuer may provide; provided, only, that all bonds and securities sold and issued under the authority of this act shall be sold, if now required by existing law, at not less than par and accrued interest.

[57-227, added 1935 (1st E.S.), ch. 59, sec. 1, p. 160; am. 1970, ch. 133, sec. 19, p. 309.]

57-228. BONDS -- AMORTIZED MATURITIES. It shall be proper to provide with respect to any bonds now required to be amortized or payable serially, that the annual maturities for the first five (5) maturities shall be of such annual principal amounts as may be fixed by any such governing authority, and that such amortized or serial annual maturities shall commence to be payable at any time on or before five (5) years after the date of said bonds, and that any bonds, or any part thereof, issued under the authority of this act, shall be redeemable prior to their fixed maturities and at the option of the issuer, as provided by the governing board or authority of any such issuer.

[57-228, added 1935 (1st E.S.), ch. 59, sec. 2, p. 160.]

57-229. "ISSUER" DEFINED. The issuing corporations, districts, and subdivisions hereinbefore referred to and described as "issuer," shall include any county, city, village, school district, highway district, irrigation district, drainage district, taxing district, assessment district or any public corporation or municipal corporation authorized by existing law to issue bonds, securities or other evidences of indebtedness for itself or for any other taxing or assessment district therein or department thereof.

[57-229, added 1935 (1st E.S.), ch. 59, sec. 3, p. 160.]

57-230. POWERS OF ISSUER. It shall be optional with any such issuer, at its discretion, to exercise all or any of the powers conferred by this act in connection with the adoption and exercise by any such issuer of the provisions and powers granted by existing law.

[57-230, added 1935 (1st E.S.), ch. 59, sec. 4, p. 160.]

57-231. ISSUANCE OF BONDS BY THE STATE OF IDAHO OR POLITICAL SUBDIVISIONS -- VARIABLE INTEREST RATES PERMITTED -- CREDIT ENHANCEMENT ARRANGEMENTS. Any other provision of law to the contrary notwithstanding, in the ordinance or resolution authorizing the issuance of any bonds, notes or other evidence of indebtedness otherwise permitted to be issued under the laws of the state of Idaho, the body charged with authorizing the issuance of such obligations for the state, its agencies, institutions, political subdivisions, cities, counties, school districts, irrigation districts, authorities, instrumentalities and municipal and quasi-municipal corporations now or hereafter existing under the laws of the state of Idaho, may specify either the rate or rates of interest, if any, on the bonds, notes or other evidences of indebtedness to be issued or may specify a method, formula or index pursuant to which the interest rate or rates on the bonds, notes or other evidences of indebtedness may be determined during the time such obligations are outstanding. Subject to the constitution, the resolution or ordinance may include the terms and conditions of arrangements which may be entered into by the issuer of such obligations with financial, banking and other institutions for letters of credit, standby letters of credit, reimbursement agreements and remarketing, indexing and tender agent agreements to secure such obligations, including payment from any legally available source of fees, charges or other amounts coming due under the agreements entered into in connection with the issuance of the obligations. Such

arrangements need not be set forth in full in the resolution or ordinance, but may be incorporated by reference to the agreements entered into with the financial, banking or other institution.

[57-231, added 1984, ch. 261, sec. 1, p. 631.]

57-232. SALE OF BONDS -- DEFINITION OF PRIVATE SALE. Whenever the term "private sale" appears in reference to the sale of bonds, notes or other obligations of any public entity of the state of Idaho, the term "private sale" means the sale of bonds, notes or other obligations pursuant to a written contract, and not to the award of sealed or electronic bids submitted at public sale. "Written contract" means a written contract between the issuer of the bonds, notes or other obligations, as seller, and the purchaser, which contract shall specify the principal amounts, maturities, interest rates, redemption provisions, if any, and other relevant terms of the sale.

[57-232, added 2001, ch. 264, sec. 5, p. 970.]

57-233. SALE OF BONDS -- ELECTRONIC BIDDING. Whenever a public entity is authorized to sell bonds, notes or other obligations at public sale, the governing body may, in its discretion, provide for the sale of such bonds, notes or other obligations pursuant to any system of electronic bidding which the governing body, in the exercise of its sound discretion, deems fair to potential bidders which produces the lowest effective interest rate to the issuer.

[57-233, added 2001, ch. 264, sec. 6, p. 970.]

57-234. CREATION AND PERFECTION OF GOVERNMENT SECURITY INTERESTS. (1) The revenues, fees, rents, charges, taxes or other property pledged by a governmental unit for the purpose of securing its bonds, which pledge is hereby authorized, are immediately subject to the lien of the pledge, and the lien shall be a perfected lien upon the effective date of the security agreement. No physical delivery of any security agreement or any other act is required. Neither the security agreement nor a financing statement need be filed or recorded under the uniform commercial code or otherwise. The lien of any pledge is valid, binding, perfected and enforceable from the time the pledge is made. The lien of the pledge shall have priority based on the time of the creation of the pledge unless otherwise provided in the security agreement. The lien of the pledge shall have priority as against all parties having claims of any kind in tort, contract, or otherwise against the governing body, irrespective of whether the parties have notice of the lien. Each pledge and security agreement made for the benefit or security of any of the bonds shall continue to be effective until the principal, interest, and premium, if any, on the bonds have been fully paid or provision for payment has been made, or until the lien created by the security agreement has been released by agreement of the parties in interest or as provided by the security agreement that created the lien.

(2) As used in this section:

(a) "Bonds" means any bond, note, lease or other obligation of a governmental unit;

(b) "Governmental unit" has the meaning assigned in section 28-9-102, Idaho Code;

(c) "Pledge" means the creation of a security interest of any kind;

(d) "Property" means any property or interests therein, other than real property; and

(e) "Security agreement" means any resolution, ordinance, indenture, document, or other agreement or instrument under which the revenues, fees, rents, charges, taxes or other property are pledged to secure the bonds.

(3) This section expressly governs the creation, perfection, priority and enforcement of a security interest created by the state or a governmental unit of the state, notwithstanding any provisions in chapter 9, title 28, Idaho Code, to the contrary.

[(57-234) 57-232, added 2001, ch. 208, sec. 30, p. 830; am. and redesig. 2005, ch. 25, sec. 119, p. 131.]

57-235. BONDS -- DELEGATION AUTHORITY. (1) Whenever the governing body of any public body shall deem it advisable to issue bonds under its lawful authority, then, subject to the limits of such authority, the governing body may delegate to a member of the governing body or to the chief executive officer or chief financial officer of the public body, in accordance with specific instructions and procedures adopted by the governing body in a resolution or ordinance authorizing the issuance of bonds, the determination of any or all of the following:

(a) The rate of interest on the bonds;

(b) The conditions on which and the prices at which the bonds may be redeemed prior to maturity;

(c) The existence and amount of any capitalized interest or reserve funds;

(d) The price at which the bonds shall be sold;

(e) The principal amount and denominations of the bonds;

(f) The amount of principal maturing in each year;

(g) The dates upon which principal and interest shall be paid;

(h) The maturities and amounts of the bonds to be refunded, if any; and

(i) The terms of any contract to provide credit enhancement of the bonds.

(2) The designated member or officer or officers shall obtain terms for the items provided in paragraphs (a) through (i) of subsection (1) of this section that shall be consistent with, not in excess of and no less favorable than the terms as have been approved by the governing body and, if applicable in the case of bonds requiring voter approval, approved by the voters.

(3) Nothing herein shall confer upon any public body or the governing body, employees or agents thereof any additional powers not currently conferred under the laws and constitution of the state of Idaho with respect to issuance of bonds or any other matter, nor shall any limitation in the laws and constitution of the state of Idaho on the delegation of such powers be otherwise affected.

(4) For purposes of this section, the following terms shall have the following definitions:

(a) "Bond" or "bonds" means any revenue bond or general obligation bond, as those terms are defined in section 57-504, Idaho Code.

(b) "Governing body" means the council, commission, board of commissioners, board of directors, board of trustees, board of regents, members of an authority or other legislative body of a public body in which body the legislative powers of the public body are vested.

(c) "Public body" means the state of Idaho, its agencies, institutions, political subdivisions, school districts, authorities, instrumentalities, and municipal and quasi-municipal corporations now or hereafter existing under the laws of the state of Idaho.

(5) Any provision in this section providing that any action or thing shall be authorized, taken or done by ordinance or resolution shall be taken to mean that any such governing body shall proceed by ordinance or resolution as required or permitted by law or by the customary mode of proceeding by each such governing body, respectively, not forbidden by law.

[57-235, added 2014, ch. 251, sec. 4, p. 632.]