

TITLE 67  
STATE GOVERNMENT AND STATE AFFAIRS

CHAPTER 39  
FINANCIAL RELIEF OF TAXING DISTRICTS UNDER FEDERAL BANKRUPTCY STATUTE

67-3901. "TAXING DISTRICT" DEFINED. For the purpose of this act a "taxing district" is hereby defined to be a "taxing district" as described in chapter IX of an act of Congress entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended. Said act of Congress and acts amendatory and supplementary thereto, as the same may be amended from time to time, are herein referred to as the "Federal Bankruptcy Statute."

[67-3901, added 1939, ch. 110, sec. 1, p. 184.]

67-3902. EXERCISE OF POWERS. All powers herein granted to taxing districts may be exercised by such districts, or, in the event that such districts have no officers of their own, such powers may be exercised by the officers who have the power to contract on behalf of such districts, or to levy special assessments or special taxes within such districts.

[67-3902, added 1939, ch. 110, sec. 2, p. 184.]

67-3903. PETITION BY DISTRICT. Any taxing district in the state of Idaho is hereby authorized to file the petition mentioned in the Federal Bankruptcy Statute, and to incur and pay the expenses thereof and any and all other expenses necessary or incidental to the consummation of the plan of readjustment contemplated in such petition or as the same may be modified from time to time.

[67-3903, added 1939, ch. 110, sec. 3, p. 184.]

67-3904. RESOLUTION AUTHORIZING FILING. Before the filing of any petition referred to in section [67-3903](#) [, Idaho Code,] hereof, such taxing district shall adopt a resolution authorizing the filing thereof and authorizing its duly and regularly elected or appointed attorney or special counsel duly appointed for such purpose, to file the same and to represent it in the proceedings with respect thereto in the competent United States district court.

[67-3904, added 1939, ch. 110, sec. 4, p. 184.]

67-3905. PLAN OF READJUSTMENT AUTHORIZED. Any taxing district is hereby authorized and empowered to take any and all action necessary to carry out any plan of readjustment contemplated in said petition, or as the same may be modified from time to time, subject only to the provisions of the constitution of the state of Idaho, notwithstanding any other provisions of law.

[67-3905, added 1939, ch. 110, sec. 5, p. 184.]

67-3906. PREREQUISITE TO DECREE. No final decree or order of the United States district court confirming a plan of readjustment shall be effective

for the purpose of binding the taxing district unless and until such taxing district files with the court a certified copy of a resolution of such taxing district, adopted by it or by the officials referred to in section [67-3902](#)[, Idaho Code,] hereof, consenting to the plan of readjustment set forth or referred to in such final decree or order.

[67-3906, added 1939, ch. 110, sec. 6, p. 184.]

67-3907. POWERS OF DISTRICT TO CONSUMMATE PLAN OF READJUSTMENT. Upon the filing of such certified copy of such resolution, any taxing district shall have power to consummate the plan of readjustment including the following powers:

a. Cancellation and Remission. To cancel in whole or in part or remit or reduce, the moneys payable under any bonds, warrants or evidence of indebtedness or other obligations of or issued by, such taxing districts, sought to be refunded by such plan of readjustment.

b. Issuance of Refunding Bonds. To issue refunding bonds or any other evidence of indebtedness (all of which are hereinafter referred to by the term "refunding bonds"), to refund obligations specified in paragraph (5) of this subdivision, subject to the following:

(1) Nature of Refunding Bonds. Such obligations may be those of or issued by, such taxing district, as described in such plan of readjustment. Such refunding bonds shall have such denominations, rates of interest, and maturities, and shall be payable by taxes, special assessment taxes, or special assessments, assessed or levied in the manner provided in such plan of readjustment, except that no such refunding bonds shall exceed in amount, or bear a higher rate of interest than the total obligation sought to be refunded.

(2) Necessity of Elections. It shall not be necessary to hold any election to authorize the issuance of such refunding bonds unless required by existing law, in which event an election to authorize such issuance shall be held in the manner provided by law.

(3) Payment of Bonds. The refunding bonds shall be payable in the manner in which the bonds, warrants, evidence of indebtedness or other obligations sought to be refunded were payable.

(4) Requisites of Petition. It shall be sufficient for the purposes of this act that the petition shall set forth by reference or otherwise:

(a) The procedure to be followed, respectively, in the levy and collection of taxes, special assessment taxes, or special assessments for the payment of such refunding bonds.

(b) The character and effect of, and method of enforcing the liens sought to be created by the issuance of such refunding bonds.

(c) The rights of the holders of such refunding bonds upon the issuance thereof.

(5) Kinds of Bonds Authorized. The refunding bonds herein authorized shall include bonds to refund bonds secured by unpaid assessments heretofore levied upon real property in a district, and shall also include bonds to fund or refund or pay any obligation of such taxing district whether reduced to judgment or not and whether represented by any written instrument or not and whether arising by contract, statute or otherwise.

c. Adoption of Ordinances. To adopt such ordinances as are necessary to accomplish the purposes of this act or to provide due process of law with respect to any proceedings herein authorized. The officers of such taxing district, or the officers referred to in section [67-3902](#)[, Idaho Code,] hereof,

are hereby constituted a legislative body of the taxing district for such purpose.

d. Taxes and Assessments. To assess, levy and collect taxes, special assessment taxes and special assessments and to enforce the collection thereof in the manner and with the effort provided in the plan of readjustment.

e. Notice and Hearing. In the event that the plan of readjustment contemplates the issuance of refunding bonds payable by special assessment taxes, or by special assessments or reassessments, which will constitute liens upon real property, the taxing district shall not have jurisdiction to adopt the resolution mentioned in section [67-3906](#)[, Idaho Code] hereof unless, before the issue of the final decree or order confirming the plan of readjustment, it holds a hearing after notice thereof as herein provided. In such event before the signing of the order or decree of the Federal District Court approving the plan of readjustment, the taxing district shall cause to be given a notice, for a reasonable time and in a reasonable manner, of its intention to adopt the resolution mentioned in section [67-3906](#)[, Idaho Code] hereof after the issue of the final decree or order and of the fact that by the plan of readjustment it is proposed to levy special assessments or reassessments or special assessment taxes upon real property in the amount and in the manner set forth in such plan of readjustment and of the time and place when and where all persons interested in any such assessments or reassessments or special assessment taxes will be heard by such taxing district.

f. Manner of Holding Hearing, Etc. The taxing district shall prescribe by ordinance or resolution the manner of holding such hearing and of giving notice thereof and the effect to be given to its determination at such hearing.

g. Reductions and Cancellations. To cancel or reduce the taxes or special assessment taxes heretofore levied or assessed by such taxing district or in its behalf upon any taxable or real property within such district, if such levy or assessment was for the purpose of paying the principal or interest on the bonds sought to be refunded by the plan of readjustment, in the manner and as set forth in such plan of readjustment, and the powers herein granted shall include cancellation or reduction of interest, penalties and costs that may be levied or assessed upon such property within such district by reason of any previous delinquency in the payment of such taxes or special assessments.

h. Enumeration Not Exclusive. The above enumeration of powers shall not be deemed to exclude powers not herein mentioned that may be necessary for or incidental to the accomplishment of the purposes hereof.

[67-3907, added 1939, ch. 110, sec. 7, p. 184.]

67-3908. VALIDATION. Whenever any taxing district has heretofore filed or purported or attempted to file a petition under chapter IX of the Federal Bankruptcy Statute or has taken or attempted to take any other proceedings under or in contemplation of proceedings under chapter IX of the Federal Bankruptcy Statute, all acts and proceedings of such taxing district and of the governing board or body and of public officers of such taxing district in connection with such petition or proceedings, are hereby legalized, ratified, confirmed and declared valid to all intents and purposes and the power of such taxing district to file such petition and take such other proceedings is hereby ratified, confirmed and declared, but all such proceedings taken

after the date this act takes effect [February 28, 1939] shall be taken in accordance with and pursuant to this act.

[67-3908. added 1939, ch. 110, sec. 8, p. 184.]

67-3909. EFFECT AND APPLICATION. This act shall in no wise affect any other act or acts now existing or which may hereafter be adopted covering the same subject-matter, or apply to any proceedings thereunder, but is intended to and does provide, among other matters, an alternative system for the re-funding of bonds, the same to be used pursuant to the provisions of, and in conjunction with[, ] the Federal Bankruptcy Statute.

[67-3909, added 1939, ch. 110, sec. 9, p. 184.]

67-3910. SEPARABILITY. This act and all of its provisions shall be liberally construed to the end that the purposes hereof may be made effective. If any section, subsection, sentence, clause or phrase of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portion of this act. The legislature hereby declares that it would have passed this act irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases thereof be declared unconstitutional.

[67-3910, added 1939, ch. 110, sec. 10, p. 184.]