

TITLE 57
PUBLIC FUNDS IN GENERAL

CHAPTER 6
SINKING FUNDS -- MISCELLANEOUS PROVISIONS

57-601. INVESTMENT OF SINKING FUND -- PURCHASE OF OUTSTANDING BONDS. The treasurer of the state of Idaho, the city council or city commissioner of every city, the board of trustees of every village, the board of county commissioners of every county, the board of commissioners of every highway district, the board of trustees of every school district, the board of commissioners of every drainage district, the board of directors of every irrigation district, the board of trustees of every library district, and the governing board of every taxing district within the state of Idaho, whenever there is in any sinking fund, now existing or hereafter created by authority of the laws of the state, an amount in excess of the requirements to pay bonds maturing within the current year, shall, so far as practicable, invest the same in time certificates of deposit of public depositories, interest-bearing general obligation bonds, tax anticipation notes or treasury certificates lawfully issued by the United States of America, the state of Idaho, or any city, county, highway district, or school district in the state of Idaho. The state or any city, village, county, highway district, school district, drainage district, irrigation district, library district, or any other taxing district in the state of Idaho may purchase for the sinking fund any bonds originally issued or assumed by it and keep the same alive in the sinking fund and resell the same, or any other investments of the sinking funds, when it may be deemed advisable to make more advantageous investments or to provide means for the redemption of maturing bonds; provided, that if any bonds so purchased are not necessary for the protection of any such sinking fund the governing board shall cause any such bonds together with the interest coupons thereon to be cancelled; provided, that whenever there is in any sinking fund of any irrigation district, now existing or hereafter created by authority of the laws of the state, an amount of funds in excess of the requirements to pay bonds maturing within the current year, such irrigation district may invest such excess moneys in any of the anticipation notes or warrants or other interest-bearing securities of such irrigation district; provided, further that any county hospital board may invest in short term interest-bearing bonds and other evidences of indebtedness of the United States, time certificates of deposit of public depositories or savings accounts insured by the federal deposit insurance corporation, to the extent of such insurance, whenever there are current expense funds in excess of requirements for the current year when it may be deemed advisable to put surplus current funds to work.

[(57-601) 1925, ch. 119, sec. 1, p. 167; am. 1929, ch. 123, sec. 1, p. 203; I.C.A., sec. 55-601; am. 1953, ch. 185, sec. 1, p. 295; am. 1957, ch. 221, sec. 1, p. 499; am. 1972, ch. 169, sec. 1, p. 418.]

57-601A. INCOME FROM INVESTMENT OF SINKING FUND. Any income or profit that may be realized from the investment of the funds referred to in section [57-601](#), Idaho Code, shall, as the same are received, be deposited to the sinking fund from which such excess funds were invested, and in no event shall any of such said income or profits from said investment be deposited to the general fund or any operating fund of such investing entity. Any member

of any taxing board or any disbursing officer described in section [57-601](#), Idaho Code, who fails, refuses, or neglects to return the interest or income from investments to the proper sinking fund shall be proceeded against in the manner prescribed by section [57-603](#), Idaho Code.

[57-601A, added 1975, ch. 24, sec. 1, p. 39.]

57-602. ENFORCEMENT OF LAWS RELATING TO SINKING FUND LEVIES AND INVESTMENT OF SINKING FUNDS. Whenever it shall come to the knowledge of the attorney general that any political subdivision in the state has failed to levy proper sinking fund taxes as provided by law or contract, or that any of the sinking funds of any such political subdivision shall have been used, applied or invested contrary to law, he shall begin promptly and prosecute diligently, in the name of the state, appropriate legal action to compel said tax levies for current and future years and full compliance with the law regarding use, application and investment of sinking funds. This section shall not be construed to limit or abridge in any way the rights of holders of any bond or bonds issued by any political subdivision in the state.

[(57-602) 1925, ch. 140, sec. 1, p. 246; I.C.A., sec. 55-602.]

57-603. WRONGFUL DISBURSEMENT FROM SINKING FUND -- LIABILITY OF MEMBER OR DISBURSING OFFICER OF TAXING BOARD -- ENFORCEMENT. Any member of any taxing board, or any disbursing officer thereof, who shall vote for the expenditure of, or expend or disburse, any money from any sinking fund for any purpose other than that for which such fund was created, shall be personally liable, together with his bondsmen, for all money so paid out, disbursed or expended. The prosecuting attorney of the county in which such taxing district or any part thereof is situated shall, upon the demand of any taxpayer, commence a proper civil action against such person or persons and his or their bondsmen, and prosecute the same to final judgment for the purpose of collecting the full amount for which they are liable; and the amount of the judgment or any part thereof when collected shall be placed in the sinking fund from which such moneys were illegally taken.

[(57-603) 1929, ch. 159, sec. 1, p. 289; I.C.A., sec. 55-603.]

57-604. LIMITATION ON APPLICATION OF PRECEDING SECTION. Section [57-603](#) shall not affect the right of taxing districts to invest sinking fund moneys pursuant to law.

[(57-604) 1929, ch. 159, sec. 2, p. 289; I.C.A., sec. 55-604.]