

TITLE 43  
IRRIGATION DISTRICTS

CHAPTER 6  
REFUNDING BONDS

43-601. REFUNDING BONDS AUTHORIZED. The board of directors of any irrigation district organized under the laws of the state of Idaho may issue negotiable coupon bonds, to be denominated refunding bonds, for the purpose of refunding any of the bonded indebtedness of the district, whether due or not due, or which has or may hereafter become payable at the option of the district or by consent of the bondholders, or by any lawful means, whether such bonded indebtedness be now existing or may hereafter be created, and there shall not be funds in the treasury of such district available for the payment or redemption of such bonds and the accrued and unpaid interest thereon; but the amount of such refunding bonds to be issued under the provisions of this chapter shall first be determined by such directors, and a certificate of such determination shall be made and entered in and upon the records of said district prior to the issuance of said refunding bonds.

[(43-601) 1915, ch. 142, sec. 1, p. 299; reen. C.L., sec. 2406g; C.S., sec. 4375; I.C.A., sec. 42-601.]

43-602. ELECTION TO AUTHORIZE. Whenever the board of directors shall deem it expedient to issue refunding bonds under the provisions of this chapter, they shall, by resolution duly adopted and made a part of the district records, call a special election of the qualified voters of the district, for the purpose of voting upon the question of authorizing the board of directors of the district to issue such refunding bonds, or the question may be submitted at a general election for district directors.

At any election held under the provisions of this chapter the question of authorizing the refunding of all or any part of the then outstanding bonded indebtedness of the district, including accrued and unpaid interest, may be submitted as one (1) question for determination whether such bonds are of the same or of different issues.

The notice of said election shall be published and posted for the same length of time and in the same manner, and the election shall be conducted and the result thereof determined and declared in all respects, as nearly as may be, in conformity with the provisions of the irrigation district laws of Idaho governing elections authorizing original bond issues. Said election notice shall specify the time and place for holding said election, the amount and date of the bonds to be refunded, the amount of refunding bonds proposed to be issued, the rate of interest they shall bear, and the time or times when the debt evidenced by such refunding bonds shall be paid: provided, that the said time or times shall not extend beyond a period of forty (40) years from the date of said refunding bonds: provided further, that provision may be made, if deemed expedient by the board of directors, for the payment of the principal, with interest, in suitable installments throughout the term of the loan evidenced by said refunding bonds.

At such election the ballots shall contain the words "Refunding bonds--yes" and the words "Refunding bonds--no," and the voter shall answer the question submitted by marking a cross (X) opposite the words expressing his choice.

[(43-602) 1915, ch. 142, sec. 2, p. 299; reen. C.L., sec. 2406h; C.S., sec. 4376; I.C.A., sec. 42-602; am. 1935, ch. 92, sec. 1, p. 173; am. 1970, ch. 133, sec. 10, p. 309; am. 2014, ch. 71, sec. 5, p. 180.]

43-603. AMOUNT -- DATES OF MATURITY -- RATE OF INTEREST. If upon canvassing the vote cast at any election held under the provisions of this chapter it shall be determined by the board of directors that a majority of the legal votes cast upon the question submitted are in favor of refunding, the board of directors shall make such determination a part of the official records of the district, and shall immediately thereafter adopt and make a part of the records of said district a resolution providing for the issue of said refunding bonds in accordance with the provisions of this chapter. Such resolution may provide that the refunding bonds so authorized will be issued in one or more series, shall designate the denomination or denominations thereof, fix the date or dates of said refunding bonds, the rate or rates of interest, the maturity date or dates, the place or places, within or without the state of Idaho, for payment of both principal and interest and shall prescribe the form of said refunding bonds. Such refunding bonds shall be negotiable in form, shall recite the title of the act under which they are issued, shall be executed in the name of the district and signed by the president, with the seal of the district affixed thereto, and attested by the secretary. The interest accruing on such refunding bonds shall be evidenced by interest coupons thereto attached, bearing the engraved facsimile signature of the treasurer of the district and when so executed such coupons shall be the binding obligations of the district according to their import. In the adoption of said resolution providing for the issue of such refunding bonds, the directors may, in their discretion, within the limits of the authority granted by the voters at the refunding bond election, make the principal of the debt or of each instalment of the debt, as the case may be, payable in certain specified sums, at certain specified times during the currency of the period (not exceeding forty (40) years) within which the debt or each instalment of the debt, as the case may be, is to be discharged: provided, that the first instalment of the debt evidenced by said refunding bonds shall be payable not more than ten (10) years from the date of said refunding bonds, and the instalments thereafter shall be of such amounts that the total thereof shall equal the aggregate principal indebtedness; and the directors may issue the refunding bonds of the district for the amounts and payable at the times corresponding with such specified sums, together with interest, payable semiannually, as may be set forth and provided by such resolution.

[(43-603) 1915, ch. 142, sec. 3, p. 299; compiled and reen. C.L., sec. 2406i, C.S., sec. 4377; I.C.A., sec. 42-603; am. 1935, ch. 92, sec. 2, p. 173; am. 1970, ch. 133, sec. 11, p. 309.]

43-604. SALE, EXCHANGE AND REGISTRATION. All or any part of such refunding bonds may be exchanged, dollar for dollar, for the bonds to be refunded, or they may be sold, at not less than their par value, as directed by the board of directors, and the proceeds thereof shall be applied only to the purposes for which said refunding bonds are issued. The authority vested in the board of directors by any election held pursuant to the provisions of this chapter shall be and remain effective until all of the bonded indebtedness so authorized to be refunded has been paid, redeemed or refunded. At the time of the issue, by exchange or sale, of refunding bonds authorized under the provisions of this chapter, each bond shall be registered by the

treasurer of the district, in a book to be kept by him for such purpose, and interest thereon shall begin to run only from the date of such registration. Coupons evidencing unearned interest shall be detached and canceled. Each bond, so registered, shall bear thereon indorsed the treasurer's certificate of such registration, and only such bonds as shall bear such certificate shall be valid; but such certificate shall be conclusive evidence that the bond so certified has been duly issued in full conformity with the provisions of this chapter. All district bonds redeemed under the provisions of this chapter shall thereupon be canceled by the district treasurer, and a record of such cancellation made and preserved in the records of his office.

[(43-604) 1915, ch. 142, sec. 4, p. 299; reen. C.L., sec. 2406j; C.S., sec. 4378; I.C.A., sec. 42-604.]

43-605. NONPAYMENT WHEN DUE. Whenever any coupon or coupons detached from any refunding bonds issued in conformity with the provisions of this chapter are presented for payment on or after the due date or dates thereof, and there shall not be funds available for the payment of such coupon or coupons, the district treasurer shall indorse on the back thereof: "Presented for payment .... (here insert date). Not paid for want of funds," keeping a record of such presentation for payment and such nonpayment; and all coupons so indorsed shall bear interest from that date until paid at the rate specified in the refunding bonds, which interest shall be paid out of the moneys arising from penalties and interest collected upon delinquent assessments for bond interest upon redemption from such delinquent assessments, and, if such moneys so arising shall not be sufficient for such purpose, then the deficiency shall be raised by an increase in the next annual interest levy to be made as provided in section [43-608](#).

[(43-605) 1915, ch. 142, sec. 5, p. 299; reen. C.L., sec. 2406k; C.S., sec. 4379; am. 1929, ch. 203, sec. 1, p. 398; I.C.A., sec. 42-605.]

43-606. PAYMENT -- APPORTIONMENT OF BENEFITS. Whenever the electors shall have authorized an issue of refunding bonds as herein provided, the board of directors shall, as soon thereafter as practicable and before the issuance or sale of any such refunding bonds, determine the benefits which will accrue to each of the several tracts or subdivisions of land within such irrigation district from the issuance of such refunding bonds; and the amount of such refunding bond issue shall be apportioned or distributed over such tracts or subdivisions of land in proportion to such benefits; and the amount so apportioned or distributed to each of said tracts or subdivisions shall be and remain the basis for levying all taxes for the payment of the principal and interest of such refunding bonds. The board of directors shall make, or cause to be made, a list of such apportionment or distribution of benefits, which list shall contain a complete description of each tract or subdivision of land within such district, with the amount and rate per acre of such apportionment or distribution of benefits, and the name of the owner thereof, if known; or the same may be shown on the map of the district with the rate per acre of such apportionment entered or designated thereon: provided, that where all lands on any map or sections of a map are assessed at the same rate a general statement to that effect shall be sufficient. Said list or map shall be made in duplicate, and one (1) copy shall be filed in the office of the department of water resources and one (1) copy shall remain in the office of the board of directors for public inspection. Whenever

thereafter any assessment is made or tax levied for the payment of interest or principal of such refunding bonds, it shall be spread upon the lands in the same proportion as the assessment of benefits, and the whole amount of the assessment of benefits shall equal the amount of such refunding bonds.

[(43-606) 1915, ch. 142, sec. 6, p. 299; reen. C.L., sec. 2406l; C.S., sec. 4380; I.C.A., sec. 42-606.]

43-607. HEARINGS -- CONFIRMATION OF PROCEEDINGS. The proceedings of the board of directors for apportioning such benefits and the giving of notice of hearings for such purposes shall be substantially the same as may be provided by law for the apportionment of benefits in the case of original bond issues; and all proceedings of the board of directors relative to the authorization and sale of such refunding bonds and the holding of said election and the apportionment of such benefits shall, before the issuance and sale of any of said bonds, be examined, approved and confirmed by the district court of the county in which the office of the district is situated, substantially in the manner provided by law for the confirmation of proceedings of the board of directors relative to original bond issues; and all the provisions of the statutes relative to the confirmation of the proceedings relative to original bond issues of irrigation districts shall apply to the confirmation of proceedings under this chapter.

[(43-607) 1915, ch. 142, sec. 7, p. 299; reen. C.L., sec. 2406m; C.S., sec. 4381; I.C.A., sec. 42-607.]

43-608. LEVY AND COLLECTION OF TAXES. The board of directors of the district shall annually at the time provided by law for making tax levies for original bond issues, or as soon thereafter as practicable, levy a separate tax for the purpose of discharging the interest upon and the principal of any refunding bonds issued, registered and outstanding pursuant to the provisions of this chapter. Such taxes shall be levied and collected in the manner provided by law for the levy and collection of taxes for the payment of interest and principal of original bond issues, and such refunding bonds and the interest thereon shall be paid from the revenue derived from the annual assessment on the land in the district and all the land in the district shall be and remain liable to be assessed for such payment.

[(43-608) 1915, ch. 142, sec. 8, p. 299; reen. C.L., sec. 2406n; C.S., sec. 4382; I.C.A., sec. 42-608.]

43-609. LIEN OF TAXES. All taxes for interest on and for the redemption of such refunding bonds shall be a lien on the taxable property of the district prior to all other liens, except the lien of general, state, county and school district taxes. Taxes levied for the payment of interest shall be payable in cash only, or by means of interest coupons detached from the refunding bonds issued under the provisions of this chapter, and maturing during the year in which such taxes are by law made payable; taxes levied for the payment of principal indebtedness shall be payable in cash only, or by means of refunding bonds issued under the provisions of this chapter, and maturing during the year in which such taxes are by law made payable. All taxes for interest shall be kept by the treasurer of the district as a special fund, to be used in payment of interest only; and all taxes for the redemption of such

refunding bonds shall be kept by such district treasurer as a special fund, to be used for the redemption only of the principal of such refunding bonds.

[(43-609) 1915, ch. 142, sec. 9, p. 299; reen. C.L., sec. 2406o; C.S., sec. 4383; I.C.A., sec. 42-609.]

43-610. REFUNDING BONDS -- ISSUANCE UPON RESOLUTION OF BOARD. Whenever the board of directors of an irrigation district deems it for the best interests of the district to issue refunding bonds under this chapter without holding an election, a resolution may be adopted by the unanimous vote of the board of directors and made a part of the records of said district, dispensing with the calling and holding of an election as provided by this chapter. Such resolution shall specify the amount, date and maturities and amount of interest due on the bonds to be refunded, the amount and date of the refunding bonds proposed to be issued, whether the same will comprise one or more issues, the denomination or denominations thereof, the rate of interest they shall bear, which shall not exceed the rate of interest provided for in the bonds to be refunded, the place or places within or without the state of Idaho for payment of both principal and interest thereon, and the time or times when the debt evidenced by such refunding bonds shall be paid and such resolution shall prescribe the form of said refunding bonds; provided, that the said time or times of payment shall not extend beyond a date forty (40) years from the date of such issue of such refunding bonds; and provided further, that provisions shall be made by the board of directors for the payment of the principal of such refunding bonds in suitable annual or semi-annual installments commencing such number of years after the date of the bonds as the board of directors may deem best suited to the needs of the district, with semi-annual interest payments throughout the term such bonds shall run, conforming as nearly as may be practicable to the amortization plan, so called, so that the combined payments of principal and interest shall be approximately the same each year in which any of the refunding bonds authorized by said resolution mature. All of the provisions of this chapter, except as herein otherwise specifically provided, shall apply to refunding bonds issued under the provisions of this section.

[(43-610) C.S., sec. 4383A, as added by 1927, ch. 35, sec. 1, p. 47; I.C.A., sec. 42-610; am. 1935, ch. 39, sec. 1, p. 67.]

43-611. RESOLUTION AUTHORIZING BOND ISSUE TO STATE ISSUED UNDER THIS ACT. Whenever an irrigation district desires to issue refunding bonds under the authority conferred by sections [43-601](#)--[43-610](#), [Idaho Code,] the board of directors of such district shall determine whether the taxes and assessments levied for the payment of such bonds shall be limited as provided in this act, and if the board determines to issue such refunding bonds subject to the provisions of this act, the resolution of the board of directors authorizing the issuance of such refunding bonds, or calling the election for authorizing the issuance thereof, and the bonds so issued, shall expressly state that such bonds are issued under the provisions of this act.

[43-611, added 1933, ch. 207, sec. 1, p. 418.]

43-612. LIABILITY OF TRACTS OF LAND LIMITED. When refunding bonds are issued under this act no tract or parcel of land against which benefits have been apportioned or assessed for the payment thereof shall be liable for the

payment of more than the amount of the benefits so apportioned and assessed, together with interest thereon at the rate specified in such refunding bonds on the amount of the apportionment of benefits remaining unpaid, and in addition thereto to an assessment not exceeding fifty cents (50¢) per acre per annum for each irrigable acre for an emergency fund as hereinafter provided.

[43-612, added 1933, ch. 207, sec. 2, p. 418.]

43-613. PAYMENT OF ASSESSMENT A BAR TO FURTHER ASSESSMENTS. Upon payment of the full amount of benefits apportioned or assessed against any parcel of land, with interest as aforesaid, such land shall thereafter be forever relieved from the payment of any taxes or assessments levied on account of such refunding bonds, except taxes levied for the emergency fund as herein provided.

[43-613, added 1933, ch. 207, sec. 3, p. 418.]

43-614. EMERGENCY FUND -- LEVY AND COLLECTION -- DISBURSEMENT. The board of directors shall provide an emergency fund which may be used for both or either of the following purposes, to-wit: For temporarily supplementing the bond fund in case of deficiencies due to accidents, delinquencies or other contingencies, or for the purpose of protecting any tax title which the district may acquire on account of taxes levied for the payment of such refunding bonds, by paying and discharging any state and county, or other taxes, the lien of which may be prior or superior to the taxes levied by the district. This emergency fund shall consist of a levy of not to exceed fifty cents (50¢) per acre per annum upon each irrigable acre in the district, and shall be at the same rate per acre for all lands; such levy shall be made annually and at the rate of fifty cents (50¢) per acre during the first five (5) years after the issuance of such refunding bonds, and thereafter, whenever the amount in such emergency fund is less than one dollar and fifty cents (\$1.50) per acre for each irrigable acre in the district, the board shall levy an assessment of not to exceed fifty cents (50¢) per acre during any one (1) year. The taxes levied for such emergency fund shall be levied and collected as other taxes and assessments for the payment of the interest and principal of such refunding bonds. All moneys in the emergency fund shall be disbursed by the treasurer of the district upon order of the board of directors.

[43-614, added 1933, ch. 207, sec. 4, p. 418.]

43-615. PAYMENT OF ASSESSMENTS IN CASH, COUPONS OR BONDS. Any taxes levied for the payment of refunding bonds issued under the provisions of this act, except taxes levied for the emergency fund, may be paid in matured coupons or matured or unmatured bonds for the payment of which such taxes were levied, and the unpaid portion of any benefits apportioned or assessed against any parcel or tract of land, with interest thereon to the next interest paying date on such refunding bonds, may be paid, without any tax having first been levied for the payment thereof, to the treasurer of the district either in lawful money of the United States or by surrendering for cancellation such matured coupons or matured or unmatured bonds, which shall be accepted at their par or face value and when so received such coupons and bonds shall be cancelled.

[43-615, added 1933, ch. 207, sec. 5, p. 418.]

43-616. CERTIFICATE ISSUED UPON PAYMENT OF BENEFITS APPORTIONED AGAINST LAND AND RECORDED. Whenever the full amount of benefits apportioned against any parcel of land, with interest as herein provided, has been paid, the district shall issue to the owner or person making such payment, a certificate showing payment in full of the benefits so apportioned against such parcel; such certificate shall describe the land on which such apportionment of benefits or assessment has been paid, and shall identify or describe by appropriate reference the bond issue and apportionment of benefits from the payment of which the land so described has been released. Said certificate shall be issued in the name of the district, be signed by the president and secretary thereof and the corporate seal of the district shall be affixed thereto, and shall be acknowledged as conveyances of real property. All such certificates shall be entitled to record in the office of the county recorder of the county where the land is situated. After the apportionment of benefits or assessments against any parcel of land has been paid in full, no taxes or assessments shall be levied against such parcel for the payment of any outstanding bonds of the refunding issue described in such certificate or for the payment of which such assessment of benefits was made; provided, however, that such parcels shall be subject to taxes at not to exceed fifty cents (50¢) per irrigable acre per annum, levied as aforesaid for the emergency fund, until all such refunding bonds have been paid and discharged, with interest thereon as provided by such bonds.

[43-616, added 1933, ch. 207, sec. 6, p. 418.]

43-617. MAINTENANCE FUND REPOSITORY OF UNEXPENDED MONEYS. Any money remaining in the emergency fund after all such refunding bonds have been paid with interest, and all lands and the proceeds from the sale of lands acquired by the district under taxes levied for the payment of such refunding bonds, shall be converted into the maintenance fund of the district.

[43-617, added 1933, ch. 207, sec. 7, p. 418.]