PURPOSES

The Board may issue interest-bearing time warrants in amounts sufficient to construct, repair, or renovate school buildings; to purchase school buildings and equipment; to equip school property with necessary utilities; or to pay all or part of the compensation of the person to compile taxation data when the District's funds are insufficient to cover these items.

Warrants shall mature in serial installments of not more than five years from date of issue. Upon maturity, and in the order of their maturity dates, the warrants shall be entitled to first payment out of any available funds of the District.

Education Code 45.103(a)

An interest-bearing time warrant includes a promissory note or other evidence of indebtedness issued under Chapter 45 of the Education Code. *Education Code 45.103(g)*

The maximum rate of interest for any issue or series of public securities shall be a net effective interest rate of 15 percent. *Gov't Code 1204.006*

LIMITATIONS

Warrants may be issued and sold for not less than face value, and proceeds derived shall be used only for the purposes for which the warrants were issued. *Education Code 45.103(a)*

The Board may not issue warrants in excess of five percent of the assessed valuation of the District for the year in which the warrants are issued. Also, the payment of the warrants in any given year shall not exceed the anticipated surplus income of the District for the year based on the District's budget for that year and exclusive of bond taxes. Finally, the District shall not have outstanding at any one time warrants exceeding $500,000. *Education Code 45.103(c)*

PROCEDURES

Time warrants shall be issued in accordance with the Public Security Procedures Act. *Gov't Code 1201*