

LOCAL REVENUE SOURCES
CERTIFICATES OF INDEBTEDNESS

CCC
(LEGAL)

Authority	If the District is located in a county with a population of 200,000 or more, the District may issue interest-bearing certificates of indebtedness to provide funds to erect or equip school buildings in the District or refinance outstanding certificates, subject to certain restrictions as outlined below and as contained in Education Code 45.111:
Minimum Assessed Valuation	1. The assessed valuation of the District must be greater than \$1 million.
Payment of Certificates	2. The Board shall pay for these certificates by appropriating and pledging funds derived under authority of Education Code 45.002 or other similar law that limits the amount of tax that may be levied for maintenance purposes, as distinguished from bond requirements.
Outstanding Certificates	3. The District shall not at any one time have certificates outstanding and unpaid in principal amount in excess of \$250,000, unless the excess is authorized under Education Code 45.111.
Principal and Principal Maturity Amount	4. The principal amount of certificates and the scheduling of their principal maturity shall be restricted as provided in Education Code 45.111(d).
Maturity	5. Certificates shall mature over a period not exceeding 25 years from date of issuance. <i>Education Code 45.111(a)–(f)</i>
Interest	Certificates may not bear interest at a rate in excess of seven percent per annum. <i>Education Code 45.111(f)</i>
Procedures	Certificates of indebtedness shall be issued in accordance with Education Code 45.111.