

279.48 Equipment purchase.

1. The board of directors of a school corporation may purchase equipment, and may negotiate and enter into a loan agreement and issue a note to pay for the equipment subject to the following terms and procedures:

a. The note must mature within five years, or the useful life of the equipment, whichever is less.

b. The note may bear interest at a rate to be determined by the board of directors in the manner provided in section 74A.3, subsection 1. Chapter 75 is not applicable.

c. The board of directors shall provide for the form of the agreement and note.

d. Principal and interest on the note must be payable from budgeted receipts in the debt service fund for each year of a period of up to five years.

2. The total of scheduled annual payments of principal or interest due and payable from current budgeted receipts or future budgeted receipts with respect to all loan agreements authorized under this section or section 285.10, subsection 7, paragraph "b", must not exceed ten percent of the last authorized budget of the school corporation.

3. Before entering into a loan agreement for an equipment purchase, the school corporation must publish a notice, including a statement of the amount and purpose of the agreement, at least once in a newspaper of general circulation within the school corporation at least ten days before the meeting at which the loan agreement is to be approved.

94 Acts, ch 1175, §7