IC 5-1-13
  Chapter 13. Disposition of Surplus Bond Proceeds

IC 5-1-13-1
Definitions
  Sec. 1. The definitions in this section apply throughout this chapter:
    (1) "Bonds" has the same definition that the term is given in IC 5-1-11-1.
    (2) "Local issuing body" has the meaning set forth in IC 5-1-5-1.
    (3) "Political subdivision" has the same definition that the term is given in IC 36-1-2-13.
    (4) "Special benefit taxes" has the meaning set forth in IC 5-1-5-1.
    (5) "Tax increment revenues" has the meaning set forth in IC 5-1-5-1.
As added by Acts 1980, P.L.8, SEC.23. Amended by P.L.24-1984, SEC.1; P.L.146-2008, SEC.26.

IC 5-1-13-2
Use of surplus proceeds
  Sec. 2. (a) Notwithstanding any other law, whenever:
    (1) bonds are issued by any local issuing body in the state of Indiana for any lawful purpose or project;
    (2) the purpose or project for which the bonds were issued has been accomplished or abandoned; and
    (3) a surplus remains from the proceeds of the bonds or investment earnings derived from the proceeds of those bonds;
  the local issuing body may use the surplus only in the manner prescribed by subsection (b), (c), or (d).
  (b) The legislative body or other governing body of any such local issuing body may by an order, ordinance, or resolution entered of record direct the disbursing officer of such local issuing body to transfer the surplus bond proceeds or investment earnings to the fund of the local issuing body pledged to the payment of principal and interest on those bonds, and upon such order, ordinance, or resolution being made, the disbursing officer shall make such transfer. Thereafter such funds transferred shall be used for the payment of the bonds to which the surplus bond proceeds or investment earnings are attributable or interest due for such bonds.
  (c) Surplus bond proceeds or investment earnings may be used by a local issuing body for the following purposes:
    (1) To maintain a debt service reserve fund for the bonds to which the surplus bond proceeds or investment earnings are attributable, at the level required under the terms of the bonds, if the local issuing body adopts an ordinance, resolution, or order authorizing that use of the proceeds or earnings.
    (2) To pay the principal or interest, or both, on any other bonds of the local issuing body, if the local issuing body adopts an

ordinance, a resolution, or an order authorizing the use of the surplus proceeds to pay principal or interest on the bonds.

(3) To reduce the rate or amount of ad valorem property taxes, special benefit taxes on property, or tax increment revenues imposed by or allocated to the local issuing body.

(d) This section applies to bonds that are not payable from ad valorem property taxes, special benefit taxes on property, or tax increment revenues derived from property taxes. Surplus bond proceeds or investment earnings may be used by a local issuing body for the same purpose or type of project for which the bonds were originally issued, if:

(1) the fiscal officer of the local issuing body certifies before or at the time of that use that the surplus was not anticipated at the time of issuance of the bonds; and

(2) the board or legislative body responsible for issuing the bonds takes action approving the use of surplus bond proceeds or investment earnings for the same purpose or type of project for which the bonds were originally issued.

As added by Acts 1980, P.L.8, SEC.23. Amended by P.L.24-1984, SEC.2; P.L.37-1988, SEC.1; P.L.2-1989, SEC.3; P.L.146-2008, SEC.27.

IC 5-1-13-3
Income from investment of proceeds of sale of bonds; application
Sec. 3. Notwithstanding any other law, income from the investment of proceeds of the sale of bonds issued by any political subdivision that are payable from property taxes shall be applied to the improvement or the public purpose for which the bonds were issued or shall be used to pay interest on the bonds and in no event may such income be used for any other purpose except as provided in section 2 of this chapter.
As added by P.L.24-1984, SEC.3.