

IC 5-19-1.5

Chapter 1.5. Grant Anticipation Notes

IC 5-19-1.5-1

Definitions

Sec. 1. As used in this chapter:

(a) The term "borrower" means any county, any incorporated city or town, any special taxing district, any regional sewer or water district, all other political units now existing or hereafter created, and any not-for-profit corporation eligible for federal or state grants.

(b) The term "governing body" means the legislative body of the borrower.

(c) The term "grant" means any moneys to be received from the United States government or any of its agencies, or the state of Indiana, or any of its agencies, intended to be used for the construction of facilities for any waterworks systems or facilities for sewage works system, or the construction or improvement of any other public works which the borrower may lawfully undertake as to which a grant has been made by the granting agency.

(d) The term "person" means any person, firm, corporation, limited liability company, governmental agency, or lending institution.

(e) The term "project" means the facilities, public works or undertaking for which the grant is made applicable.

As added by Acts 1981, P.L.61, SEC.1. Amended by P.L.8-1993, SEC.71.

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Authorization; terms

Sec. 2. Any borrower to which a grant has been allocated, pending the receipt thereof, but within the limitation set forth in this chapter, may borrow from any person and evidence the debt so incurred by a note, or a series of notes of equal or unequal amounts, executed by at least two (2) officers or one (1) officer and one (1) employee as authorized by the governing body of the borrower and containing such terms and provisions as may be prescribed by the governing body of the borrower. Any note shall mature not more than three (3) years from the date of issuance and may pledge for the payment of the principal and interest therefor, the proceeds of the grant and any revenue which may be derived from the facility being constructed or improved by the proceeds of the note or notes. However, no amounts may be borrowed in anticipation of a grant until a written contract is received from the grantor indicating that the grant is forthcoming.

As added by Acts 1981, P.L.61, SEC.1.

IC 5-19-1.5-3

Maximum amounts; prepayment upon receipt of grants

Sec. 3. The maximum amount of any loan made pursuant to this chapter shall not exceed eighty percent (80%) of the estimated amount of the grant in anticipation of which the loan is made.

Further, the borrower shall make prepayments on the outstanding balance of its note, or retire one (1) or more of its series of outstanding notes, promptly upon partial receipt of grant funds so that the outstanding amount of any loan made pursuant to the provisions of this chapter shall not exceed the balance of the grant funds yet to be received.

As added by Acts 1981, P.L.61, SEC.1.

IC 5-19-1.5-4

Sale

Sec. 4. The governing body may arrange the issuance and sale of grant anticipation notes either at a public or a private negotiated sale.

As added by Acts 1981, P.L.61, SEC.1.

IC 5-19-1.5-5

Application of proceeds

Sec. 5. It shall be the duty of the governing body to apply the proceeds of any obligations issued pursuant to this chapter to those items of cost for which the grant has been allocated by the granting agencies, or as to revenue sharing funds, by the governing body. The purchaser of any obligations shall not be liable for the proper application of the proceeds, or to insure that the maximum amount of the loan stays within the maximum limits as grant funds are from time to time received by the borrower.

As added by Acts 1981, P.L.61, SEC.1.

IC 5-19-1.5-6

Tax exemption

Sec. 6. All obligations issued pursuant to this chapter and all interest to accrue thereon shall have the tax exempt status prescribed by IC 6-8-5.

As added by Acts 1981, P.L.61, SEC.1.

IC 5-19-1.5-7

Indiana economic development corporation; authorization to make grant anticipation loans

Sec. 7. Notwithstanding anything to the contrary in IC 5-28-8, the Indiana economic development corporation may make grant anticipation loans as authorized by this chapter from the fund established by IC 5-28-8-5.

As added by Acts 1981, P.L.61, SEC.1. Amended by P.L.4-2005, SEC.30.

IC 5-19-1.5-8

Advertisements for bids; inclusion of notice of financing under chapter

Sec. 8. A borrower may not finance a project with loans authorized by this chapter unless that fact is included in all advertisements for bids for construction work on that project.

As added by Acts 1981, P.L.61, SEC.1.