

IC 4-10-19

Chapter 19. Local Infrastructure Revolving Fund

IC 4-10-19-1

"Fund" defined

Sec. 1. As used in this chapter, "fund" refers to the local infrastructure revolving fund established by this chapter.

As added by P.L.13-1996, SEC.1.

IC 4-10-19-2

"Political subdivision" defined

Sec. 2. As used in this chapter, "political subdivision" has the meaning set forth in IC 36-1-2-13.

As added by P.L.13-1996, SEC.1.

IC 4-10-19-3

Purpose; administration by budget agency

Sec. 3. The local infrastructure revolving fund is established for the purpose of providing funds to local governments for infrastructure projects. The fund shall be administered by the budget agency.

As added by P.L.13-1996, SEC.1.

IC 4-10-19-4

Administration of fund; methods for financing infrastructure; annual report on projects funded

Sec. 4. (a) In administering the fund, the budget agency shall do the following:

- (1) Monitor infrastructure finance needs and the availability and cost of capital.
- (2) Provide financial management of investment pools and financial services associated with loans.
- (3) Explore and evaluate capital financing techniques.
- (4) Explore methods for the state to enhance the credit quality of municipal bond issues at a minimum cost to the state.

(b) The Indiana department of transportation, Indiana department of environmental management, and any other appropriate state agency, in consultation with the budget agency, shall advise political subdivisions on methods for financing infrastructure.

(c) The budget agency shall annually present a report to the budget committee that describes the projects funded under this chapter.

As added by P.L.13-1996, SEC.1.

IC 4-10-19-5

Powers of budget agency

Sec. 5. Subject to the written procedures developed under section 6 of this chapter, the budget agency may do the following:

- (1) Loan money from the fund to a political subdivision.
- (2) Use the money in the fund:

- (A) for debt financing;
 - (B) for grants;
 - (C) for loan guarantees;
 - (D) to manage leverage loan programs for new construction through recapitalization of funds;
 - (E) to refinance and purchase political subdivision debt;
 - (F) to guarantee political subdivision loans;
 - (G) to make bond and debt service reserve insurance payments; and
 - (H) to guarantee debt service reserve funds;
- for a political subdivision.

As added by P.L.13-1996, SEC.1.

IC 4-10-19-6

Procedures for allocation of money to projects; application

Sec. 6. (a) The budget agency shall establish a written procedure for allocating money to projects described in section 7 of this chapter.

(b) The procedure established under this section must include at least the following:

- (1) An application procedure to identify projects that qualify for funding.
- (2) Criteria for establishing priority of projects.
- (3) Procedures for selecting projects.
- (4) Procedures for reporting the results of the selection process and the status of projects to the budget committee.

(c) To apply for a loan or grant from the fund, a political subdivision must submit an application that contains at least the following information:

- (1) A description of the infrastructure for which the loan or grant is sought;
- (2) An estimate of the cost of constructing or improving the infrastructure, including the cost of designing the infrastructure;
- (3) Any other information required by the budget agency in accordance with the procedure established under this section.

As added by P.L.13-1996, SEC.1.

IC 4-10-19-7

Use of loan or grant; requirements for grant

Sec. 7. (a) A loan or grant from the fund must be used by a political subdivision to establish or improve only the following infrastructure needs:

- (1) Wastewater treatment projects, sewer systems, and drinking water systems, and extending water lines and installing hydrants for fire protection.
- (2) Cargo, reliever, and general aviation airports, as classified by the Federal Aviation Administration on January 1, 1996.
- (3) Juvenile detention centers.
- (4) Infrastructure or local public improvements needed for the rehabilitation, redevelopment, economic development, and

reuse of military base property acquired from the federal government by a reuse authority established under IC 36-7-30 or a redevelopment authority operating under IC 36-7-14.5-12.5.

(5) Highways, roads, streets, and public mass transportation systems for communities.

(b) A grant from the fund must:

(1) not exceed ten percent (10%) of the total project cost or five million dollars (\$5,000,000), whichever is less; and

(2) be made in conjunction with the adoption of a resolution by a political subdivision that sets forth the political subdivision's commitment of revenues to the infrastructure project for which the grant is made.

As added by P.L.13-1996, SEC.1.

IC 4-10-19-8

Requirements for loan; loan agreement; exceptions to loan amount limitations

Sec. 8. (a) A loan from the fund must:

(1) have an interest rate of not more than a rate that the state board of finance determines does not exceed current market rates for that type of loan;

(2) have a term of not more than twenty (20) years;

(3) except as provided in subsection (c), not exceed ten percent (10%) of the total project cost or five million dollars (\$5,000,000), whichever is less;

(4) be made in conjunction with the adoption of a resolution by a political subdivision that sets forth the political subdivision's commitment of revenues to the infrastructure project for which the loan is made;

(5) provide for amortization to begin not later than one (1) year after construction of the project ends;

(6) be accompanied by:

(A) all papers and opinions required by the budget agency;

(B) an opinion of a bond counsel;

(C) a certification and guarantee of signatures; and

(D) a certification that, as of the date of the loan, no litigation is pending challenging the validity of, or entry into, the loan or any security for the loan; and

(7) be repaid.

(b) Unless otherwise provided by the procedure established under section 6 of this chapter, a political subdivision that receives a loan from the fund shall enter into a loan agreement. A loan agreement is a valid, binding, and enforceable agreement of the political subdivision.

(c) A loan from the fund that is associated with a project under Section 350 of the National Highway System Act of 1995, Public Law 104-59, or subsequent laws authorizing the state infrastructure bank program may exceed the loan amount limitations described in subsection (a)(3).

As added by P.L.13-1996, SEC.1. Amended by P.L.20-1997, SEC.1.

IC 4-10-19-9

Expenses

Sec. 9. The expenses of administering the fund shall be paid from money in the fund.

As added by P.L.13-1996, SEC.1.

IC 4-10-19-10

Investment of money in fund

Sec. 10. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

As added by P.L.13-1996, SEC.1.

IC 4-10-19-11

No reversion to state general fund

Sec. 11. Money in the fund at the end of a state fiscal year does not revert to the state general fund.

As added by P.L.13-1996, SEC.1.