

IC 8-18-21

Chapter 21. County Toll Road Financing

IC 8-18-21-1

Application of chapter

Sec. 1. This chapter applies to all toll road authorities established under IC 8-18-20.

As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-2

Preliminary expenses; payment; charge against bonds

Sec. 2. All necessary preliminary expenses that must be paid by the board of directors of a toll road authority before the issuance and delivery of bonds or the negotiation of a loan under this chapter, including expenses incurred in:

- (1) making surveys;
- (2) estimating costs and receipts;
- (3) employing engineers or other employees;
- (4) giving notices; and
- (5) taking options;

may be paid out of money provided by the county and county seat, or either of them, from money on hand or derived from taxes levied for that purpose. The fund or funds from which the payments are made shall be fully reimbursed by the board out of the first proceeds of the sale of bonds or the loan negotiated by the authority before any other disbursements are made from those proceeds. The amount advanced to pay preliminary expenses under this section is a first charge against the proceeds resulting from the sale of the bonds or the negotiation of the loan until that amount has been repaid.

As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-3

Powers of board of directors

Sec. 3. Except as provided in section 4 of this chapter, the board of directors of a toll road authority, acting in the name of the authority, may:

- (1) finance, construct, reconstruct, operate, maintain, and manage any toll road project acquired or financed under this chapter;
- (2) sue, be sued, plead, and be impleaded, but all actions against the authority must be brought in the circuit court for the county in which the authority is located;
- (3) condemn, appropriate, purchase, and hold any real or personal property needed or considered useful in connection with a toll road facility;
- (4) acquire real or personal property by gift, devise, or bequest and hold, use, or dispose of that property for the purposes authorized by this chapter;
- (5) enter upon any lots or lands for the purpose of surveying or examining them to determine the location of a toll road facility;

- (6) collect all money that is due on account of the operation, maintenance, or management of, or otherwise related to, a toll road facility, and expend that money for proper purposes;
- (7) employ the managers, superintendents, architects, engineers, attorneys, auditors, clerks, foremen, custodians, and other employees, necessary for the proper operation of a toll road facility and fix the compensation of those employees, but a contract of employment may not be made for a period of more than four (4) years although it may be extended or renewed from time to time;
- (8) make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter; and
- (9) provide coverage for its employees under IC 22-3 and IC 22-4.

As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-4

Counties with consolidated cities; approval

Sec. 4. The toll road authority in a county having a consolidated city may not construct or finance unless that action is first approved by:

- (1) the city-county legislative body; and
- (2) the legislative body of the unit involved.

As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-5

Revenue bonds; issuance; source of payment

Sec. 5. (a) For the purpose of obtaining money to pay the cost of:

- (1) constructing toll road facilities;
- (2) acquiring land;
- (3) repaying any advances for preliminary expenses made to the authority by an eligible entity; or
- (4) refinancing any loan made under this chapter;

the board of directors of a toll road authority may issue revenue bonds of the authority.

(b) The bonds are payable solely from the income and revenues of the toll road facilities for which the bonds were issued.

As added by P.L.386-1987(ss), SEC.21. Amended by P.L.3-1990, SEC.32.

IC 8-18-21-6

Revenue bonds; resolution; interest; maturity

Sec. 6. The revenue bonds must be authorized by resolution of the board. The bonds:

- (1) bear interest payable semiannually; and
- (2) mature serially, either annually or semiannually, at times determined by the resolution authorizing the bonds.

As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-7

Revenue bonds; redemption before maturity; resolution; contents; negotiable instruments

Sec. 7. (a) The revenue bonds may, and all bonds maturing after ten (10) years from date of issuance shall, be made redeemable before maturity at the option of the board of directors of the toll road authority. Such a redemption must be at the par value of the bonds, together with the premiums and under the terms and conditions fixed by the resolution authorizing the issuance of the bonds.

(b) The principal of and interest on the bonds may be made payable in any lawful medium.

(c) The resolution authorizing the issuance of the bonds must:

- (1) determine the form of the bonds, including the interest coupons to be attached to them;
- (2) fix the denomination or denominations of the bonds; and
- (3) fix the place or places of payment of the principal and interest of the bonds, which must be at a state or national bank or trust company within Indiana and may also be at one (1) or more state or national banks or trust companies outside Indiana.

(d) The bonds are negotiable instruments under IC 26-1.

(e) The resolution authorizing the issuance of the bonds may provide for the registration of any of the bonds in the name of the owner as to principal alone.

As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-8

Revenue bonds; execution; notice of sale; sale

Sec. 8. (a) The revenue bonds shall be executed by the president of the board of directors, the corporate seal of the authority shall be affixed to the bonds and attested by the secretary of the board, and the interest coupons attached to the bonds shall be executed by placing the facsimile signature of the treasurer of the board on them.

(b) Notice of the sale of the bonds shall be published in accordance with IC 5-3-1.

(c) The board of directors shall sell the bonds at public sale, for not less than their par value. The board shall award the bonds to the highest bidder, as determined by computing the total interest on the bonds from the date of sale to the dates of maturity and deducting from that amount the premium bid, if any. Any premium received from the sale of the bonds shall be used solely for the payment of principal and interest on the bonds. If the bonds are not sold on the date fixed for the sale, then the sale may be continued from day to day until a satisfactory bid has been received.

As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-9

Temporary bonds

Sec. 9. The board of directors may issue temporary bonds, with or without coupons. These bonds, which must be issued in the manner prescribed by this chapter, may be exchanged for the bonds that are

subsequently issued.
As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-10

Loans; resolutions; notice

Sec. 10. (a) In lieu of authorizing and selling bonds under this chapter, the board of directors of a toll road authority may adopt a resolution authorizing the negotiation of a loan or loans for the purpose of obtaining the required money.

(b) The resolution authorizing the loan must set out:

- (1) the total amount of the loan desired;
- (2) the approximate dates on which money will be required, and the amounts of the money that will be required on those dates; and
- (3) any terms, conditions, and restrictions concerning the proposed loan or the submission of proposals that the board considers advisable.

(c) Before the consideration of proposals for such a loan, a notice shall be published in accordance with IC 5-3-1. The notice must set out:

- (1) the amount and purpose of the proposed loan;
- (2) a brief summary of other provisions of the resolution; and
- (3) the time and place where proposals will be considered.

(d) The board of directors may accept the proposal it considers most advantageous to the authority.

As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-11

Trust indentures

Sec. 11. (a) The board of directors of an authority may secure bonds issued or loans made under this chapter by a trust indenture between the authority and a corporate trustee, which may be any trust company or national or state bank within Indiana that has trust powers.

(b) The trust indenture may:

- (1) mortgage all or part of the toll road facility for which the bonds are issued or loan is made;
- (2) contain reasonable and proper provisions for protecting and enforcing the rights and remedies of the bondholders or lenders, including covenants setting forth the duties of the authority and board concerning:
 - (A) the construction, operation, repair, maintenance, and insurance of the toll road facility; and
 - (B) the custody, safeguarding, and application of all money received or to be received by the authority on account of the toll road facility financed by the bonds or loan;
- (3) set forth the rights and remedies of the bondholders or lenders and trustee; and
- (4) restrict the individual right of action of bondholders or lenders.

(c) Except as otherwise provided in this chapter, the board of directors may, by resolution or in the trust indenture, specify:

(1) the officer, board, or depository to which the proceeds of the bonds or loan shall be paid; and

(2) the method of disbursing those proceeds.

As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-12

Proceeds of bonds or loans; application; lien

Sec. 12. (a) The proceeds of any bonds issued or loans made under this chapter shall first be applied to the reimbursement of all amounts advanced for preliminary expenses under this chapter. The proceeds shall then be applied solely to the payment of the costs for which the bonds are issued or the loan is negotiated, including incidental expenses and interest during construction.

(b) The bondholders, lenders, or trustees under this chapter have a lien upon the proceeds of the bonds or the loan until those proceeds are applied as prescribed by this section.

As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-13

Review of annual operating budget

Sec. 13. The annual operating budget of a toll road authority is subject to:

(1) review by the county board of tax adjustment; and

(2) review by the department of local government finance;

as in the case of other political subdivisions.

As added by P.L.386-1987(ss), SEC.21. Amended by P.L.90-2002, SEC.326; P.L.224-2007, SEC.96; P.L.146-2008, SEC.363.

IC 8-18-21-14

Tax exemption; property and revenue of authority

Sec. 14. All the property and revenues of a toll road authority are exempt from taxation for all purposes.

As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-15

Tax exemption; bonds and securities

Sec. 15. All the bonds and other securities issued by a toll road authority, including the interest on them, are exempt from taxation as provided in IC 6-8-5.

As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-16

Handling and expenditure of authority money; surety bonds

Sec. 16. (a) Except as otherwise provided in this chapter, all money coming into possession of the toll road authority shall be deposited, held, and secured in accordance with the general statutes concerning the handling of public funds. The handling and expenditure of money coming into possession of the authority is

subject to audit and supervision by the state board of accounts.

(b) Any employee of the toll road authority authorized to receive, disburse, or in any other way handle money or negotiable securities of the authority shall execute a bond payable to the state, with surety to consist of a surety or guaranty corporation qualified to do business in Indiana. The bond must be in an amount determined by the board of directors of the authority and must be conditioned upon the faithful performance of the employee's duties and the accounting for all money and property that may come into his hands or under his control. The cost of the bond shall be paid by the authority.

As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-17

Contracts subject to public works statutes

Sec. 17. All contracts let by a toll road authority for the construction and equipment of a toll road facility must be let in accordance with the general statutes concerning public works.

As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-18

Public records

Sec. 18. The records of a toll road authority are public records.

As added by P.L.386-1987(ss), SEC.21.

IC 8-18-21-19

Dissolution of authority

Sec. 19. (a) The county fiscal body and the municipal fiscal body of the county seat may by concurrent resolution dissolve a toll road authority. They may consider dissolving the toll road authority at any time, but they shall consider dissolving the toll road authority when they are presented with a petition signed by twenty percent (20%) of the registered voters residing in the county or thirty-five percent (35%) of the registered voters residing in the county seat.

(b) The concurrent resolution must provide a plan for paying any obligations, including bonds, of the toll road authority and for the disposition of the funds and property of the toll road authority.

As added by P.L.386-1987(ss), SEC.21.