

IC 15-13-10
Chapter 10. Revenue Bonds

IC 15-13-10-1
"Cost of project"

Sec. 1. (a) As used in this chapter, "cost of a project" includes the following:

- (1) The cost of construction and purchase.
- (2) The cost of acquisition of all land, rights-of-way, property, rights, easements, and other legal or equitable interests acquired by the commission for construction, including the cost of any relocations incidental to the acquisition.
- (3) The cost of demolishing or removing any buildings, structures, or improvements on property acquired by the commission, including the cost of:
 - (A) acquiring any property to which the buildings, structures, or improvements may be moved; or
 - (B) acquiring any property that may be exchanged for property acquired by the commission.
- (4) Financing charges.
- (5) The cost of issuance of bonds or notes, including cost of credit enhancement, such as bond or note insurance.
- (6) Remarketing or conversion fees.
- (7) Bond or note discount.
- (8) Capitalized interest.
- (9) The cost of funding any reserves to secure the payment of bonds or notes.
- (10) Engineering and legal expenses, and the cost of plans, specifications, surveys, estimates, and any necessary feasibility studies.
- (11) Other expenses necessary or incidental to determining the feasibility or practicability of constructing any project.
- (12) Administrative expenses of the commission relating to any project financed by bonds or notes.
- (13) Reimbursement of the commission for any cost, obligation, or expense incurred by the commission relating to a project.
- (14) Other expenses the commission finds necessary or incidental to the construction or purchase of the project, the financing of the construction or purchase of the project, and the placing of the project in operation.

(b) As used in this chapter, "cost of a project" does not include the construction of facilities for pari-mutuel horse racing.

As added by P.L.2-2008, SEC.4.

IC 15-13-10-2
"Project"

Sec. 2. As used in this chapter, "project" means any of the following concerning property at the fairgrounds:

- (1) Acquisition.
- (2) Construction.
- (3) Repair.
- (4) Refurbishing.

As added by P.L.2-2008, SEC.4.

IC 15-13-10-3

Bond purposes; form; duration; sale

Sec. 3. (a) Subject to the approval of the governor, the commission may, by resolution, authorize and issue revenue bonds to:

- (1) pay all or part of the cost of a project; or
- (2) refund outstanding revenue bonds.

(b) The principal of and the interest on bonds must be payable solely from the revenues specifically pledged to the payment of the principal and the interest on the bonds.

(c) The bonds of each issue must:

- (1) be dated; and
- (2) mature at a time not exceeding thirty (30) years from the date of the bonds.

(d) The bonds may be made redeemable before maturity, at the option of the commission, at a price and under terms and conditions fixed by the commission.

(e) The commission shall:

- (1) determine the form of the bonds; and
- (2) fix:
 - (A) the denomination of the bonds; and
 - (B) the place of payment of principal and interest, which may be at any bank or trust company in the United States.

(f) The bonds must be signed in the name of the commission by:

- (1) the commission chairperson; or
- (2) the facsimile signature of the commission chairperson.

(g) The official seal of the commission, or a facsimile of the seal, must be:

- (1) affixed to the bonds; and
- (2) attested by the executive director of the commission.

(h) If an officer whose signature or a facsimile of whose signature appears on a bond ceases to be an officer before the delivery of the bonds, the signature or facsimile is valid and sufficient for all purposes as if the officer had remained in office until the delivery.

(i) Bonds issued under this chapter have all the qualities and incidents of negotiable instruments under the laws of Indiana.

(j) Bonds may be issued in registered form.

(k) Bonds must be sold in accordance with IC 21-32-3.

(l) The commission shall cooperate with and use the assistance of the Indiana finance authority established under IC 4-4-11 in the issuance of the bonds.

As added by P.L.2-2008, SEC.4.

IC 15-13-10-4

Use of bond proceeds; replacement

Sec. 4. (a) The proceeds of the bonds of each issue must be:

- (1) used solely for the payment of the cost of the project for which the bonds were issued; and
- (2) disbursed in the manner and under those restrictions that the commission provides in the resolution authorizing the issuance of the bonds or in a trust agreement securing the bonds.

(b) If the proceeds of an issue of bonds are less than the cost of the project, additional bonds may be issued to provide the amount of the deficit. Unless specifically provided in the resolution authorizing the issuance of the bonds or in a trust agreement securing the bonds, the additional bonds:

- (1) are considered to be bonds of the same issue as the initially issued bonds; and
- (2) are entitled to payment from the fund from which the initially issued bonds are paid without preference or priority of the initially issued bonds.

(c) If the proceeds of the bonds of an issue exceed the cost of the project for which the bonds were issued, the surplus must be deposited to the credit of the sinking fund for the bonds. However, if there is not a sinking fund, the surplus must be held for the payment of the principal of and the interest on the bonds.

(d) The commission may provide for the replacement of bonds that become mutilated, destroyed, or lost.

(e) Bonds may not be issued under this chapter without the consent of the governor.

As added by P.L.2-2008, SEC.4.

IC 15-13-10-5

Security for bonds; pledge and assignment; trust agreements

Sec. 5. (a) Bonds issued under this chapter may be secured by a trust agreement between the commission and a corporate trustee, which may be any trust company or bank having the powers of a trust company in Indiana.

(b) A resolution adopted by the commission providing for the issuance of bonds, and any trust agreement under which the bonds are issued, may pledge or assign all or any part of the revenues received by the commission except that part necessary:

- (1) to pay the cost of the commission's administrative operation, maintenance, and repair expenses, and to provide reserves for those expenses; and
- (2) for depreciation reserves required by a bond resolution or trust agreement of the commission.

(c) The commission may not mortgage any property.

(d) When authorizing the issuance of bonds for a project, the commission may:

- (1) limit the amount of bonds that may be issued as a first lien and charge against the revenues pledged to the payment of the bonds; or

(2) authorize the later periodic issuance of additional bonds secured by the same lien to provide funds:

(A) for the completion of the project on account of which the original bonds were issued; or

(B) to pay the cost of additional projects.

The commission may issue additional bonds only on terms and conditions provided in the bond resolution adopted by the commission, in a trust agreement, or in a supplemental agreement. The additional bonds may be secured equally and ratably without preference, priority, or distinction with the original issue of bonds or may be made junior to the original issue.

(e) A pledge or an assignment made by the commission is valid and binding from the time the pledge or assignment is made. Revenues pledged and received by the commission are immediately subject to the lien of the pledge or assignment without physical delivery or further act. The lien of the pledge or assignment is valid and binding against all parties having claims of any kind against the commission, whether or not the parties have notice. Neither the resolution nor a trust agreement by which a pledge is created or assignment made need be filed or recorded except in the records of the commission.

(f) A trust agreement or a resolution providing for the issuance of bonds may contain reasonable provisions for protecting and enforcing the rights and remedies of the bondholders.

(g) A bank or trust company incorporated under the laws of the state and acting as the depository of the proceeds of bonds or other funds of the commission may furnish indemnifying bonds or pledge securities as required by the commission.

(h) A trust agreement may do the following:

(1) Set forth the rights and remedies of the bondholders and the trustee.

(2) Restrict the individual right of action by bondholders as is customary in trust agreements or trust indentures securing bonds or debentures of private corporations.

(3) Contain other provisions the commission considers reasonable and proper for the security of the bondholders.

(i) All expenses incurred in carrying out the provisions of a trust agreement may be treated as a part of the cost of the operation of the project.

As added by P.L.2-2008, SEC.4.

IC 15-13-10-6

Investment and use of funds

Sec. 6. (a) All money received under this chapter must be held and applied solely as provided in this chapter. Until the time the money is needed for use, the money may be invested or kept in depositories designated by the commission in the manner provided by IC 5-13.

(b) The resolution authorizing the issuance of bonds or the trust agreement securing the bonds must provide that any officer or any

bank or trust company entrusted with money under this chapter shall:

- (1) act as trustee of the money; and
- (2) hold and apply the money for the purposes of this chapter, under this chapter and the authorizing resolution or trust agreement.

As added by P.L.2-2008, SEC.4.

IC 15-13-10-7

Bondholder rights; enforcement

Sec. 7. (a) A holder of a bond issued under this chapter may, subject to the authorizing resolution or trust agreement:

- (1) protect and enforce the holder's rights under the laws of Indiana, the trust agreement, or the resolution authorizing the issuance of the bonds; and
- (2) enforce and compel the performance of the duties required under this chapter, by the trust agreement, or by resolution to be performed by the commission or by any officer of the commission.

(b) The trust agreement or resolution authorizing the issuance of the bonds may include provisions requiring the fixing, charging, and collecting of fees, rentals, or other charges by the commission.

As added by P.L.2-2008, SEC.4.

IC 15-13-10-8

Bonds; not a state or political subdivision obligation

Sec. 8. (a) Bonds issued under this chapter:

- (1) do not constitute:
 - (A) a debt of the state or of any political subdivision of the state; or
 - (B) a pledge of the faith and credit of the state or of any political subdivision; and
- (2) are payable solely from the funds pledged for payment of the bonds under this chapter.

(b) Each bond must contain on the face of the bond a statement to the effect that the bonds, as to both principal and interest, are not an obligation of the state or of any political subdivision of the state, but are payable solely from revenues pledged for payment of the bonds.

Those revenues may not include:

- (1) proceeds or interest derived from funds of the state; or
- (2) any proceeds received by the commission derived from the levy of any tax.

(c) All expenses incurred in carrying out this chapter are payable solely from funds provided under the authority of this chapter.

(d) This chapter may not be construed to authorize the commission to incur indebtedness or liability on behalf of or payable by:

- (1) the state; or
- (2) any political subdivision of the state.

As added by P.L.2-2008, SEC.4.

IC 15-13-10-9

Bonds; legal investment

Sec. 9. Bonds issued by the commission under this chapter constitute legal investments for:

- (1) any private trust funds; and
- (2) the funds of any banks, trust companies, insurance companies, building and loan associations, credit unions, banks of discount and deposit, savings banks, loan and trust and safe deposit companies, rural loan and savings associations, guaranty loan and savings associations, mortgage guaranty companies, small loan companies, industrial loan and investment companies, and any other financial institutions organized under the laws of Indiana.

As added by P.L.2-2008, SEC.4.

IC 15-13-10-10

Exemption of interest from taxes

Sec. 10. Interest paid on bonds issued under this chapter is exempt from taxation for all purposes, except:

- (1) the inheritance tax under IC 6-4.1; and
- (2) for determining financial institution tax liabilities under IC 6-5.5.

As added by P.L.2-2008, SEC.4.

IC 15-13-10-11

"Lessor"; leases

Sec. 11. (a) As used in this section, "lessor" has the meaning set forth for "leasing body" in IC 5-1-1-1. The term includes the Indiana bond bank.

(b) The commission may enter into a lease of any property that could be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed thirty (30) years. The lease may provide for payments from revenues under this chapter, taxes in the fund, any other funds that may be legally pledged by the commission, or any combination of these sources. Money in the fund may be used to make lease payments.

(c) A lease may provide that payments by the commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased project in accordance with the lease. The terms of each lease must be based upon the value of the project leased and may not create a debt of the commission for purposes of the Constitution of the State of Indiana. Property tax revenues may not be used to make lease payments unless those revenues have been appropriated by the general assembly. A lease under this section that is wholly or partly payable from property tax revenues must include the following:

- (1) A statement that the term of the lease is for:
 - (A) a period coextensive with the biennium used for state budgetary and appropriation purposes; and

- (B) a fractional period when the lease begins, if necessary.
- (2) A statement that the term of the lease is extended from biennium to biennium, with the extensions not to exceed a lease term of thirty (30) years, unless either the commission or the lessor gives notice of nonextension at least six (6) months before the end of a biennium, in which case the lease expires at the end of the biennium in which the notice is given.

(d) The commission may approve the execution of a lease if the commission finds that the service to be provided throughout the term of the lease will serve the public purpose of the commission and is in the best interests of the citizens of Indiana. Upon execution of the lease, the commission may publish notice of the adoption one (1) time each week for two (2) weeks in two (2) newspapers published and of general circulation in Marion County. If notice is published, any action or proceeding in any court to set aside the lease or to obtain relief upon the ground that the action of the commission in entering into the lease is invalid must be filed not more than thirty (30) days after the first publication of notice of the execution of the lease. After the expiration of the thirty (30) day period, a right of action may not be asserted and the validity of the lease or any of the provisions of the lease may not be questioned in any court or agency upon any grounds.

(e) If the commission exercises an option to buy a leased project from a lessor, the commission may subsequently sell the leased project, without regard to any other statute, to the lessor at the end of the lease term at:

- (1) a price set forth in the lease; or
- (2) the fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation.

As added by P.L.2-2008, SEC.4.