

IC 21-35-3

Chapter 3. Acquisition of Certain Support Facilities and Research Facilities; Revenue Bonds

IC 21-35-3-1

Applicability of chapter

Sec. 1. This chapter applies to the following state educational institutions:

- (1) Ball State University.
- (2) Indiana University.
- (3) Indiana State University.
- (4) Purdue University.
- (5) University of Southern Indiana.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-2

Applicable properties

Sec. 2. This chapter applies to the following property:

- (1) With respect to any state educational institution to which this chapter applies, the following support facilities:
 - (A) Dormitories and other housing facilities for single and married students and school personnel.
 - (B) Food service facilities.
 - (C) Student infirmaries and other health service facilities, including revenue producing hospital facilities serving the general public, together with parking facilities and other appurtenances in connection with student infirmaries and other health service facilities.
 - (D) Parking facilities in connection with academic facilities.
- (2) With respect to Indiana University and Purdue University only, the following research facilities:
 - (A) Facilities used for clinical, medical, scientific, or engineering research.
 - (B) Facilities used for other similar qualitative, quantitative, or experimental research.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-3

Supplemental effect of chapter

Sec. 3. This chapter does not repeal, modify, or amend any Indiana law in force on March 9, 1927, but shall be considered as supplemental to that law.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-4

Prior contracts and bonds unaffected; limited applicability of chapter

Sec. 4. This chapter may not be construed to affect the validity of

any contracts executed before March 10, 1965, or the validity of any bonds contracted to be sold before March 10, 1965. This chapter does not apply to any facilities approved by the budget agency or any predecessor of the budget agency and the governor before March 10, 1965, or to any facilities for which temporary or interim financing commitments were made before March 10, 1965, or to the issuance of bonds for any such facilities.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-5

Effect of Acts 1977 P.L.250

Sec. 5. (a) Acts 1977, P.L.250 does not affect the issuance of bonds for projects approved by the budget committee and the governor before July 1, 1977.

(b) The termination of bonding authority under Acts 1977, P.L.250 does not prevent, limit, or affect the issuance of bonds under IC 5-1-5.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-6

Construction, improvement, operation, and control of various facilities; acquisition of real and personal property for facilities; authorized

Sec. 6. The board of trustees of a state educational institution may, if the board of trustees finds that a necessity exists, erect, construct, reconstruct, extend, remodel, improve, complete, equip, furnish, operate, control, and manage support facilities at or in connection with the state educational institution or another state educational institution for purposes of the respective state educational institutions.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-7

Indiana University and Purdue University boards; power to construct, improve, operate, and control various facilities; limitations on use of fees

Sec. 7. (a) This section and any other provisions of this chapter related to implementing this section apply only to the following state educational institutions:

- (1) Indiana University.
- (2) Purdue University.

(b) The board of trustees of Indiana University and the board of trustees of Purdue University may, if the boards of trustees of the state educational institutions find that a necessity exists, erect, construct, reconstruct, extend, remodel, improve, complete, equip, furnish, operate, control, and manage research facilities, if revenue from state, federal, local, or private gifts, grants, contractual payments, or reimbursements is available in an amount that is reasonably expected to at least equal the annual debt service

requirements of the bonds and the costs to operate the research facility for each fiscal year that the bonds are outstanding at or in connection with any of the following campuses of Indiana University or Purdue University:

- (1) Purdue University-West Lafayette Campus.
- (2) Indiana University-Purdue University at Indianapolis (IUPUI).
- (3) Indiana University-Bloomington Campus.

(c) Student fees and money appropriated by the general assembly may not be used to pay the debt service requirements or the maintenance expenses of a research facility.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-8

Authority to acquire personal and real property

Sec. 8. A state educational institution may acquire by:

- (1) purchase;
- (2) lease;
- (3) condemnation;
- (4) gift; or
- (5) other means;

any property, real or personal, that in the judgment of the state educational institution is necessary for a support facility or a research facility.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-9

Authority to improve and use acquired property

Sec. 9. A state educational institution may improve and use any property acquired for a support facility or a research facility.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-10

Title to acquired property

Sec. 10. Title to all property acquired by a state educational institution, including the improvements located on the property, shall be taken and held by and in the name of the state educational institution.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-11

Acquisition of real property; approval of governor; conveyance and execution of deed

Sec. 11. (a) If the board of trustees of any state educational institution determines that real estate, the title to which is in the name of the state, for the use and benefit of the board of trustees or the state educational institution under the board's control, is reasonably required for use as a support facility or a research facility, the real estate may, upon:

(1) request in writing of the board of trustees of the state educational institution to the governor; and
(2) the approval of the governor;
be conveyed by deed from the state to the board of trustees of the state educational institution.

(b) The governor may execute and deliver the deed:

- (1) in the name of the state of Indiana;
- (2) signed on behalf of the state by the governor;
- (3) attested by the auditor of state; and
- (4) with the seal of the state affixed to the deed.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-12

Issuance and sale of bonds

Sec. 12. To raise funds for the acquisition of property and the erection, construction, reconstruction, extension, remodeling, improvement, completion, equipping, and furnishing of property, the board of trustees of a state educational institution may issue and sell bonds of the state educational institution.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-13

Bonds and interest on bonds secured by pledge or mortgage

Sec. 13. The bonds and the interest on the bonds may be secured by pledge or mortgage of:

- (1) any property, real or personal, used or acquired or to be acquired and used for the property and the improvements made or to be made on the property;
- (2) the net income from the property;
- (3) the property and the net income from the property; or
- (4) any unobligated net income of any property financed under this chapter;

as the board of trustees may determine.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-14

Liens

Sec. 14. The lien of the pledge or mortgage, to the extent of the lien:

- (1) as determined and provided by the board of trustees; and
- (2) as authorized under this chapter;

is a first and primary lien for the payment of the bonds and the interest on the bonds.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-15

Maximum bond amounts

Sec. 15. The bonds may be issued for an amount or amounts as the board of trustees determines. However, these amounts may not

exceed:

- (1) the total estimated cost of acquiring property for and erecting, constructing, reconstructing, extending, remodeling, improving, completing, equipping, furnishing, and financing the proposed property as the board of trustees determines the cost to be; plus
- (2) incidental expenses, financing costs, underwriter's discount, funded or capitalized interest, municipal bond insurance premiums, or funding debt service reserve funds from bond proceeds.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-16

Determination of denominations and maturation of bonds; rates of interest

Sec. 16. (a) The bonds may be:

- (1) issued in the denominations and with the maturities as the board of trustees determines; and
- (2) in the discretion of the board of trustees, sold either at public or negotiated sale, as provided by IC 21-32-3-1.

(b) The rate or rates of interest on the bonds may be fixed or variable. Variable rates must be determined in the manner and in accordance with the procedures set forth in the resolution or indenture authorizing the issuance of the bonds. Bonds bearing a variable rate of interest may be converted to bonds bearing a fixed rate or rates of interest to the extent and in the manner set forth in the resolution or indenture under which the bonds are issued.

(c) Interest on bonds may be:

- (1) payable semiannually, annually, or at any other interval or intervals provided in the resolution; or
- (2) compounded and paid at maturity or at any other time as specified in the resolution or indenture.

(d) The bonds may be made subject to redemption by the state educational institution at the times and under the circumstances set forth in the authorizing resolution or indenture.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-17

Bonds and pledges or mortgages made in the name of the state educational institution

Sec. 17. Bonds and the pledge or mortgage securing bonds, shall be issued and made in the name and on behalf of the state educational institution by the officer or officers that the board of trustees designates.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-18

Limitation on state or institutional liability for indebtedness

Sec. 18. Indebtedness, a bond, or an obligation incurred or created

under the authority of this chapter may not be or become a lien, charge, or liability against:

- (1) the state of Indiana;
- (2) the state educational institution issuing the bonds; or
- (3) the property or funds of the state or the state educational institution issuing the bonds, except to the extent of the property or income authorized to be pledged or mortgaged.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-19

Authority to furnish heat, light, power, and other like facilities or services with or without charge

Sec. 19. The board of trustees of a state educational institution may furnish heat, light, power, and other like services to any or all property with or without charge.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-20

Tax exemption

Sec. 20. All:

- (1) property:
 - (A) acquired under authority of this chapter; or
 - (B) used as a support facility or a research facility; and
- (2) bonds issued under the authority of this chapter, together with the interest on the bonds;

are exempt from taxation.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-21

Contracts; approval of the budget agency and governor

Sec. 21. (a) Subject to this section, contracts to:

- (1) acquire land for;
- (2) construct, purchase, lease, sublease, or otherwise acquire; or
- (3) engage architectural or engineering services in connection with;

any property to be financed in whole or in part by the issuance of bonds under this chapter may not be made by any state educational institution without the specific approval of the budget agency and the governor.

(b) This section does not apply to any contract relating to property, the cost of which does not exceed fifty thousand dollars (\$50,000).

As added by P.L.2-2007, SEC.276.

IC 21-35-3-22

Issuance of bonds; approval of the budget agency, budget committee, and governor; recommendations; refunds

Sec. 22. (a) Bonds may not be issued by a state educational institution under this chapter without the specific approval of:

- (1) the budget agency, if:
 - (A) the bonds are issued for the refunding or advance refunding of any outstanding bonds approved under this chapter; and
 - (B) the board of trustees of the issuing state educational institution makes the findings described in subsection (b); or
- (2) the budget committee, the budget agency, and the governor, if subdivision (1) does not apply.

The budget agency may request and consider the recommendation of the staff of the Indiana finance authority with respect to the approval of a bond issue under this section.

(b) The board of trustees of a state educational institution may provide for refunding or advance refunding of any outstanding bonds under subsection (a)(1) whenever the board of trustees of the state educational institution finds that the refunding or advance refunding will benefit the state educational institution because:

- (1) a net savings to the state educational institution will be effected; or
- (2) the net present value of principal and interest payments on the bonds is less than the net present value of the principal and interest payments on the outstanding bonds to be refunded.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-23

Maximum aggregate principal amount of bonds each biennium

Sec. 23. The general assembly may establish each biennium in the appropriation act the maximum aggregate principal amount of bonds that any one (1) or more state educational institution may issue during the ensuing biennium under this chapter.

As added by P.L.2-2007, SEC.276.

IC 21-35-3-24

Actions to contest validity of bonds

Sec. 24. An action to contest the validity of any bonds issued under this chapter may not be brought after the fifteenth day following:

- (1) the first publication of notice of the sale or intent to sell the bonds under IC 21-32-3 if the bonds are sold at public sale; or
- (2) the publication one (1) time in newspapers described in IC 21-32-3-3 of notice of the execution and delivery of the contract of sale for the bonds if the bonds are sold at negotiated sale.

The state educational institution shall publish notice under subdivision (2) if the state educational institution sells bonds at negotiated sales no later than thirty (30) days after the execution of the contract of sale for the bonds.

As added by P.L.2-2007, SEC.276.