

IC 21-32-3.5

Chapter 3.5. Retirement Liability Bonds

IC 21-32-3.5-1

"Retirement liabilities"

Sec. 1. As used in this chapter, "retirement liabilities" means the payments to be made to a fund or funds administered by the board of trustees of the Indiana public retirement system for liabilities of a state educational institution resulting from a withdrawal from such a fund or a freezing of participation under such fund under IC 5-10.2-2-20 and IC 5-10.2-2-21.

As added by P.L.213-2015, SEC.241.

IC 21-32-3.5-2

Authority to issue bonds; debt service; sources of revenue

Sec. 2. (a) The board of trustees of a state educational institution may issue bonds for payment of retirement liabilities and pay the proceeds of the bonds to the Indiana public retirement system.

(b) The board of trustees of a state educational institution may establish debt service reserves or sinking funds with proceeds of bonds issued to fund retirement liabilities.

(c) Bonds issued under this chapter may be payable from student fees, legally available funds, sinking funds, debt service reserve funds, general operating revenues, or any combination of these sources. Bonds may be issued under this chapter by a board of trustees only after the approvals required under IC 21-35-3-22.

As added by P.L.213-2015, SEC.241.

IC 21-32-3.5-3

Sinking funds not property of state; investment

Sec. 3. (a) Sinking funds that are created with respect to bonds issued under this chapter to fund retirement liabilities shall be held as private funds held in trust by the board of trustees, and shall not be deemed to be property of the state.

(b) Sinking funds and debt service reserves may be invested in accordance with the provisions of IC 21-29. The principal of, accretions to, or earnings derived from sinking funds and debt service reserve funds may be used:

- (1) to pay principal of and interest on bonds issued under this chapter to fund retirement liabilities; and
- (2) to pay costs of administration of such sinking funds and debt service reserve funds.

As added by P.L.213-2015, SEC.241.

IC 21-32-3.5-4

Bonds not debt, pledge of credit, or moral obligation of state

Sec. 4. Bonds issued under this chapter do not constitute a debt, liability, or obligation of the state of Indiana or a pledge of the credit

of the state of Indiana, but shall be payable solely from the sources specified in this chapter. No moral obligation of the state of Indiana shall exist to appropriate funds to pay principal of or interest on any bond issued under this chapter.

As added by P.L.213-2015, SEC.241.