

## **IC 21-35-2**

### **Chapter 2. Construction and Operation of Fieldhouses, Gymnasiums, Student Unions, and Halls of Music; Revenue Bonds**

#### **IC 21-35-2-1**

##### **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 21-35-2-2**

##### **Applicable properties**

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

- (1) Athletic field houses.
- (2) Gymnasiums.
- (3) Student unions.
- (4) Halls of music.

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

#### **IC 21-35-2-3**

##### **Supplemental effect of chapter**

Sec. 3. This chapter may not be construed to repeal, modify, or amend any Indiana law in effect on March 8, 1929, but shall be construed to be supplemental to any Indiana law in effect on March 8, 1929.

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

#### **IC 21-35-2-4**

##### **Prior contracts validated**

Sec. 4. (a) Sections 20 through 23 of this chapter may not be construed to affect the validity of:

- (1) any contracts executed before March 9, 1965; or
  - (2) any bonds contracted to be sold before March 9, 1965.
- (b) Sections 20 through 23 of this chapter do not apply to:
- (1) any facilities:
    - (A) approved by:
      - (i) the budget agency or any predecessor to the budget agency; and
      - (ii) the governor;before March 9, 1965; or
    - (B) for which temporary or interim financing commitments were made before March 9, 1965; or

(2) the issuance of bonds for any facilities described in subdivision (1).

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

#### **IC 21-35-2-5**

##### **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 21-35-2-6**

##### **Authority to erect, construct, complete, equip, furnish, operate, control, and manage property**

Sec. 6. The board of trustees of a state educational institution may, as the board of trustees finds necessary, erect, construct, complete, equip, furnish, operate, control, and manage property with another state educational institution for the purposes of the state educational institution.

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

#### **IC 21-35-2-7**

##### **Authority to acquire real and personal property**

Sec. 7. The board of trustees of a state educational institution may acquire under this chapter or any other law, by:

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

any property, real or personal, that in the judgment of the board of trustees is necessary for the state educational institution's purposes.

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

#### **IC 21-35-2-8**

##### **Authority to use real or personal property acquired**

Sec. 8. The board of trustees may use for the state educational institution's purposes any real or personal property acquired by the state educational institution.

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

#### **IC 21-35-2-9**

##### **Title to acquired property**

Sec. 9. Title to all property acquired by the state educational institution, including the improvements on the property, shall be

taken and held in the name of the board of trustees in their corporate capacity for purposes of this chapter.

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

#### **IC 21-35-2-10**

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

Sec. 10. (a) If:

(1) a state educational institution receives by gift, benefaction, or other means any structures or equipment:

(A) located on real estate, title to which is in the name of the state, for the use and benefit of:

- (i) the state educational institution; or
- (ii) the board of trustees of the state educational institution; and

(B) that:

- (i) is incomplete; or
- (ii) in the judgment of its board of trustees, is insufficient for the needs of the state educational institution; or

(2) the board of trustees of a state educational institution decides to locate and construct any structures or equipment on real estate, title to which is in the name of the state for the use and benefit of:

(A) the state educational institution; or

(B) the board of trustees of the state educational institution; the parcel of real estate on which the structures or equipment is located or on which it is proposed to locate the structures and equipment and reasonably required by the state educational institution for any of the purposes enumerated in this chapter may, upon request in writing of the board of trustees of the state educational institution to the governor and the approval of the governor, be conveyed by deed from the state to the board of trustees of the state educational institution in their corporate capacity for the purposes, or any of the purposes, of this chapter.

(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 21-35-2-11**

##### **Issuance and sale of bonds**

Sec. 11. To raise funds for the acquisition of property and the erection, construction, remodeling, renovation, furnishing, and equipping 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 21-35-2-12**

##### **Bonds and interest on bonds secured by pledges or mortgages**

Sec. 12. 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 purposes described under this chapter 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 determines.

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

#### **IC 21-35-2-13**

##### **Liens**

Sec. 13. The lien of the pledge or mortgage, to the extent of the lien, as:

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

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

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

#### **IC 21-35-2-14**

##### **Maximum amount of bonds**

Sec. 14. Bonds may be issued for the amount or amounts as the board of trustees determines. However, these amounts may not exceed:

- (1) the total estimated cost of acquiring, erecting, constructing, remodeling, renovating, completing, equipping, and furnishing any property as the respective trustees determine 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 21-35-2-15**

##### **Determination of denomination and maturation of bonds; rates of interest**

Sec. 15. (a) Bonds may be issued in the denominations and with the maturities as the respective trustees determine, and, in the discretion of the respective trustees, the bonds may be sold either at public or negotiated sale as provided by IC 21-32-3.

(b) The rate or rates of interest on the bonds may be fixed or variable. Variable rates shall 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) The interest 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 21-35-2-16**

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

Sec. 16. Bonds and the pledge or mortgage securing the 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 21-35-2-17**

##### **Liability of state or institutions for indebtedness limited**

Sec. 17. Indebtedness, a bond, or an obligation incurred or created under the authority of this chapter may not be or become:

- (1) an indebtedness of or liability against the state of Indiana or a state educational institution; or
- (2) a lien or charge against the property or funds of a state educational institution;

except to the extent of the property or income pledged or mortgaged as authorized.

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

#### **IC 21-35-2-18**

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

Sec. 18. The board of trustees may furnish heat, light, power, and other like facilities or service to any or all of the buildings, structures, or improvements contemplated by this chapter from the plant or plants or facilities of the state educational institution with or without charge.

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

### **IC 21-35-2-19**

#### **Tax exemption**

Sec. 19. All:

- (1) property acquired under authority of this chapter or used for the purposes provided in this chapter; 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 21-35-2-20**

#### **Contracts; approval of the budget agency and governor**

Sec. 20. (a) Except as provided in this section, contracts to acquire land for or to construct, purchase, lease, sublease, or otherwise acquire, or to engage architectural or engineering services in connection with any buildings, structures, equipment, and improvements to be financed in whole or in part by the issuance of bonds under this chapter may not be made by the board of trustees of a 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 a facility, the cost of which does not exceed fifty thousand dollars (\$50,000).

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

### **IC 21-35-2-21**

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

Sec. 21. (a) Bonds may not be issued by the board of trustees of 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 as required by this chapter; and
  - (B) the board of trustees of the state educational institution makes the findings described in subsection (b); and
- (2) the budget committee, 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 result;

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 21-35-2-22**

##### **Bond issuance; limitations**

Sec. 22. Bonds may not be issued by any of the institutions under this chapter unless the general assembly has provided for the bonds by establishing in the appropriation act the amount of bonds that the institutions may issue for the purposes described in section 14(1) of this chapter. However, the bonds, regardless of when the appropriation law was enacted, may be issued in an amount not exceeding:

(1) the amount of bonds approved in the appropriation law together with the amounts described in section 14(2) of this chapter; plus

(2) the amount of the discount below par value, if the bonds are sold at a price below par value under IC 21-32-3-2.

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

#### **IC 21-35-2-23**

##### **Actions to contest validity of bonds**

Sec. 23. 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 it sells bonds at negotiated sale 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.*