

IC 36-9-4

Chapter 4. Urban Mass Transportation Systems; Public Transportation Corporation

IC 36-9-4-1

Application of chapter

Sec. 1. This chapter applies to all municipalities.

As added by Acts 1981, P.L.309, SEC.77. Amended by P.L.182-2009(ss), SEC.451; P.L.119-2012, SEC.227; P.L.121-2016, SEC.40.

IC 36-9-4-2

"Management" defined

Sec. 2. For purposes of this chapter, the "management" of an urban mass transportation system is:

- (1) the board of directors, for a corporation;
- (2) the majority of the partners, for a partnership in which the partners have equal rights in the management and control of the partnership business;
- (3) the partners having a controlling interest, for other partnerships;
- (4) the proprietor, for an individual proprietorship; or
- (5) the managers, if any, or members of a limited liability company.

As added by Acts 1981, P.L.309, SEC.77. Amended by P.L.8-1993, SEC.518.

IC 36-9-4-3

Declaration of public purpose

Sec. 3. The establishment of an urban mass transportation system under this chapter is a public use and purpose for which public money may be spent and private property may be acquired.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-4

Existing systems; application for assistance from municipalities

Sec. 4. (a) If the management of an urban mass transportation system in any municipality finds that the system is unable to render adequate service within the municipality or that there is imminent danger that the system will be unable to render that service, the management of the system may apply to the municipal legislative body for assistance under this chapter.

(b) On receipt of an application under subsection (a) the municipal legislative body may study whether the financial position of the transportation system is such that the system is unable to render adequate service within the municipality or that there is imminent danger that the system will be unable to render that service. The legislative body shall pay for these studies by appropriation from

the general fund of the municipality, and the money need not be restored to the general fund.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-5

Financial assistance from municipality; necessary findings; types of assistance

Sec. 5. (a) The municipal legislative body may furnish the urban mass transportation system with the financial assistance necessary to enable the system to provide adequate service within the municipality, if the legislative body finds:

- (1) that the system is unable to render that service or that there is imminent danger that the system will be unable to render that service; and
- (2) that the system is:
 - (A) necessary to relieve traffic congestion in the municipality;
 - (B) necessary for the proper use of the factories, stores, warehouses, offices, schools, recreational facilities, and other places where members of the general public congregate;
 - (C) necessary to expand the economic and social opportunities available to residents of the municipality, especially those who cannot freely move about without the services of the system;
 - (D) a substantial factor in maintaining real property values in the municipality; or
 - (E) a substantial factor in providing public housing, redevelopment of blighted areas, and publicly owned offstreet parking facilities.

(b) The municipal legislative body may furnish assistance under this section by:

- (1) making grants to the system;
- (2) purchasing buses or real property from the system or from any other source for lease to the system; or
- (3) making both grants and purchases.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-6

Grants to systems by municipalities; contracts

Sec. 6. (a) If the municipal legislative body decides to make grants under section 5 of this chapter, it must enter into and confirm by ordinance a contract with the urban mass transportation system. The contract must provide for the payment of money by the municipality to the system in the amounts and at the times determined by the parties, and may include other terms and conditions determined by the parties. However, the contract may not:

- (1) require the system to repay the grants to the municipality;
- (2) exceed ten (10) years in duration; or
- (3) require the municipality to make grants to a system that has ceased operations within the municipality.

(b) The municipal legislative body may pay the grants by appropriation from the general fund of the municipality or from a special fund established for that purpose.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-7

Purchase of property from system by municipality; contracts and leases; appraisals

Sec. 7. (a) If the municipal legislative body decides to purchase buses or real property, or both, from the urban mass transportation system under section 5 of this chapter, it must enter into and confirm by ordinance a contract and lease requiring the municipality to:

(1) purchase all or part of:

(A) the buses operated by the system; or

(B) the real property owned by the system; as determined by the parties; and

(2) lease the buses or property purchased to the system for use in providing mass transportation within the municipality.

(b) The municipality must pay the system a sum equal to the fair value of the buses or real property purchased, less the amount outstanding under any mortgage, contract of sale, or other security device that may attach to the buses or real property. The municipality may immediately pay off any such outstanding amount or assume any such mortgage, contract of sale, or other security device.

(c) The fair value of the buses or real property shall be determined by three (3) appraisers experienced in the appraisal of buses or real property. One (1) of the appraisers shall be appointed by the municipality and one (1) by the system. These two (2) appraisers shall then appoint a third appraiser. However, if they are unable to do so, each shall submit the names of three (3) appraisers to the circuit court for the county in which the municipality is located and the court shall appoint the third appraiser from the names submitted.

(d) If the municipal legislative body decides to purchase both buses and real property for lease to an urban mass transportation system, three (3) appraisers shall be appointed to determine the fair value of the buses and an additional three (3) appraisers shall be appointed to determine the fair value of the real property. Each group of three (3) appraisers shall be appointed in the manner prescribed by subsection (c).

(e) Before making their appraisal, the appraisers must appear before the clerk of the legislative body and take an oath to make a just and true appraisal of the buses or real property.

(f) A lease of buses or real property by a municipality to a system under this section must incorporate provisions for rental and other terms and provisions that the municipal legislative body considers necessary under this chapter. The municipality and the system may enter into additional contracts and leases during the term of the lease. The term of a lease of buses under this section may not exceed

twenty-five (25) years.

As added by Acts 1981, P.L.309, SEC.77. Amended by Acts 1981, P.L.317, SEC.1.

IC 36-9-4-8

Purchase of property by municipalities from sources other than systems; contracts and leases

Sec. 8. (a) If, under section 5 of this chapter, the municipal legislative body decides to purchase buses or real property, or both, for the urban mass transportation system from a source other than the system, it must enter into and confirm by ordinance a contract and lease requiring the municipality to:

- (1) purchase the buses or real property; or
- (2) lease the buses or property purchased to the system for use in providing mass transportation within the municipality.

(b) A lease of buses or real property by a municipality to a system under this section must incorporate provisions for rental and other terms and provisions that the municipal legislative body considers necessary under this chapter. The municipality and the system may enter into additional contracts and leases during the term of the lease. The term of a lease of buses under this section may not exceed twenty-five (25) years.

(c) The purchase of buses under this section is governed by the general statutes governing public purchases.

As added by Acts 1981, P.L.309, SEC.77. Amended by Acts 1981, P.L.317, SEC.2.

IC 36-9-4-9

Public acquisition of systems; application to municipality; studies

Sec. 9. (a) If the management of an urban mass transportation system in any municipality finds that public acquisition of the system is necessary to enable the system to render adequate service within the municipality, the management of the system may request the municipal legislative body to determine whether the public should acquire the system. The management may withdraw this request only if:

- (1) at least six (6) months have passed since the date of the request; and
- (2) the municipal legislative body did not adopt an ordinance to acquire the system within six (6) months from the date of the request.

(b) On receipt of the request, the municipal legislative body shall study whether it is in the public interest that the public acquire the system. The legislative body shall pay for these studies by an appropriation from the general fund of the municipality, which need not be restored to the general fund.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-10

Public acquisition of systems; declaratory resolution; creation of public transportation corporation

Sec. 10. (a) If, as a result of its studies under section 9 of this chapter, the municipal legislative body finds that public acquisition of the system would fulfill one (1) or more of the conditions listed in section 5(a)(2) of this chapter, it may adopt an ordinance:

- (1) declaring that public acquisition of the system is in the public interest of the municipality;
- (2) providing for the creation of a public transportation corporation;
- (3) specifying the number of directors of the corporation; and
- (4) setting forth the boundaries of the taxing district of the corporation.

(b) The taxing district set forth in the ordinance may include only:

- (1) all territory inside the corporate boundaries of the municipality; and
- (2) the suburban territory, as defined in IC 36-9-1-9, that is served by the system at the time of acquisition.

As added by Acts 1981, P.L.309, SEC.77. Amended by P.L.348-1983, SEC.2.

IC 36-9-4-11

Establishment of systems by municipalities

Sec. 11. (a) The legislative body of a municipality may study whether it is in the public interest that a system be established and maintained under this chapter by the municipality. The legislative body shall pay for these studies by an appropriation from the general fund of the municipality, which need not be restored to the general fund.

(b) If the legislative body finds as a result of its studies that the establishment and maintenance of a system would fulfill any one (1) or more of the conditions listed in section 5(a)(2) of this chapter, it may adopt an ordinance specifying the conditions that are fulfilled.

The legislative body may then:

- (1) enter into a contract to make grants-in-aid to a system that will serve the municipality, under section 6 of this chapter;
- (2) enter into a contract to purchase buses and real property for lease to a system that will serve the municipality, under section 7 or 8 of this chapter; or
- (3) establish a public transportation corporation, under section 10 of this chapter.

As added by Acts 1981, P.L.309, SEC.77. Amended by Acts 1982, P.L.217, SEC.1.

IC 36-9-4-12

Public transportation corporation; name

Sec. 12. A public transportation corporation is a separate

municipal corporation, which shall be known as " Public Transportation Corporation" (designating the name of the municipality).
As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-13

Public transportation corporation; taxing district; boundaries after annexation and disannexation; incorporation of additional territory

Sec. 13. (a) After the creation of a public transportation corporation, territory may be added to the taxing district of the corporation only in accordance with this section.

(b) If the municipality finalizes an annexation or disannexation of territory, the boundaries of the taxing district of the corporation change so as to remain coterminous with the new boundaries of the municipality. Such a change takes effect when the annexation or disannexation takes effect.

(c) Upon written request by a majority of:

- (1) the resident freeholders in a platted subdivision; or
- (2) the owners of any unplatted lands;

in the same county as a public transportation corporation but not within a municipality, the board of directors of the corporation may, by resolution, incorporate all or part of the platted subdivision or unplatted lands into the taxing district. Such a request must be signed and certified as correct by the resident freeholders or landowners making the request, and the original must be preserved in the records of the board. The resolution of the board incorporating an area into the taxing district must be in writing and must include an accurate description of that area. A certified copy of the resolution, signed by the chairman and secretary of the board, together with a map showing the boundaries of the taxing district and the location of the additional areas, shall be delivered to the auditor of the county within which the corporation is located and shall be properly indexed and kept in the permanent records of the offices of the auditor.

(d) Upon written request by ten (10) or more resident freeholders of a platted subdivision or unplatted territory in the same county as a public transportation corporation but not within a municipality, the board of directors of the corporation may define the limits of an area that:

- (1) is within the county;
- (2) includes the property of the freeholders; and
- (3) is to be considered for incorporation into the taxing district.

Notice of the defining of the area by the board, and notice of the location and limits of the area, must be given by publication in accordance with IC 5-3-1. The area may then be incorporated into the taxing district upon request, in the manner prescribed by subsection (c).

(e) Property in territory added to the taxing district under

subsection (c) or (d) is, as a condition of the special benefits it subsequently receives, liable for its proportion of all taxes subsequently levied by the public transportation corporation. The proportion of taxation shall be determined in the same manner as when territory is annexed by a municipality.

As added by Acts 1981, P.L.309, SEC.77. Amended by Acts 1981, P.L.45, SEC.37; P.L.348-1983, SEC.3.

IC 36-9-4-13.5

Public transportation corporations in certain counties; city in county having second largest population

Sec. 13.5. (a) This section applies to a county having a population of more than two hundred fifty thousand (250,000) but less than two hundred seventy thousand (270,000).

(b) The taxing district of a public transportation corporation under this section includes all the territory inside the corporate boundaries of the two (2) cities in the county having the largest populations and such suburban territory as provided in section 13 of this chapter.

(c) This section applies upon the adoption of substantially identical ordinances approving subsection (b) by both:

- (1) the public transportation corporation incorporating the additional territory; and
- (2) the legislative body of the city being added to the taxing district of the public transportation corporation.

(d) Whenever the city in the county having the second largest population becomes a part of the public transportation corporation, then two (2) additional directors representing that city shall be appointed to the board of directors of the corporation. The directors must be residents of that city and are entitled to all of the rights, privileges, powers, and duties of directors under this chapter. The executive and the legislative body of that city shall each appoint one (1) director. These two (2) directors must not be of the same political party. The director appointed by the legislative body shall serve for a term of one (1) year, and the director appointed by the executive shall serve for a term of two (2) years. Upon the expiration of the respective terms, successors shall be appointed in accordance with section 18 of this chapter.

(e) If the city in the county having the second largest population appropriates money to support the public transportation corporation in a particular year, and if the territory of that city subsequently becomes a part of the taxing district of the public transportation corporation in that year and is subject to a separate property tax levy for transportation services, the maximum permissible levy of that city for the year following the particular year used to compute the property tax levy limit under IC 6-1.1-18.5 is decreased, and the maximum permissible levy of the public transportation corporation for the particular year used to compute the property tax levy limit under IC 6-1.1-18.5 is increased, by an amount equivalent to the

current contract amount to be paid by that city to the public transportation corporation for transportation services provided to that city in the particular year.

(f) The public transportation corporation shall establish a single property tax rate applicable to the taxing district of the public transportation corporation, including the territory of the city in the county having the second largest population that is included in the public transportation corporation under this section. The initial permissible levy to be raised by this rate equals the sum of the amount raised by the levy of the public transportation corporation in the previous taxable year plus an amount equivalent to the current contract amount to be paid in the calendar year 1982 by the city in the county having the second largest population to the public transportation corporation. The permissible levy for the subsequent years shall be computed in accordance with IC 6-1.1-18.5.

(g) If the city in the county having the second largest population is excluded from the public transportation corporation in a subsequent year, and that city is no longer subject to a separate property tax levy for transportation services, the maximum permissible levy of the public transportation corporation for that subsequent year used to compute the property tax levy limit under IC 6-1.1-18.5 is decreased, and the maximum permissible levy of that city for that subsequent year used to compute the property tax levy limit under IC 6-1.1-18.5 is increased, by the amount of the product of the public transportation property tax rate for that subsequent year multiplied by the assessed value in that subsequent year of all taxable property in that city that is excluded from the public transportation corporation.

As added by Acts 1981, P.L.186, SEC.2. Amended by P.L.73-1983, SEC.20; P.L.12-1992, SEC.177; P.L.119-2012, SEC.228.

IC 36-9-4-14

Public transportation corporation; management by board of directors

Sec. 14. (a) A public transportation corporation is under the control of a board of directors, which shall exercise the executive and legislative powers of the corporation.

(b) Directors must be residents of the taxing district of the corporation.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-15

Cities; public transportation corporations; board of directors; membership

Sec. 15. (a) The board of directors of a public transportation corporation in a city consists of either five (5) or seven (7) directors, as determined by the city legislative body.

(b) If the board of directors consists of five (5) directors, they are:

- (1) two (2) directors appointed by the city executive, for terms of one (1) and two (2) years, respectively; and
- (2) three (3) directors appointed by the city legislative body, for terms of two (2), three (3), and four (4) years, respectively.
- (c) If the board of directors consists of seven (7) directors, they are:
 - (1) three (3) directors appointed by the city executive, for terms of one (1), two (2), and three (3) years, respectively; and
 - (2) four (4) directors appointed by the city legislative body, for terms of one (1), two (2), three (3), and four (4) years, respectively.

As added by Acts 1981, P.L.309, SEC.77. Amended by Acts 1981, P.L.317, SEC.3.

IC 36-9-4-16

Towns; public transportation corporations; board of directors; membership

Sec. 16. (a) The board of directors of a public transportation corporation in a town consists of either five (5) or seven (7) directors, as determined by the town legislative body. All the directors shall be appointed by the legislative body.

- (b) If the board of directors consists of five (5) directors, they are:
 - (1) one (1) director appointed for a term of one (1) year;
 - (2) two (2) directors appointed for terms of two (2) years;
 - (3) one (1) director appointed for a term of three (3) years; and
 - (4) one (1) director appointed for a term of four (4) years.
- (c) If the board of directors consists of seven (7) directors, they are:
 - (1) two (2) directors appointed for terms of one (1) year;
 - (2) two (2) directors appointed for terms of two (2) years;
 - (3) two (2) directors appointed for terms of three (3) years; and
 - (4) one (1) director appointed for a term of four (4) years.

As added by Acts 1981, P.L.309, SEC.77. Amended by Acts 1981, P.L.317, SEC.4.

IC 36-9-4-17

Directors; membership in political parties

Sec. 17. The appointing authorities shall make appointments to the board of directors under section 15 or 16 of this chapter so that the number of directors belonging to either of the two (2) major political parties does not exceed the number belonging to the other by more than one (1). If the appointing authorities cannot agree on the manner in which this will be done, the municipal executive shall make the appointment that results in one (1) party having more directors than the other.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-18

Board of directors; vacancies

Sec. 18. (a) On the expiration of the term of office of a director of a public transportation corporation, the appointing authority shall appoint a director for a term of four (4) years and until his successor is appointed and qualified.

(b) If a director leaves office before his term has expired, the appointing authority shall appoint a new director to serve the remainder of the term.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-19**Impeachment of directors**

Sec. 19. A director of a public transportation corporation may be impeached under IC 5-8-1.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-20**Compensation of directors**

Sec. 20. A director of a public transportation corporation is entitled to:

- (1) compensation of not more than one thousand two hundred dollars (\$1,200) annually, as determined in the budget; and
- (2) reimbursement for any expenses incurred in the interest of the board of directors.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-21**Board of directors; officers**

Sec. 21. On the first day of the first month after their appointment, and annually after that, the directors of a public transportation corporation shall elect one (1) director as chairman of the board and one (1) director as secretary.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-22**Meetings of board of directors**

Sec. 22. (a) The board of directors of a public transportation corporation shall, by rule, provide for regular meetings to be held at designated intervals throughout the year.

(b) The board shall convene in a special meeting whenever such a meeting is called by the chairman or by a majority of the directors. Notice of a special meeting must be given by publication in accordance with IC 5-3-1.

(c) The board shall keep its meetings open to the public.

As added by Acts 1981, P.L.309, SEC.77. Amended by Acts 1981, P.L.45, SEC.38.

IC 36-9-4-23

Board of directors; quorum; approval of actions; records; management of internal affairs

Sec. 23. (a) A majority of the board of directors of a public transportation corporation constitutes a quorum for a meeting.

(b) The board may act officially by affirmative vote of a majority of those present at the meeting at which the action is taken.

(c) The board shall keep a written record of its proceedings available for public inspection in its office. The record must include the aye and nay vote on the passage of each item of business.

(d) The board shall adopt rules of procedure under which its meetings are to be held. The board may suspend these rules by unanimous vote of the members present at any meeting, but it may not suspend them beyond the meeting at which the suspension occurs.

(e) The board has the same power to supervise its internal affairs as other municipal administrative bodies.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-24

Introduction of proposed ordinances; public notice

Sec. 24. (a) A director of a public transportation corporation may introduce a proposed draft of an ordinance at a meeting of the board of directors. A director who introduces a proposed draft of an ordinance must provide, at the time of introduction, a written copy of the proposed draft. The board must place the date of introduction and a distinguishing number on each proposed draft of an ordinance.

(b) The board must publish a notice that the proposed ordinance is pending final action by the board. The notice must be published in accordance with IC 5-3-1. However, notice of an ordinance establishing a budget must be given in accordance with the statutes governing budgets of the municipality served by the corporation.

(c) The board must include in the notice reference to the subject matter of the proposed ordinance and the time and place a hearing on it will be held, and must indicate that the proposed draft of an ordinance is available for public inspection at the office of the board. The board may include in one (1) notice a reference to the subject matter of each draft of an ordinance that is pending and for which notice has not previously been given. The reference to the subject matter is adequate if it is sufficient to advise the public of the general subject matter of the proposed ordinance.

(d) The board must, not later than the date of notice of the introduction of a proposed ordinance, place five (5) copies of the proposed draft on file in the office of the board for public inspection.
As added by Acts 1981, P.L.309, SEC.77. Amended by Acts 1981, P.L.45, SEC.39.

IC 36-9-4-25

Adoption of ordinances; procedure

Sec. 25. (a) At a meeting for which notice has been given under section 24 of this chapter, the board of directors of a public transportation corporation may take final action on the proposed ordinance or may postpone final consideration of it to a designated meeting in the future without giving additional notice. Before adopting an ordinance, the board must give an opportunity to any person present at the meeting to give testimony or evidence for or against the proposed ordinance, under the rules as to the number of persons who may be heard and the time limits adopted by the board.

(b) Whenever the board adopts an ordinance, it shall designate the effective date of the ordinance at the same meeting. If the board fails to designate the effective date of the ordinance in the record of the proceedings of the board, the ordinance takes effect fourteen (14) days after its passage.

(c) Whenever the board adopts an ordinance, it shall cause copies of the ordinance to be made available to the public.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-26

Printing and distribution of ordinances

Sec. 26. The board of directors of a public transportation corporation may provide for the printing of all or part of the ordinances of the corporation in pamphlet form or in bound volumes, and may distribute them without charge or may charge the cost of printing and distribution.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-27

Controller

Sec. 27. (a) The board of directors of a public transportation corporation shall appoint a qualified person to serve as controller. The controller is the chief fiscal officer of the corporation, and he must give bond in the sum and with the conditions prescribed by the board and with surety to the approval of the board.

(b) All money payable to the public transportation corporation shall be paid to the controller, and he shall deposit it under IC 5-13-6. The controller shall deposit this money in the depositories and in the accounts that the board designates by ordinance.

(c) The controller shall keep an accurate account of all appropriations made and all taxes levied by the public transportation corporation, all money owing or due to the corporation, and all money received and disbursed by the corporation, and he shall preserve all vouchers for payments and disbursements.

(d) The controller shall issue all warrants for the payment of money from the funds of the public transportation corporation, but he may not issue a warrant for the payment of a claim until the claim has been allowed in accordance with the procedure prescribed by the rules of the board. All warrants must be countersigned by the

chairman of the board.

(e) If the controller is called upon to issue a warrant, he may require evidence that the amount claimed is justly due, and for that purpose he may summon before him any officer, agent, or employee of the public transportation corporation and examine him on oath or affirmation relating to the warrant. The controller may administer the oath or affirmation.

(f) Notwithstanding subsections (d) and (e), the board may authorize the controller to pay a per diem in advance to a public transportation employee or board member who will attend a training session or other special business meeting required as a duty of the public transportation employee or board member.

(g) Each year, and more often if required by the board, the controller shall submit his records of account as controller for audit to the certified public accountant or firm of certified public accountants designated by the board. The certified public accountant or firm of certified public accountants shall submit to the board a certified report of the records of account, exhibiting the revenues, receipts, and disbursements, the sources from which the revenues and funds are derived, and the manner in which they have been disbursed.

As added by Acts 1981, P.L.309, SEC.77. Amended by P.L.19-1987, SEC.53; P.L.327-1995, SEC.2.

IC 36-9-4-28

Purchase of property from system by corporation

Sec. 28. (a) The board of directors of the public transportation corporation and the management of the urban mass transportation system shall negotiate for the purchase of all the real and personal property, licenses, rights, and interests of the system by the corporation, unless the system shows that part of its property is not necessary for the proper operation of the system.

(b) If the parties agree upon the terms and conditions of the purchase, the board shall adopt an ordinance incorporating those terms and conditions.

(c) If the parties cannot agree upon the terms and conditions of the purchase, the board may adopt an ordinance directing the acquisition of the property that has been the subject of the negotiations through eminent domain proceedings under section 32 of this chapter.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-29

Public transportation corporation; operation of system; contracts or leases for use of system

Sec. 29. (a) Upon acquisition of the necessary property by a public transportation corporation, the board of directors of the corporation may:

(1) operate and maintain the system;

- (2) lease the system to any operator; or
- (3) contract for the use of the system by any operator.

(b) The board may also contract with any organization that has executive personnel with experience and skill applicable to the superintendence of the operation and maintenance of an urban mass transportation system. The contract must require the organization to furnish its services and the services of its personnel for the superintendence of the system.

(c) The maximum term of a contract or lease executed under this section is twenty-five (25) years.

(d) A contract or lease executed under this section must be confirmed by ordinance of the board.

As added by Acts 1981, P.L.309, SEC.77. Amended by Acts 1981, P.L.317, SEC.5.

IC 36-9-4-29.4

Expansion of services outside operational boundaries

Sec. 29.4. (a) This section does not apply to a public transportation corporation located in a county having a consolidated city.

(b) A public transportation corporation may provide regularly scheduled passenger service to specifically designated locations outside the system's operational boundaries as described in IC 36-9-1-9 if all of the following conditions are met:

- (1) The legislative body of the municipality approves any expansion of the service outside the municipality's corporate boundaries.
- (2) The expanded service is reasonably required to do any of the following:
 - (A) Enhance employment opportunities in the new service area or the existing service area.
 - (B) Serve persons who are elderly, persons with a disability, or other persons who are in need of public transportation.
- (3) Except as provided in subsection (e), the expanded service does not extend beyond the boundary of the county in which the corporation is located.

(c) Notwithstanding section 39 of this chapter, a public transportation corporation may provide demand responsive service outside of the system's operational boundaries as described in IC 36-9-1-9 if the conditions listed in subsection (b) are met.

(d) The board may contract with a private operator for the operation of an expanded service under this section.

(e) Subsection (b)(3) does not apply to a special purpose bus (as defined in IC 20-27-2-10) or a school bus (as defined in IC 20-27-2-8) that provides expanded service for a purpose permitted under IC 20-27-9.

As added by P.L.229-1991, SEC.1. Amended by P.L.278-2001, SEC.9; P.L.1-2005, SEC.238; P.L.99-2007, SEC.223;

P.L.182-2009(ss), SEC.452.

IC 36-9-4-29.5

Repealed

(As added by P.L.229-1991, SEC.2. Repealed by P.L.182-2009(ss), SEC.468.)

IC 36-9-4-29.6

Repealed

(As added by P.L.229-1991, SEC.3. Repealed by P.L.182-2009(ss), SEC.468.)

IC 36-9-4-30

Board of directors; power to acquire, hold, and dispose of property

Sec. 30. The board of directors of a public transportation corporation may:

- (1) acquire by grant, purchase, gift, lease, or otherwise; and
- (2) hold, use, sell, lease, or dispose of;

real and personal property, licenses, patents, rights, and interests necessary or convenient for the exercise of its powers under this chapter.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-31

Board of directors; seal

Sec. 31. The board of directors of a public transportation corporation may adopt a seal to be impressed upon its instruments and may provide for the impression of that seal by printed or lithographic facsimile. An executed instrument bearing the seal of the board is prima facie evidence of its execution by the board and that its execution was legally authorized by the board.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-32

Eminent domain; procedure

Sec. 32. (a) The board of directors of a public transportation corporation may exercise the power of eminent domain for the condemnation of any interest in real or personal property for use within the taxing district of the corporation.

(b) Proceedings for the condemnation of property by the board are governed by IC 32-24-1 to the extent it is not in conflict with this chapter.

(c) The board may not institute proceedings until it has adopted an ordinance generally describing the property to be acquired, declaring that the public interest and necessity require the acquisition by the corporation of the property involved, and declaring that the acquisition is necessary for the establishment, development, extension, or improvement of the system. The ordinance is

conclusive evidence of the public necessity of the proposed acquisition and that the proposed acquisition is planned in a manner most compatible with the greatest public good and the least private injury.

As added by Acts 1981, P.L.309, SEC.77. Amended by P.L.2-2002, SEC.119.

IC 36-9-4-33

Board of directors; power to contract

Sec. 33. The board of directors of a public transportation corporation may contract with any person upon the terms and conditions the board considers best for the corporation including the following:

- (1) Contracting for self-insurance protection of its property or liability under IC 34-13-3.
- (2) Engaging in commissions or entering into agreements for the mutual insurance or sharing of risks for liability or property damage.
- (3) Agreeing to join with other municipal corporations for the mutual risk sharing of losses due to casualty or acts of God.

As added by Acts 1981, P.L.309, SEC.77. Amended by P.L.353-1987, SEC.1; P.L.1-1998, SEC.214.

IC 36-9-4-34

Contracts for operation of systems in contiguous territory and transfer of passengers between systems

Sec. 34. The board of directors of a public transportation corporation may enter into agreements with any urban mass transportation system operating in territory contiguous to the taxing district of the corporation, for:

- (1) the operation and maintenance of that system, including the use, sale, or lease of the real and personal property necessary for operation of the system; or
- (2) the transfer of passengers between that system and the system owned by the corporation, with a special rate to be charged for those passengers.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-35

Repealed

(Repealed by P.L.1-1990, SEC.368.)

IC 36-9-4-35.1

Board of directors; adoption of rules for operation of systems; rates, routings, and standards of service

Sec. 35.1. The board of directors of a public transportation corporation shall, by ordinance, make rules governing the use, operation, and maintenance of the urban mass transportation system.

The board may determine all rates, routings, and hours and standards of service and may change them whenever the board considers a change advisable. However, the board's powers under this section are subject to regulation by the department of state revenue as provided by section 58 of this chapter.

As added by P.L.1-1990, SEC.369.

IC 36-9-4-36

Board of directors; power to sue; service of process

Sec. 36. The board of directors of a public transportation corporation may, in the name of the corporation, sue or be sued in court. Service of process shall be made by service upon the secretary of the board, and notice must be served upon the secretary in the manner and form required by IC 34-13-3.

As added by Acts 1981, P.L.309, SEC.77. Amended by P.L.1-1998, SEC.215.

IC 36-9-4-37

Board of directors; employees; collective bargaining agreements

Sec. 37. (a) The board of directors of a public transportation corporation may appoint or employ a general manager, accountants, attorneys, traffic engineers, drivers, clerks, secretaries, guards, laborers, and other employees, and may prescribe and define their duties, regulate their compensation, discharge them, and appoint or employ their successors. Employees shall be selected without regard to race, religion, or any personal affiliation. The board shall select the general manager on the basis of his fitness for the position, taking into account his executive ability and his knowledge of and experience in the field of mass public transportation.

(b) The board shall bargain collectively and enter into written contracts with authorized labor organizations representing employees other than executive, administrative, or professional personnel. These contracts may provide for the binding arbitration of disputes, wages, salaries, hours, working conditions, health and welfare, insurance, vacations, holidays, sick leave, seniority, pensions, retirement, and other benefits.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-38

Surveys and studies

Sec. 38. The board of directors of a public transportation corporation may make traffic surveys, population surveys, and any other surveys and studies it considers useful in the operation of urban mass transportation systems.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-39

"Demand-responsive" or "dial-a-ride" system

Sec. 39. The board of directors of a public transportation corporation may establish and operate a "demand-responsive" or "dial-a-ride" transportation system as a part of its urban mass transportation system within the taxing district of the corporation. The rates and charges for the system and all related criteria are at the sole discretion of the board.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-40

Board of directors; power to fulfill purposes of corporation

Sec. 40. The board of directors of a public transportation corporation may carry out the purposes of the corporation.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-41

Acquisition of systems by corporation; protection of employees

Sec. 41. (a) Whenever a public transportation corporation acquires an urban mass transportation system under this chapter, the employees of the system must be protected as follows:

(1) The employees of the system must be retained to the fullest extent consistent with sound management, and those terminated or laid off must be assured priority of reemployment.

(2) The individual employees must be retained in positions the same as, or no worse than, their positions before the acquisition of the system.

(3) The rights, privileges, and benefits of the employees under any collective bargaining agreement are not affected, and the corporation shall assume the duties of the system under the agreement.

(4) The rights, privileges, and benefits of the employees under any pension or retirement plan are not affected, and the corporation shall assume the duties of the system under the plan.

(b) If a public transportation corporation acquires and leases an urban mass transportation system, or enters into a contract for the operation of the system under this chapter, the lease or contract must provide for compliance with subsection (a).

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-42 Version a

Funding

Note: This version of section effective until 1-1-2017. See also following version of this section, effective 1-1-2017.

Sec. 42. (a) A municipality or a public transportation corporation that expends money for the establishment or maintenance of an urban mass transportation system under this chapter may acquire the money for these expenditures:

(1) by issuing bonds under section 43 or 44 of this chapter;

- (2) by borrowing money made available for such purposes by any source;
- (3) by accepting grants or contributions made available for such purposes by any source;
- (4) in the case of a municipality, by appropriation from the general fund of the municipality, or from a special fund that the municipal legislative body includes in the municipality's budget; or
- (5) in the case of a public transportation corporation, by levying a tax under section 49 of this chapter or by recommending an election to use revenue from the county option income taxes, as provided in subsection (c).

(b) Money may be acquired under this section for the purpose of exercising any of the powers granted by or incidental to this chapter, including:

- (1) studies under section 4, 9, or 11 of this chapter;
- (2) grants in aid;
- (3) the purchase of buses or real property by a municipality for lease to an urban mass transportation system, including the payment of any amount outstanding under a mortgage, contract of sale, or other security device that may attach to the buses or real property;
- (4) the acquisition by a public transportation corporation of property of an urban mass transportation system, including the payment of any amount outstanding under a mortgage, contract of sale, or other security device that may attach to the property;
- (5) the operation of an urban mass transportation system by a public transportation corporation, including the acquisition of additional property for such a system; and
- (6) the retirement of bonds issued and outstanding under this chapter.

(c) This subsection applies only to a public transportation corporation located in a county having a consolidated city. In order to provide revenue to a public transportation corporation during a year, the public transportation corporation board may recommend and the county fiscal body may elect to provide revenue to the corporation from part of the certified distribution, if any, that the county is to receive during that same year under IC 6-3.5-6-17. To make the election, the county fiscal body must adopt an ordinance before November 1 of the preceding year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to provide revenue to the corporation. If such an ordinance is adopted, the county fiscal body shall immediately send a copy of the ordinance to the county auditor.

As added by Acts 1981, P.L.309, SEC.77. Amended by P.L.84-1987, SEC.15; P.L.5-1988, SEC.221; P.L.137-2012, SEC.123.

IC 36-9-4-42 Version b

Funding

Note: This version of section effective 1-1-2017. See also preceding version of this section, effective until 1-1-2017.

Sec. 42. (a) A municipality or a public transportation corporation that expends money for the establishment or maintenance of an urban mass transportation system under this chapter may acquire the money for these expenditures:

- (1) by issuing bonds under section 43 or 44 of this chapter;
- (2) by borrowing money made available for such purposes by any source;
- (3) by accepting grants or contributions made available for such purposes by any source;
- (4) in the case of a municipality, by appropriation from the general fund of the municipality, or from a special fund that the municipal legislative body includes in the municipality's budget; or
- (5) in the case of a public transportation corporation, by levying a tax under section 49 of this chapter or by recommending an election to use revenue from the local income tax, as provided in subsection (c).

(b) Money may be acquired under this section for the purpose of exercising any of the powers granted by or incidental to this chapter, including:

- (1) studies under section 4, 9, or 11 of this chapter;
- (2) grants in aid;
- (3) the purchase of buses or real property by a municipality for lease to an urban mass transportation system, including the payment of any amount outstanding under a mortgage, contract of sale, or other security device that may attach to the buses or real property;
- (4) the acquisition by a public transportation corporation of property of an urban mass transportation system, including the payment of any amount outstanding under a mortgage, contract of sale, or other security device that may attach to the property;
- (5) the operation of an urban mass transportation system by a public transportation corporation, including the acquisition of additional property for such a system; and
- (6) the retirement of bonds issued and outstanding under this chapter.

(c) This subsection applies only to a public transportation corporation located in a county having a consolidated city. In order to provide revenue to a public transportation corporation during a year, the public transportation corporation board may recommend and the county fiscal body may elect to provide revenue to the corporation from part of the certified distribution, if any, that the county is to receive during that same year under IC 6-3.6-9. To make the election, the county fiscal body must adopt an ordinance before November 1 of the preceding year. The county fiscal body must

specify in the ordinance the amount of the certified distribution that is to be used to provide revenue to the corporation. If such an ordinance is adopted, the county fiscal body shall immediately send a copy of the ordinance to the county auditor.

As added by Acts 1981, P.L.309, SEC.77. Amended by P.L.84-1987, SEC.15; P.L.5-1988, SEC.221; P.L.137-2012, SEC.123; P.L.197-2016, SEC.148.

IC 36-9-4-43

Issuance of bonds by municipality; procedure

Sec. 43. If the legislative body of a municipality decides to issue bonds to obtain all or part of the money to be expended for the establishment and maintenance of an urban mass transportation system under this chapter, the legislative body may issue the bonds of the municipality in the same manner as bonds for the general purposes of the municipality. However, the bonds may be sold to the federal government at private sale and without a public offering.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-44

Issuance of bonds by corporation; procedure

Sec. 44. (a) If the board of directors of a public transportation corporation decides to issue bonds to obtain all or part of the money to be expended for the establishment and maintenance of an urban mass transportation system under this chapter, the board shall adopt an ordinance directing the issuance of the bonds. The board shall certify a copy of the ordinance to the controller of the corporation, who shall then prepare the bonds.

(b) The bonds must be executed by the chairman of the board and attested by the controller of the corporation.

(c) The controller is responsible for the sale of the bonds.

(d) Except as otherwise provided in this section, the bonds shall be issued in the same manner as bonds for the general purposes of the municipality served by the public transportation corporation. However, the bonds may be sold to the federal government at private sale and without a public offering.

(e) In addition to the general power to issue bonds for the establishment and maintenance of a system, the board may issue bonds specifically:

(1) for the payment of any judgment against the corporation; and

(2) to establish or maintain a program of self-insurance or mutual insurance.

As added by Acts 1981, P.L.309, SEC.77. Amended by Acts 1981, P.L.317, SEC.6; P.L.353-1987, SEC.2.

IC 36-9-4-45

Bonds; terms; tax exemption; procedure

Sec. 45. (a) Bonds issued under this chapter:

- (1) shall be issued in the denomination;
- (2) are payable over a period not to exceed thirty (30) years from the date of the bonds; and
- (3) mature;

as determined by the ordinance authorizing the bond issue.

(b) All bonds issued under this chapter, the interest on them, and the income from them are exempt from taxation to the extent provided by IC 6-8-5-1.

(c) The provisions of IC 6-1.1-20 relating to:

- (1) filing petitions requesting the issuance of bonds and giving notice of those petitions;
- (2) giving notice of a hearing on the appropriation of the proceeds of the bonds;
- (3) the right of taxpayers to appear and be heard on the proposed appropriation;
- (4) the approval of the appropriation by the department of local government finance; and
- (5) the right of:
 - (A) taxpayers and voters to remonstrate against the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or
 - (B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

apply to the issuance of bonds under this chapter.

(d) A suit to question the validity of bonds issued under this chapter or to prevent their issue and sale may not be instituted after the date set for the sale of the bonds, and the bonds are incontestable after that date.

As added by Acts 1981, P.L.309, SEC.77. Amended by P.L.90-2002, SEC.505; P.L.219-2007, SEC.142; P.L.146-2008, SEC.787.

IC 36-9-4-46

Bonds; special tax levy

Sec. 46. (a) The board of directors of a public transportation corporation that issues bonds under this chapter shall levy a special tax each year upon all the property within the taxing district of the corporation. The tax shall be levied in such a manner as to meet and pay the principal of the bonds as they mature, together with all accruing interest.

(b) The county treasurer shall collect the tax in the same manner as other taxes are collected. As the treasurer collects the tax, he shall remit it to the controller of the public transportation corporation.

(c) In determining the amount of the levy, the board of directors shall consider any surplus of accumulated revenue derived from the operation of the urban mass transportation system, above the sum considered necessary to be applied upon or reserved for the payment of the operating and capital expenditures of the system, including

expenditures for the replacement of and additions to the property of the system and reserves established for the depreciation of the property of the system. If the board finds that this surplus is sufficient, it may apply all or part of the surplus to the payment of the principal of the bonds, together with the interest on them.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-47

Tax anticipation warrants

Sec. 47. (a) The board of directors of a public transportation corporation may:

- (1) borrow money in anticipation of receipt of the proceeds of taxes that have been levied by the board and have not yet been collected; and
- (2) evidence this borrowing by issuing warrants of the corporation.

The money that is borrowed may be used by the corporation for payment of principal and interest on its bonds or for payment of current operating expenses.

(b) The warrants:

- (1) bear the date or dates;
- (2) mature at the time or times on or before December 31 following the year in which the taxes in anticipation of which the warrants are issued are due and payable;
- (3) bear interest at the rate or rates and are payable at the time or times;
- (4) may be in the denominations;
- (5) may be in the forms, either registered or payable to bearer;
- (6) are payable at the place or places, either inside or outside Indiana;
- (7) are payable in the medium of payment;
- (8) are subject to redemption upon the terms, including a price not exceeding par and accrued interest; and
- (9) may be executed by the officers of the corporation in the manner;

provided by resolution of the board of directors. The resolution may also authorize the board to pay from the proceeds of the warrants all costs incurred in connection with the issuance of the warrants.

(c) The warrants may be authorized and issued at any time after the board of directors levies the tax or taxes in anticipation of which the warrants are issued.

(d) The warrants may be sold for not less than par value after notice inviting bids has been published in accordance with IC 5-3-1. The board of directors may also publish the notice inviting bids in other newspapers or financial journals.

(e) After the warrants are sold, they may be delivered and paid for at one (1) time or in installments.

(f) The aggregate principal amount of warrants issued in

anticipation of and payable from the same tax levy or levies may not exceed eighty percent (80%) of the levy or levies, as the amount of the levy or levies is certified by the department of local government finance, or as is determined by multiplying the rate of tax as finally approved by the total assessed valuation of taxable property within the taxing district of the public transportation corporation as most recently certified by the county auditor.

(g) For purposes of this section, taxes for any year are considered to be levied when the board of directors adopts the ordinance prescribing the tax levies for the year. However, warrants may not be delivered and paid for before final approval of a tax levy or levies by the county board of tax adjustment (or, if appealed, by the department of local government finance) unless the issuance of the warrants has been approved by the department of local government finance.

(h) The warrants and the interest on them are not subject to sections 43 and 44 of this chapter and are payable solely from the proceeds of the tax levy or levies in anticipation of which the warrants were issued. The authorizing resolution must pledge a sufficient amount of the proceeds of the tax levy or levies to the payment of the warrants and the interest.

(i) All actions of the board of directors under this section may be taken by resolution, which need not be published or posted. The resolution takes effect immediately upon its adoption by a majority of the members of the board of directors.

(j) An action to contest the validity of any tax anticipation warrants may not be brought later than ten (10) days after the sale date.

As added by Acts 1981, P.L.309, SEC.77. Amended by Acts 1981, P.L.187, SEC.2; P.L.90-2002, SEC.506; P.L.224-2007, SEC.133; P.L.146-2008, SEC.788.

IC 36-9-4-48

Cumulative transportation fund; establishment; notice; tax levy

Sec. 48. (a) A cumulative transportation fund to provide money for the acquisition of buses and for the planning, establishment, and maintenance of routes and schedules to assist in implementing this chapter may be established under IC 6-1.1-41 by:

- (1) the legislative body of a municipality that:
 - (A) is making grants to an urban mass transportation system;
or
 - (B) has purchased buses for operation under lease by an urban mass transportation system; or
- (2) the board of directors of a public transportation corporation.

(b) In addition to other notices required under IC 6-1.1-41, notices of hearings under IC 6-1.1-41 must be given to the following:

- (1) the municipal executive, for a tax levy by a municipality;
and

(2) the chairman of the board of directors, for a tax levy by a public transportation corporation.

(c) A tax levy to finance the cumulative transportation fund may be levied in compliance with IC 6-1.1-41. The tax levied under this section may not exceed six and sixty-seven hundredths cents (\$0.0667) on each one hundred dollars (\$100) of taxable property within the corporate boundaries of the municipality or the taxing district of the public transportation corporation, as the case may be. *As added by Acts 1981, P.L.309, SEC.77. Amended by Acts 1981, P.L.45, SEC.40; P.L.17-1995, SEC.24; P.L.6-1997, SEC.216.*

IC 36-9-4-49

Insufficient funds; special tax levy

Sec. 49. (a) For each year in which it is anticipated that the total amount available to a public transportation corporation will be insufficient to defray the expenses incurred by the corporation, the board of directors of the corporation shall levy a special tax upon all the property within the taxing district of the corporation at the rate required to defray such expenses. The tax must be based upon the budget formulated and filed by the board under this chapter.

(b) The county treasurer shall collect the tax levied under this section in the same manner as other taxes are collected. As the treasurer collects the tax, he shall remit it to the controller of the public transportation corporation.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-50

Federal or state aid

Sec. 50. A municipality that establishes or acquires an urban mass transportation system under this chapter, or a municipality that has a privately owned urban mass transportation system and has received a request from the management of the system, may apply for aid from any federal or state government agency. A municipality acting under this section may:

(1) perform any act or acts lawfully required; or

(2) execute and perform agreements necessary or convenient; to obtain the aid without limitation by the provisions of this chapter, except that a municipality may not interfere with any right, interest, or part of any other public transportation system without the consent of the other system.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-51

Review of annual budget and tax levies

Sec. 51. (a) The board of directors of a public transportation corporation shall prepare an annual budget for the expenditures of the corporation.

(b) This subsection applies only when a municipality, having

operated an urban mass transportation system under a department of municipal government, establishes a public transportation corporation under section 10 of this chapter to maintain that system. The annual operating and maintenance budget for the corporation shall be subject to review and modification by the legislative body of the municipality.

(c) A public transportation corporation may not impose a property tax levy on property that it has not taxed before January 1, 1982, and that lies outside the corporate boundaries of the municipality without the approval of the fiscal body or county council of the county in which the municipality is located.

(d) The budget and any tax levies prepared by the board shall be prepared and submitted at the same time, in the same manner, and with the same notice as is prescribed by IC 6-1.1-17 for the annual budget of the municipality. The county tax adjustment board and the department of local government finance may review the budget and tax levies in the same manner by which they review budgets and tax levies of the municipality.

As added by Acts 1981, P.L.309, SEC.77. Amended by Acts 1982, P.L.217, SEC.2; P.L.90-2002, SEC.507.

IC 36-9-4-52

Property tax exemption

Sec. 52. Property acquired by a municipality or public transportation corporation under this chapter is exempt from property taxes.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-53

Books, records, and accounts

Sec. 53. The books, accounts, records, and transactions of a public transportation corporation are subject to examination, audit, and supervision by the state board of accounts to the same extent as the books, accounts, records, and transactions of other municipal corporations and their officers and departments. However, in lieu of the system of accounts prescribed by the state board of accounts, a public transportation corporation may maintain its books, accounts, records, and transactions according to the financial accounting and reporting elements system, known as "Project Fare", that is established by the federal Urban Mass Transportation Administration.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-54

Transportation of school pupils; contracts

Sec. 54. An urban mass transportation system operating under this chapter may be used for the transportation of pupils to and from schools under a contract made with any school corporation having

jurisdiction within the taxing district of the public transportation corporation. The system is solely responsible for the bus drivers' employment and actions, but the bus drivers must meet the qualifications for drivers of school buses as provided in IC 20-27-8. The buses used for the rendition of service under this section need not meet the requirements of the statutes relating to the construction, equipment, and painting of school buses.

As added by Acts 1981, P.L.309, SEC.77. Amended by P.L.1-2005, SEC.239.

IC 36-9-4-55

Interlocal cooperation agreements; authorization

Sec. 55. Whenever the same urban mass transportation system operates on regularly scheduled routes within two (2) or more municipalities, the legislative bodies of those municipalities may enter into an interlocal cooperation agreement under IC 36-1-7 for the purpose of implementing this chapter upon mutually agreeable terms and conditions. The legislative bodies of the municipalities may adopt a joint ordinance establishing a public transportation corporation encompassing:

- (1) the municipalities; and
- (2) their suburban territory, as defined in IC 36-9-1-9.

As added by Acts 1981, P.L.309, SEC.77.

IC 36-9-4-56

Repealed

(Repealed by P.L.72-1988, SEC.10.)

IC 36-9-4-57

Improvement reserve fund

Sec. 57. (a) The board of directors of a public transportation corporation may, by resolution, establish an improvement reserve fund for the purpose of accumulating money over two (2) or more fiscal years for the following:

- (1) The purchase of specified real property.
- (2) The purchase of specified major equipment, including buses.
- (3) The making of improvements to real property owned by the public transportation corporation.

(b) Transfers that are placed in an improvement reserve fund established under this section must be included in the annual budget of the public transportation corporation.

(c) The board of directors of a public transportation corporation may make an expenditure of money from an improvement reserve fund only after:

- (1) holding a public meeting in accordance with section 22 of this chapter;
- (2) the adoption by the board of a resolution under subsection

- (d); and
 - (3) approval by the department of local government finance.
 - (d) A resolution for expenditure from an improvement reserve fund established under this section must include the following:
 - (1) The specific amount of the expenditure.
 - (2) The specific use of the expenditure.
 - (3) A finding by the board of directors that the proposed use of funds complies with the restrictions under subsection (a).
 - (e) The money in the improvement reserve fund may not be considered in determining the corporation's property tax levy under this chapter or IC 6-1.1.
 - (f) The money in the improvement reserve fund at the end of the fiscal year does not revert to the general fund.
- As added by P.L.317-1989, SEC.1. Amended by P.L.90-2002, SEC.508.*

IC 36-9-4-58

Regulation of department of state revenue; fares; operating expenses

Sec. 58. (a) An urban mass transportation system operating under this chapter is considered a common carrier not operating under a franchise or contract granted by a municipality and not regulated by ordinance, and is subject to the authority of the department of state revenue under IC 8-2.1 to the same extent as any other common carrier. However, in determining the reasonableness of the fares and charges of such a system, the department of state revenue shall consider, among other factors, the policy of this chapter to foster and assure the development and maintenance of urban mass transportation systems, and it is not necessary that the operating revenues of the system be sufficient to cover the cost to the system of providing adequate service.

(b) If a public transportation corporation providing public transportation services in Marion County expands its service through a public transportation project authorized and funded under IC 8-25, the public transportation corporation shall establish fares and charges that cover at least twenty-five percent (25%) of the operating expenses of the urban mass transportation system operated by the public transportation corporation. For purposes of this subsection, operating expenses include only those expenses incurred in the operation of fixed route services that are established or expanded as a result of a public transportation project authorized and funded under IC 8-25. The public transportation corporation annually shall report on the corporation's compliance with this subsection not later than sixty (60) days after the close of the corporation's fiscal year. The report must include information on any fare increases necessary to achieve compliance. The public transportation corporation shall submit the report to the department of local government finance and make the report available electronically through the Indiana

transparency Internet web site established under IC 5-14-3.8.

(c) If a public transportation corporation fails to prepare and disclose the annual report in the manner required by subsection (b), any person subject to a tax described in IC 8-25 may initiate a cause of action in the circuit court or superior court of the eligible county to compel the appropriate officials of the public transportation corporation to prepare and disclose the annual report not later than thirty (30) days after a court order mandating the public transportation corporation to comply with subsection (b) is issued by the circuit court or superior court.

As added by P.L.99-1989, SEC.36. Amended by P.L.153-2014, SEC.20; P.L.84-2016, SEC.185.