IC 5-13-9.3

Chapter 9.3. Investment of Proceeds Received From the Sale of Certain Capital Assets

IC 5-13-9.3-1

"Capital asset"

Sec. 1. As used in this chapter, "capital asset" means a building, a fixture, a structure, an improvement, or land.

As added by P.L.139-2015, SEC.2.

IC 5-13-9.3-2

"Fund"

Sec. 2. As used in this chapter, "fund" means a fund established under section 4 of this chapter.

As added by P.L.139-2015, SEC.2.

IC 5-13-9.3-3

Investment of proceeds from certain capital assets; ordinance or resolution

Sec. 3. (a) Subject to the requirements of this chapter, the fiscal body of a political subdivision may adopt an ordinance (in the case of a county or municipality) or a resolution (in the case of any other political subdivision) to authorize the investment of proceeds from the sale of a capital asset owned by the political subdivision. A fiscal body may adopt an ordinance under this subsection before, after, or at the time of the sale of the capital asset.

(b) Proceeds from the sale of a capital asset owned by a political subdivision may be invested as provided in this chapter only if:

(1) the total amount received (either before July 1, 2015, or after June 30, 2015) or that will be received from the sale of the capital asset exceeds fifty million dollars ($50,000,000); and

(2) the fiscal body of the political subdivision has adopted an ordinance or a resolution, as described in subsection (a), that applies to the investment of proceeds from the sale of that particular capital asset.

As added by P.L.139-2015, SEC.2.

IC 5-13-9.3-4

Establishment of separate fund; investment powers; agreement with investment advisor; expenditure or transfer of money in the fund

Sec. 4. (a) If the fiscal body of a political subdivision adopts an ordinance or a resolution under section 3 of this chapter for a particular capital asset, the fiscal officer of the political subdivision shall establish a separate fund into which some or all of the proceeds from the sale of the capital asset shall be deposited. All interest and other income earned on investments of money in the fund shall be deposited in the fund. The ordinance or resolution under section 3 of this chapter must require that the investing officer of the political subdivision shall contract with a registered investment advisor concerning the investment of the proceeds in the fund with the expanded investment authority granted to the political subdivision under this section.

(b) Notwithstanding IC 5-13 or any other law, the investing officer of the political subdivision may invest money in the fund in the same manner as money in the next generation trust fund may be invested under IC 8-14-15-8(b). A political subdivision shall enter into an agreement with a registered investment advisor to provide advice regarding investment of money in the fund. The political subdivision shall, with the advice of the registered investment advisor, enter into agreements with investment managers for the investment of the funds. These agreements:

(1) must be a fee-for-service agreement; and

(2) may not provide that the compensation of the investment management professionals or investment advisors is determined in whole or in part by the amount or percentage of the investment income earned on money in the fund.

(c) Money in the fund may not be expended or transferred from the fund, except as provided in this chapter.

As added by P.L.139-2015, SEC.2.

IC 5-13-9.3-5

Principal and interest of money in the fund; appropriation required; limits

Sec. 5. The following apply to money deposited in the fund:

(1) The principal of the fund consists of:

(A) the amount deposited in the fund as the proceeds from the sale of the capital asset; plus

(B) any investment income that is:

(i) earned on money in the fund; and

(ii) added to the principal of the fund as provided in subdivision (2).

(2) To the extent that investment income earned on money in the fund during a calendar year exceeds five percent (5%) of the amount of the principal at the beginning of the calendar year, that excess investment income shall, for purposes of this chapter, be added to and be considered a part of the principal of the fund.

(3) Money may be expended from the fund only upon appropriation by the fiscal body of the political subdivision. Money may be transferred from the fund to another fund of the political subdivision only if the fiscal body of the political subdivision authorizes the transfer by ordinance (in the case of a county or municipality) or by resolution (in the case of any other political subdivision). However, an expenditure or transfer of any money that is part of the principal of the fund

may be made only if the expenditure or transfer is approved:

(A) by each member of the fiscal body of the political subdivision; and

(B) by each member of the executive of the political subdivision.

(4) All money in the fund that is in a deposit account and not in some other form of investment shall be deposited in one (1) or more designated depositories of the political subdivision in the same manner as other public funds of the political subdivision are deposited under IC 5-13-9.

As added by P.L.139-2015, SEC.2.

IC 5-13-9.3-6
Department of local government finance may not reduce levy

Sec. 6. The department of local government finance may not reduce a political subdivision's property tax levy under IC 6-1.1-18.5 or any other law on account of money deposited in a fund established under this chapter.

As added by P.L.139-2015, SEC.2.