

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

# HOUSE MOTION \_\_\_\_\_

**MR. SPEAKER:**

I move that House Bill 1024 be amended to read as follows:

- 1           Page 3, between lines 18 and 19, begin a new paragraph and
- 2           insert: "SECTION 6. IC 36-9-25-1 IS AMENDED TO READ AS
- 3           FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) This chapter
- 4           applies to a second class city located in a county having a population
- 5           of more than one hundred seven thousand (107,000) but less than one
- 6           hundred eight thousand (108,000) as well as each municipality in a
- 7           county having a population of more than four hundred thousand
- 8           (400,000) but less than seven hundred thousand (700,000) in which the
- 9           legislative body has adopted this chapter by ordinance.
- 10          (b) This chapter also applies to each second class city not in such
- 11          a county in which the legislative body has adopted this chapter by
- 12          ordinance.
- 13          (c) In addition, in a consolidated city sections 9 through 38 **and**
- 14          **section 41** of this chapter apply to the department of public works and
- 15          the board of public works, subject to IC 36-3-4-23.
- 16          SECTION 7. IC 36-9-25-41 IS AMENDED TO READ AS
- 17          FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 41. (a) ~~This section~~
- 18          ~~applies to each consolidated city:~~
- 19          ~~(b)~~ To raise money to pay the costs of acquiring, constructing, and
- 20          improving sewage works and property necessary for sewage works, the
- 21          board may have issued, in the name of the municipality, revenue bonds
- 22          payable solely from the revenues of the sewage works for which they
- 23          are issued. Revenue bonds issued under this section are not a corporate
- 24          indebtedness of the district or the municipality.
- 25          ~~(c)~~ **(b)** The revenue bonds bear interest at a rate not to exceed the

1 maximum rate per annum specified by the board and will be payable  
2 and mature at the time or times determined by the board in the  
3 resolution.

4 ~~(d)~~ (c) The revenue bonds may be made redeemable before  
5 maturity at the option of the board, to be exercised by the board, at not  
6 more than their par value plus a premium of five percent (5%), under  
7 the terms and conditions fixed by the resolution authorizing the  
8 issuance of the bonds.

9 ~~(e)~~ (d) The principal and interest of the revenue bonds may be  
10 made payable in any lawful medium.

11 ~~(f)~~ (e) The resolution authorizing the issuance of the revenue  
12 bonds must determine the form of the bonds and must fix the  
13 denomination or denominations of the bonds and the place or places of  
14 payment of their principal and interest, which may be at any bank or  
15 trust company in Indiana or another state.

16 ~~(g)~~ (f) The revenue bonds must contain a statement on their face  
17 that neither the district nor the municipality is obligated to pay the  
18 principal or interest on them, except from the net revenue of the sewage  
19 works that are deposited in the sinking fund established by subsection  
20 ~~(t)~~ (s).

21 ~~(h)~~ (g) The revenue bonds are negotiable instruments.

22 ~~(i)~~ (h) Provision may be made for the registration of any of the  
23 revenue bonds in the name of the owner as to principal alone or as to  
24 both principal and interest.

25 ~~(j)~~ (i) The revenue bonds shall be executed in the same manner as  
26 other bonds issued under section 27 of this chapter.

27 ~~(k)~~ (j) The revenue bonds shall be sold by the district and the  
28 municipal fiscal officer in the manner that is determined to be in the  
29 best interests of the district, but only at public sale in accordance with  
30 the statutes concerning the sale of municipal bonds.

31 ~~(l)~~ (k) Before the preparation of the definite revenue bonds,  
32 temporary revenue bonds may be issued with or without coupons. The  
33 temporary revenue bonds, which shall be issued in the manner  
34 prescribed by this section, may be exchanged for the definite revenue  
35 bonds when they are issued.

36 ~~(m)~~ (l) If the proceeds of the revenue bonds are less than the cost  
37 of the sewage works, additional revenue bonds may be issued under  
38 this section to provide the amount of the deficit. Unless otherwise  
39 provided in the resolution authorizing the first issue, the additional  
40 revenue bonds are considered part of the first issue and are entitled to  
41 payment from the same fund, without priority for the first issue.

42 ~~(n)~~ (m) Subject to the provisions and limitations of any resolution  
43 or trust indenture pertaining to any outstanding revenue bonds,  
44 additional bonds payable from the revenues of the sewage works may  
45 be authorized and issued in the manner prescribed by this section for  
46 the purpose of improving any works acquired or constructed under this  
47 chapter without priority of one (1) issue over another.

48 ~~(o)~~ (n) Revenue bonds issued under this section are exempt from  
49 taxation for all purposes.

50 ~~(p)~~ (o) Any action to contest the validity of revenue bonds issued  
51 under this section must be brought at least five (5) days before the

1 advertised date for the sale of the bonds.

2 ~~(q)~~ (p) The first proceeds of any revenue bonds issued under this  
3 section shall be used to repay all amounts advanced for preliminary  
4 expenses. The remaining proceeds of the bond issue shall be applied to  
5 the cost of acquiring, constructing, or improving the sewage works.

6 ~~(r)~~ (q) After the payments required by subsection ~~(q)~~ (p) have been  
7 made, any proceeds of the bond issue that have not been spent shall be  
8 deposited in the sinking fund established by subsection ~~(t)~~ (s).

9 ~~(s)~~ (r) The holders of the revenue bonds have a lien on the bond  
10 proceeds until they are applied under this section.

11 ~~(t)~~ (s) At or before the time of issuance of revenue bonds under  
12 this section, the board, by resolution, shall:

13 (1) establish a sinking fund for the payment of:

14 (A) the principal of and interest on the revenue bonds; and

15 (B) the charges of banks or trust companies for making  
16 payment of the principal or interest on the revenue bonds;  
17 and

18 (2) pledge the net revenues of the sewage works, after the  
19 payment of the reasonable expense of operation, repair, and  
20 maintenance of the works, to the payment of the expenses  
21 described in subdivision (1).

22 The resolution may also provide for the accumulation of reasonable  
23 reserves in the sinking fund as a protection against default, and for the  
24 payment of premiums on bonds retired by call or purchase under this  
25 section.

26 ~~(u)~~ (t) The rights granted by this section are subject to any  
27 restrictions contained in the resolution authorizing the issuance of  
28 revenue bonds or in any trust indenture securing the bonds. The holder  
29 of any revenue bonds or any coupons attached to them, and the trustee,  
30 if any, may, either at law or in equity, protect and enforce all rights  
31 granted by this section or under the resolution or trust indenture,  
32 including the making and collecting of reasonable and sufficient fees  
33 for services rendered by the sewage works. If the principal or interest  
34 of any of the revenue bonds is not paid on the date named in the bonds  
35 for payment, any court having jurisdiction of the action may appoint a  
36 receiver to administer the sewage works on behalf of the district,  
37 municipality, the bondholders, and the trustee, if any. The receiver  
38 may:

39 (1) charge and collect fees sufficient to provide for the payment  
40 of the expenses of operation, repair, and maintenance of the  
41 works;

42 (2) pay any revenue bonds and interest outstanding; and

43 (3) apply the revenues in conformity with this chapter, the  
44 resolution authorizing the bond issue, and the trust indenture, if  
45 any.

46 ~~(v)~~ (u) Bonds issued under this section **by a consolidated city** are  
47 subject to the requirements of IC 36-3-5-8."

48 (v) **Bonds issued under this section by a second class city**  
49 **having a population of more than one hundred ten thousand**

- 1 **(110,000) but less than one hundred twenty thousand (120,000) in**
- 2 **a county having a population of more than four hundred thousand**
- 3 **(400,000) but less than seven hundred thousand (700,000) are valid**
- 4 **only if approved by a resolution of the city's legislative body."**
- 5 Renumber all SECTIONS consecutively.  
(Reference is to HB1024 as printed February 17, 1999.)

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Representative AYRES