

## **IC 14-33-11**

### **Chapter 11. Bonds**

#### **IC 14-33-11-1**

##### **Purpose of bonds**

Sec. 1. The board may issue bonds to pay the following:

- (1) The cost of the works that are provided in the district plan.
- (2) Necessary engineering, legal, and administrative fees.
- (3) The repayment or refinancing of a loan.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-11-2**

##### **Total amount of bonds**

Sec. 2. The total amount of bonds issued may not exceed the cost less the following:

- (1) Money on hand from the collection of assessments.
- (2) Money on hand or obligated to the district by the state or federal government.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-11-3**

##### **Method of issuance**

Sec. 3. Bonds may be issued by either of the following methods:

- (1) Solely against the revenues expected to be produced by the operation of the district. The board may make proper contractual arrangements to pay the bonds from the net revenues produced.
- (2) Against the real property of the district in anticipation of the collection of special benefits taxes. Bonds issued against the real property of the district may be paid in part:
  - (A) by revenues derived from reasonable charges for services or property produced incident to the operation of the district; or
  - (B) from the collection of assessments for exceptional benefits.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-11-4**

##### **Payment of bonds**

Sec. 4. (a) Revenue bonds issued for the payment of works of improvement for the collection, treatment, and disposal of sewage and other liquid wastes may provide that the principal and interest shall be paid:

- (1) solely from the net revenue of the sewage works, which is gross revenues after deduction only for the reasonable expenses of operation and maintenance; or
- (2) from a combination of net revenue and other money available to a district by:
  - (A) levy;
  - (B) special benefits taxes; or

- (C) assessment of exceptional benefits.
- (b) The board may covenant with the holders of the bonds to pay:
  - (1) a certain percentage of principal and interest from the revenue;
  - (2) a certain percentage from the other money to maintain a reasonable reserve from the other money that may be used for payment of principal and interest if the revenue is not sufficient;
  - or
  - (3) both.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-11-5**

##### **Restrictions in issuance**

Sec. 5. (a) Bonds:

- (1) may be issued in any denomination;
- (2) may bear interest at any rate, with interest payable on January 1 and July 1;
- (3) shall be issued in not less than ten (10) series and not more than fifty (50) series; and
- (4) are payable, one (1) series each year, beginning on January 1 of the second year following the date of issue and subject to the following:
  - (A) If the bond issue is authorized in a year after the regular levymaking period, the first series matures on January 1 of the third succeeding year.
  - (B) The balance of the issue is payable at annual intervals.
  - (C) The annual maturities do not have to be in an equal amount.

(b) The bonds issued are exempt from taxation by the state.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-11-6**

##### **Negotiability, registration, advertisement, and sale**

Sec. 6. Bonds issued:

- (1) must be negotiable;
- (2) may be registered; and
- (3) shall be advertised and sold in the manner provided by general statutes concerning the sale of bonds.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-11-7**

##### **Interest of directors; disclosure**

Sec. 7. (a) This section applies to a district:

- (1) that has been established with a few freeholders or even only one (1) freeholder; and
- (2) for which the accomplishment of the district's purposes is necessary and desirable primarily for persons purchasing and using the land after subdivision and development.

(b) Notwithstanding other statutes, the board may enter into a contract agreement, before the award of bonds, with a person directly

or indirectly interested in bidding on or purchasing the bonds if approval is received from the Indiana utility regulatory commission after a petition is filed by the board containing disclosure of the interest that any of the directors have in the land involved and in the person who is interested in bidding on or purchasing the bonds.

(c) The Indiana utility regulatory commission shall give approval if the Indiana utility regulatory commission finds that:

- (1) full disclosure has been made; and
- (2) persons who are using or will be using the land will probably receive the benefits from the proposed works of improvement at a fair and reasonable cost comparable to the cost for benefits from the improvements in similar locations and situations.

Profits or loss to the person bidding on the bonds may not be the determining factor in approval.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-11-8**

##### **Notice of sale; right to remonstrate against or vote against bonds**

Sec. 8. (a) Before offering bonds for sale, the board shall give notice in the same manner as is required by IC 6-1.1-20 for the sale of bonds by municipal corporations.

(b) Persons affected are entitled to:

- (1) remonstrate against issuance of the bonds (in the case of a preliminary determination made before July 1, 2008, to issue bonds); or
- (2) vote on the proposed issuance of bonds in an election on a local public question (in the case of a preliminary determination made after June 30, 2008, to issue bonds).

(c) An action to question the validity of the bonds may not be instituted after the date fixed for sale, and the bonds are incontestable after that time.

*As added by P.L.1-1995, SEC.26. Amended by P.L.146-2008, SEC.429.*

#### **IC 14-33-11-9**

##### **Denial of right to issue bonds**

Sec. 9. If the board is denied the right to issue bonds as a result of remonstrance proceedings or an election on a local public question held under IC 6-1.1-20-3.6:

- (1) all contracts let by the board for work to be paid from the sale of bonds are void; and
- (2) no liability accrues to the district or to the board.

*As added by P.L.1-1995, SEC.26. Amended by P.L.146-2008, SEC.430.*