

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

Chapter 5. Revenue Producing Property; Supplemental Procedures for Financing Revenue Producing Properties With Revenue Obligations

### **IC 21-35-5-1**

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

#### **Applicable property**

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

- (1) Property described in IC 21-35-2.
- (2) Property described in IC 21-35-3.

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

### **IC 21-35-5-3**

#### **Construction of chapter**

Sec. 3. This chapter may not be construed to repeal, modify, or amend any law of Indiana in force on March 9, 1959.

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

### **IC 21-35-5-4**

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

Sec. 4. This chapter may be construed as supplemental to IC 21-35-2 and IC 21-35-3.

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

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

#### **Issuance of revenue obligations; use**

Sec. 5. The board of trustees of a state educational institution may issue revenue obligations under IC 21-35-2 or IC 21-35-3 for any one (1) or more of the following:

- (1) For any purpose or purposes for which IC 21-35-2 or IC 21-35-3 authorizes the borrowing of money.
- (2) To reimburse the state educational institution for funds expended or advanced for interim financing of the cost of any revenue producing property before the issuance of revenue obligations on account of revenue producing property.
- (3) Subject to applicable covenants and agreements with the holders of outstanding obligations, to fund or refund revenue obligations.

If the board of trustees determines that it would be advantageous to

the state educational institution to exchange funding or refunding obligations for the revenue obligations being funded or refunded, the exchange may be made, if the actual interest cost is not increased. *As added by P.L.2-2007, SEC.276. Amended by P.L.3-2008, SEC.142.*

#### **IC 21-35-5-6**

##### **Security of revenue obligations**

Sec. 6. Revenue obligations:

- (1) must be secured in the manner provided in IC 21-35-2 and IC 21-35-3; and
- (2) in addition, may be secured by the pledge or mortgage of the unobligated net revenues of any one (1) or more other revenue producing properties of the issuing state educational institution and by any other available income or funds.

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

#### **IC 21-35-5-7**

##### **Board; power to limit amount of obligations or issue additional obligations**

Sec. 7. In authorizing the issuance of revenue obligations for any particular property or properties, the board of trustees may:

- (1) limit the amount of the obligations that may be issued as a first lien and charge against the property or properties and the net income from the property or properties; or
- (2) authorize the issuance periodically thereafter of additional obligations secured by the same lien to provide funds:
  - (A) for the completion of the property or properties on account of which the original obligations were issued;
  - (B) to pay the cost of additional revenue producing properties under IC 21-35-2 or IC 21-35-3; or
  - (C) for the purposes described in clauses (A) and (B).

The additional obligations shall be issued on the terms and conditions as the board may determine, and may be secured equally and ratably, without preference, priority, or distinction, with the original issue of obligations or may be made junior to the original issue of bonds.

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

#### **IC 21-35-5-8**

##### **Revenue obligations authorized by resolution; terms; conditions**

Sec. 8. Revenue obligations must be authorized by resolution adopted by the board of trustees. The terms, conditions, and form of the revenue obligations must be set out in the resolution or in a form of trust indenture between the state educational institution and a designated corporate trustee, or both.

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

#### **IC 21-35-5-9**

##### **Revenue obligations; contents**

Sec. 9. The resolution or the indenture for revenue obligations may include:

- (1) provisions for protecting and enforcing the rights and remedies of the holders of the revenue obligations being issued;
- (2) covenants setting forth the duties of the state educational institution and its officers in relation to:
  - (A) the:
    - (i) acquisition, construction, operation, and maintenance of; and
    - (ii) insurance to be carried on; the property or properties on account of which the revenue obligations are being issued; and
  - (B) the maintenance of fees and charges to be collected on account of the properties;
- (3) provisions for:
  - (A) the custody, safeguarding, and application of all money;
  - (B) the rights and remedies of the trustee and the holders of the obligations being issued; and
  - (C) the issuance of additional parity obligations or junior lien obligations secured by pledge or mortgage of the revenues and property described in the resolution or indenture; and
- (4) the other terms, conditions, limitations, and covenants that the board of trustees determines proper.

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

#### **IC 21-35-5-10**

##### **Revenue obligations and interest coupons**

Sec. 10. Revenue obligations and any interest coupons appertaining to revenue obligations are negotiable instruments within the meaning and for all purposes under the laws of Indiana, subject only to the provisions of the obligations for registration.

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

#### **IC 21-35-5-11**

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

Sec. 11. In connection with the issuance of revenue obligations, a board of trustees of a state educational institution may covenant to and furnish or supply heat, light, power, and other like services to any building, structure, or improvement with or without charge so long as any of the revenue obligations are outstanding.

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

#### **IC 21-35-5-12**

##### **Revenue obligations; eligible investments**

Sec. 12. Any revenue obligations issued under IC 21-35-2 or IC 21-35-3 are eligible investments for the funds of any kind or character of every financial institution, insurance company, or private trust. The revenue obligations are eligible for deposit by any

financial institution, insurance company, or trustee under any law of  
Indiana providing for the deposit of securities or funds.  
*As added by P.L.2-2007, SEC.276.*