IC 4-13.5-4
Chapter 4. Use and Management of Office Buildings

IC 4-13.5-4-1
Use and occupancy agreements; negotiation; approval; contents; amount of payment
Sec. 1. (a) Before or after the award of construction contracts, or the arranging of financing, the commission and the department may negotiate a use and occupancy agreement. The state budget agency, after consulting with the state budget committee, must approve any use and occupancy agreement before the department may execute the agreement. The use and occupancy agreement:
(1) must set forth the terms and conditions of the use and occupancy;
(2) must set forth the amounts agreed to be paid at stated intervals for the use and occupancy;
(3) must provide that the department is not obligated to continue to pay for the use and occupancy but is instead required to vacate the facility if it is shown that the terms and conditions of the use and occupancy and the amount to be paid for the use and occupancy are unjust and unreasonable considering the value of the services and facilities thereby afforded;
(4) must provide that the department is required to vacate the facility if funds have not been appropriated or are not available to pay any sum agreed to be paid for use and occupancy when due;
(5) may provide for such costs as maintenance, operations, taxes, and insurance to be paid by the department;
(6) may contain an option to renew the agreement;
(7) may contain an option to purchase the facility for an amount equal to the amount required to pay the principal and interest of indebtedness of the commission incurred on account of the facility and expenses of the commission attributable to the facility;
(8) may not provide for payment of sums for use and occupancy until the construction of the facility has been completed and the facility is available for use and occupancy by the department; and
(9) may contain any other provisions agreeable to the commission and the department.
(b) In determining just and reasonable amounts to be paid for the use and occupancy of the facility under subsection (a)(3), the commission shall impose and collect amounts that in the aggregate will be sufficient to:
(1) pay the expenses of operation, maintenance, and repair of the facility, to the extent that the expenses are not otherwise provided; and
(2) leave a balance of revenues from the facility to pay the principal and interest (including any reserve or sinking funds)

on bonds or loans as they become due and retire them at or before maturity.

(c) The department may negotiate and execute a use and occupancy agreement for all or any state agencies or branches of state government.

As added by Acts 1977, P.L.31, SEC.1. Amended by P.L.27-1985, SEC.9; P.L.15-1986, SEC.2.

IC 4-13.5-4-2

Operation, maintenance, and repair of facilities under use and occupancy agreements

Sec. 2. Unless the use and occupancy agreement provides otherwise, the department shall provide for the operation, maintenance, and repair of each facility.

As added by Acts 1977, P.L.31, SEC.1. Amended by P.L.27-1985, SEC.10; P.L.240-1991(ss2), SEC.39.

IC 4-13.5-4-3

Borrowing money; loan contracts

Sec. 3. (a) The commission may borrow money from the public deposits insurance fund, a bank, an insurance company, an investment company, or any other person.

(b) The commission may negotiate the terms of a loan contract. The contract must provide for repayment of the money in not more than forty (40) years.

(c) The loan contract must provide that the loan may be prepaid.

(d) The loan contract must plainly state that it is not an indebtedness of the state but constitutes a corporate obligation solely of the commission and is payable solely from revenues of the commission from the use and occupancy agreement, the proceeds of future loan contracts or bonds, or any appropriations from the state that might be made to the commission for that purpose.

As added by P.L.27-1985, SEC.11. Amended by P.L.15-1986, SEC.3.

IC 4-13.5-4-4

Revenue bonds; issuance; sale; use of proceeds

Sec. 4. (a) For the purpose of providing funds to carry out the provisions of this article with respect to:

(1) the construction and equipment of facilities;

(2) acquiring or providing a site or sites; or

(3) the refunding of any bonds or payment of any loan contract of the commission;

the commission may, by resolution, issue and sell interest-bearing revenue bonds of the commission.

(b) The bonds must indicate, on the face of each bond:

(1) the maturity date or dates, not exceeding forty (40) years from the date of issue;

(2) the interest rate or rates (whether fixed, variable, or a combination of fixed or variable);

(3) the registration privileges, and where payable at a certain

place; and
(4) the conditions and terms under which the bonds may be redeemed before maturity.
(c) The bonds issued under subsection (a):
(1) shall be executed by the manual or facsimile signature of the chairman of the commission;
(2) shall be attested by the manual or facsimile signature of the public finance director;
(3) shall be imprinted or impressed with the seal of the commission;
(4) may be authenticated by a trustee, registrar, or paying agent; and
(5) constitute valid and binding obligations of the commission, even if the chairman or the public finance director, or both, whose manual or facsimile signature appears on the bond, no longer holds those offices.

(d) The bonds, when issued, have all the qualities of negotiable instruments under IC 26 and are incontestable in the hands of a bona fide purchaser or holder of the bonds for value.

(e) The bonds may be sold by the commission at a public or private sale at a time or times determined by the commission. The commission may negotiate the sale, but any discount may not exceed three percent (3%). In determining the amount of bonds to be issued and sold, there may be included the costs of:
(1) construction;
(2) all land and clearing of the site;
(3) improvements to the site, such as walks, drives, and other appurtenances;
(4) material and labor;
(5) equipment;
(6) financing charges, discounts, and interest accruing on the bonds before and during the construction period and for a reasonable period of time after construction;
(7) expenses such as legal fees, engineers' fees, and architects' fees;
(8) all other expenses necessary or incident to the construction and equipment of the facility and the acquisition of a site or sites for the facility; and
(9) reimbursement of the state general fund and the postwar construction fund for payments made from those funds for any of the purposes described in subdivisions (1) through (8).

(f) The proceeds of the bonds are appropriated for the purpose for which the bonds may be issued under this article and the proceeds shall be deposited and disbursed in accordance with any provisions and restrictions that the commission may provide in the resolution or trust indenture authorizing the issuance of the bonds in the first instance and the issuance of any refunding bonds, or in a trust indenture authorized and approved by resolution of the commission. The maturities of the bonds, the rights of the holders, and the rights, duties, and obligations of the commission are governed in all respects by this article.

(g) The bonds issued under this article constitute the corporate obligations only of the commission and are payable solely from and secured exclusively by pledge of the income and revenues of the facility that remain after payment or provisions for payment of the expenses of operation, maintenance, and repair of the facility, to the extent that expenses of operation, maintenance, and repair are not otherwise provided. The commission shall plainly state on the face of each bond that the bond does not constitute an indebtedness of the state within the meaning or application of any constitutional provision or limitation but that it is payable solely as to both principal and interest from the net revenues of the facility. The provisions of this article and the covenants and undertakings of the commission as expressed in any proceedings preliminary to or in connection with the issuance of the bonds may be enforced by a bond holder by action for injunction or mandamus against the commission or any officer, agent, or employee of the commission, but no action for monetary judgment may be brought against the state for any violations of this article.

As added by P.L.27-1985, SEC.12. Amended by P.L.15-1986, SEC.4; P.L.240-1991(ss2), SEC.40; P.L.162-2007, SEC.14.

IC 4-13.5-4-5

Allocation of space in facilities

Sec. 5. Except with respect to a correctional facility, the department shall allocate space in each facility to state agencies and branches of state government. The department of correction shall allocate space in correctional facilities under IC 11.

As added by P.L.27-1985, SEC.13. Amended by P.L.240-1991(ss2), SEC.41.

IC 4-13.5-4-6

Tax exemptions; property of commission; bonds; loan contracts

Sec. 6. (a) All property of the commission is public property devoted to an essential public and governmental function and purpose and is exempt from all taxes and special assessments of the state or a political subdivision of the state.

(b) All bonds or loan contracts issued under this article are issued by a body corporate and politic of this state, but not a state agency, and for an essential public and governmental purpose, and the bonds and loan contracts, the interest thereon, the proceeds received by a holder from the sale of the bonds or loan contracts to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of the interest and proceeds are exempt from taxation for all purposes except the financial institutions tax imposed under IC 6-5.5 or a state inheritance tax imposed under IC 6-4.1.

As added by P.L.27-1985, SEC.14. Amended by P.L.21-1990, SEC.1; P.L.254-1997(ss), SEC.3.