

## **IC 5-1.4-2**

### **Chapter 2. Establishment and Organization**

#### **IC 5-1.4-2-1**

##### **Local public improvement bond bank; establishment; nature; purpose**

Sec. 1. (a) In a city there is established a local public improvement bond bank, to be known as "The \_\_\_\_\_ (name of city) \_\_\_\_\_ Local Public Improvement Bond Bank", for:

- (1) the public purposes set out in this article; and
- (2) in the case of a city described in IC 5-1.4-1-5(3), the additional public purposes of:
  - (A) developing infrastructure;
  - (B) promoting education and tourism; and
  - (C) assisting economic development.

(b) The bank is a body corporate and politic separate from the city in its corporate capacity.

(c) The purpose of the bank is to buy and sell securities of qualified entities.

*As added by P.L.42-1985, SEC.1. Amended by P.L.29-1986, SEC.3; P.L.11-1987, SEC.9; P.L.255-1997(ss), SEC.3.*

#### **IC 5-1.4-2-1.5**

##### **Public purpose**

Sec. 1.5. The general assembly finds that the establishment of a local public improvement bond bank in a city described in IC 5-1.4-1-5(3):

- (1) is necessary as a result of:
  - (A) unique sources of revenues available to the city in relation to its budget;
  - (B) extraordinary needs for infrastructure improvements in the city and in the county in which the city is located;
  - (C) unprecedented opportunities for economic development, including tourism development; and
  - (D) unique demands for education and workforce development, including facilities for providing education and training;
- (2) will afford the city the necessary flexibility to address the extraordinary demands and opportunities in a manner that will best serve the interests of the city and the state; and
- (3) constitutes an important public purpose and will protect and improve the health, safety, and welfare of the people of the city and the state.

*As added by P.L.255-1997(ss), SEC.4.*

#### **IC 5-1.4-2-2**

##### **Board of directors; establishment; membership; appointment; vacancy**

Sec. 2. (a) There is established a board of directors to govern the bank. The powers of the bank are vested in this board.

(b) The board is composed of five (5) directors appointed by the mayor of the city.

(c) Each of the five (5) directors appointed by the mayor:

- (1) must be a resident of the county;
- (2) serves for a term of three (3) years and until a successor is appointed and qualified;
- (3) is eligible for reappointment;
- (4) shall serve without compensation, but is entitled to reimbursement for traveling expenses and other expenses, actually incurred in connection with the director's duties;
- (5) may be removed for cause by the mayor; and
- (6) may not be an officer or employee of:
  - (A) the city;
  - (B) the county; or
  - (C) any qualified entity.

(d) Any vacancy on the board, other than by expiration of term, shall be filled by appointment of the mayor for the unexpired term only.

*As added by P.L.42-1985, SEC.1.*

#### **IC 5-1.4-2-3**

##### **Duties of board**

Sec. 3. The board shall do the following:

- (1) Elect from its membership a chairman and a vice chairman.
- (2) Appoint and fix the duties and compensation of an executive director, who shall serve as both secretary and treasurer. The executive director may be the fiscal officer of the city, in which case the executive director will receive no compensation for services performed as the executive director.
- (3) Establish and maintain the office of the bank in the city.

*As added by P.L.42-1985, SEC.1.*

#### **IC 5-1.4-2-4**

##### **Quorum**

Sec. 4. Three (3) directors constitute a quorum at any meeting of the board.

*As added by P.L.42-1985, SEC.1.*

#### **IC 5-1.4-2-5**

##### **Action by affirmative vote of three directors; effect of vacancy**

Sec. 5. Action may be taken by the board at a meeting by the affirmative vote of at least three (3) directors. A vacancy on the board does not impair the right of a quorum of directors to exercise the powers and perform the duties of the board.

*As added by P.L.42-1985, SEC.1.*

#### **IC 5-1.4-2-6**

##### **Surety bonds; issuer; cost**

Sec. 6. (a) Each director and the executive director must execute a surety bond in an amount specified by the legislative body of the

city. Each surety bond shall be conditioned upon the faithful performance of the duties of the office of director and executive director, respectively. In lieu of these surety bonds, the bank may execute a blanket surety bond covering each director, the executive director, and any officers or employees of the bank.

(b) The surety bonds required by this section must be issued by a surety company authorized to transact business in Indiana.

(c) The cost of the surety bonds required by this section shall be paid by the bank.

*As added by P.L.42-1985, SEC.1. Amended by P.L.29-1986, SEC.4.*

#### **IC 5-1.4-2-7**

##### **Disclosure of interest in contract; abstention; validity of contract**

Sec. 7. (a) Notwithstanding any other law to the contrary, a director does not violate any law, civil or criminal, if the director:

(1) has, or to the director's knowledge may have or may later acquire, a direct or indirect pecuniary interest in a contract with the bank; or

(2) is an officer, member, manager, director, or employee of, or has an ownership interest in, any firm, limited liability company, or corporation that is or may be a party to the contract;

if the director discloses in writing to the bank the nature and extent of the interest as soon as the director has knowledge of the interest and abstains from discussion, deliberation, action, and voting with respect to the contract.

(b) Notwithstanding any provision of this article or any other law, a contract or transaction is not void or voidable because of the existence of an interest described in subsection (a), if the provisions of subsection (a) have been satisfied.

*As added by P.L.42-1985, SEC.1. Amended by P.L.8-1993, SEC.50.*

#### **IC 5-1.4-2-8**

##### **Liability of director or issuer of bonds or notes**

Sec. 8. Neither a director nor a person executing bonds or notes issued under this article is liable personally on the bonds or notes.

*As added by P.L.42-1985, SEC.1.*

#### **IC 5-1.4-2-9**

##### **Executive director; duties**

Sec. 9. (a) The executive director appointed under section 3 of this chapter shall, in addition to other duties fixed by the directors:

(1) administer, manage, and direct the employees of the bank;

(2) approve all amounts for salaries, allowable expenses of the bank or of any employee or consultant of the bank, and expenses incidental to the operation of the bank; and

(3) attend the meetings of the board, keep a record of the proceedings of the board, and maintain all books, documents, and papers filed with the bank, the minutes of the board, and the bank's official seal.

(b) The executive director may:

- (1) cause copies to be made of all minutes and other records and documents of the bank; and
- (2) give certificates under seal of the bank to the effect that those copies are true copies, and all persons dealing with the bank may rely upon those certificates.

*As added by P.L.42-1985, SEC.1.*