

IC 5-1-7

Chapter 7. Redemption Bonds of Counties and Townships

IC 5-1-7-1

Contract with bond owner to pay matured bond by issuing redemption bond

Sec. 1. Whenever the bond fund of any county or of any township in this state is, for any reason, insufficient to pay the bonds of such county or township or any of them, at the date of the maturity thereof, together with the interest which shall have accrued thereon, the board of commissioners of such county is hereby authorized to represent and as representing the taxing district liable for the payment of any such bond to enter into a contract with the owner of any such bond to pay such matured bond by the issuance of a redemption bond, in the same amount and at any rate of interest and to pay such redemption bond and the accrued interest thereon, in not more than ten (10) annual installments, in the manner and subject to the conditions prescribed in this chapter.

As added by Acts 1980, P.L.8, SEC.12.

IC 5-1-7-2

Partial payments of principal with interest accrued; form of contract; cancellation of matured bond

Sec. 2. The contract entered into by the board of commissioners of any county and any such bondholder shall be signed by the parties to such contract, shall be attested on behalf of the county by the county auditor, and shall stipulate and agree that the board of commissioners of the county will pay all interest on such matured bond to the date of the maturity thereof, and that a new bond (referred to in this chapter as a redemption bond) in the same amount as the matured bond, will be issued to pay and retire such matured bond, and that such redemption bond will be and continue to be a valid and binding obligation of the county and that during the period fixed in the contract not exceeding ten (10) years the board of commissioners will pay annually to the owner of such redemption bond, one-tenth (1/10) of the principal amount of such redemption bond and, in addition thereto, will pay semiannually all interest which shall have accrued thereon to the date when such payment is to be made. The date on which such partial payments of the principal of such bond will be made shall be fixed and prescribed in such contract and may be on June 1 or December 1 of the year next succeeding the year in which such contract is executed and signed and June 1 or December 1 of each and every year thereafter until paid. The interest accrued on such bond shall be paid semiannually on June 1 and December 1, beginning on the same date as the first partial payment on such bond. The board of commissioners shall further agree to levy a tax on the taxable property of such county in an amount sufficient to make the payments on such redemption bonds as they fall due, together with all interest which shall have accrued thereon. Any bondholder who elects to avail himself or

herself of the provisions of this chapter shall agree that in consideration of the privilege hereby afforded the bondholder will not maintain or attempt to maintain a suit for the collection or the enforcement of the lien of any such bond, other than in accordance with the remedies afforded by the provisions of this chapter. The form of the contract herein contemplated shall be prescribed by the state board of accounts with the approval of the attorney general. At the time when the contract is executed and the redemption bond is issued, the matured bond shall be surrendered to the county auditor and shall be canceled by writing across the face of the matured bond the words "Canceled by issuing to _____ a redemption bond in the same principal sum as this bond, due and payable on the _____ day of _____, 20____."

As added by Acts 1980, P.L.8, SEC.12. Amended by P.L.2-2005, SEC.11.

IC 5-1-7-3

Execution of contract; procedure

Sec. 3. All contracts so entered into shall be executed in duplicate and one (1) copy thereof shall be kept by the county auditor and one (1) copy shall be delivered to the owner of such bond. At the time of the execution of such contract, the county auditor shall register all such matured bonds as may be presented for redemption, and all such redemption bonds which are issued to redeem such matured bonds and which are merged in any contract entered into in accordance with the provisions of this chapter, in a record kept in the county auditor's office for that purpose, showing the name and address of the owner of the matured and redemption bond, the amount thereof, the rate of interest, the number of the bond or other identification mark and the amount of the annual payment, including both the partial payment on the principal sum of the redemption bond and the interest which will fall due and be payable on each of the ten (10) dates, respectively, when the county has obligated itself to make such payment, and appropriate entries shall be made in such record as the payments on such redemption bond, principal and interest, are made.

As added by Acts 1980, P.L.8, SEC.12.

IC 5-1-7-4

Calculation of tax levy necessary to make payments on principal and interest on redemption bonds; submission to county council

Sec. 4. At the time when the annual estimates are made for the county budget, the county auditor shall calculate the amount of the tax levy which will be necessary to make the payments on the principal and interest on such redemption bonds during the ensuing fiscal year of the county and shall submit his calculation, together with a detailed statement of all bonds outstanding and payable under the provisions of this chapter, to the county council at its annual meeting, and the county council shall levy the amount found to be necessary to make such payments as they fall due during the ensuing fiscal year.

As added by Acts 1980, P.L.8, SEC.12.

IC 5-1-7-5

"Bond owner" or "bondholder" defined

Sec. 5. The term "bond owner" or "bondholder" shall be construed to mean the person who owns the bond at the time of the execution of such contract and the provisions of such contract shall inure to and be binding upon any subsequent grantee, executor, administrator, heir, devisee, trustee, receiver or assign of such matured and/or redemption bond owner or bondholder.

As added by Acts 1980, P.L.8, SEC.12.

IC 5-1-7-6

Validity or priority of lien of bond against taxable property

Sec. 6. Neither the provisions of this chapter nor any contract executed under this chapter shall release, waive, or destroy the validity or priority of any lien of any such bond against the taxable property of such county or any taxing district coterminous with such county, or any taxing district coterminous with any civil township of such county.

As added by Acts 1980, P.L.8, SEC.12.

IC 5-1-7-7

"Bond" and "bond fund" defined

Sec. 7. The term "bond" as used in this chapter shall mean and include any bond issued by and which is an obligation of the county in its civil capacity; and any so-called county unit road bond which has been issued by the board of commissioners and is an obligation of the taxing district which is coterminous with the county; and any so-called gravel road bond which has been issued by the board of commissioners and is an obligation of the taxing district which is coterminous with any civil township. The term "bond fund" means any fund from which any of such bonds so issued or the interest thereon is paid.

As added by Acts 1980, P.L.8, SEC.12.