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# HOUSE BILL No. 2030

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-20; IC 8-10-5-8; IC 8-18-22-3; IC 8-22; IC 12-29-1-5; IC 13-21-9-2; IC 14-27-6-40; IC 16-22; IC 20-5; IC 20-14-10-8; IC 21-5; IC 36-1-10-13; IC 36-3-5-8; IC 36-5-2-11; IC 36-7; IC 36-8-15-15.1; IC 36-9; IC 36-10.

**Synopsis:** Operating costs notices for local financings. Requires that local units of government give public notice of projected operating costs of a proposed project to be financed by bonds or a lease.

**Effective:** July 1, 2001.

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January 17, 2001, read first time and referred to Committee on Ways and Means.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

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## HOUSE BILL No. 2030



A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-1.1-20-1.8 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2001]: **Sec. 1.8. As used in this chapter,**  
4 **"projected operating costs" means the estimated operating costs**  
5 **of a project to be financed by bonds or a lease, including the costs**  
6 **of:**

- 7 (1) **security;**
- 8 (2) **custodial services;**
- 9 (3) **heating and cooling;**
- 10 (4) **utilities;**
- 11 (5) **maintenance; and**
- 12 (6) **other expenses;**

13 **associated with the regular operation of the project.**

14 SECTION 2. IC 6-1.1-20-3.1 IS AMENDED TO READ AS  
15 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3.1. A political  
16 subdivision may not impose property taxes to pay debt service or lease  
17 rentals without completing the following procedures:



- 1 (1) The proper officers of a political subdivision shall:  
 2 (A) publish notice in accordance with IC 5-3-1; and  
 3 (B) send notice by first class mail to any organization that  
 4 delivers to the officers, before January 1 of that year, an annual  
 5 written request for such notices;  
 6 of any meeting to consider adoption of a resolution or an  
 7 ordinance making a preliminary determination to issue bonds or  
 8 enter into a lease and shall conduct a public hearing on a  
 9 preliminary determination before adoption of the resolution or  
 10 ordinance.
- 11 (2) When the proper officers of a political subdivision make a  
 12 preliminary determination to issue bonds or enter into a lease, the  
 13 officers shall give notice of the preliminary determination by:  
 14 (A) publication in accordance with IC 5-3-1; and  
 15 (B) first class mail to the organizations described in  
 16 subdivision (1)(B).
- 17 (3) A notice under subdivision (2) of the preliminary  
 18 determination of the political subdivision to issue bonds or enter  
 19 into a lease must include the following information:  
 20 (A) The maximum term of the bonds or lease.  
 21 (B) The maximum principal amount of the bonds or the  
 22 maximum lease rental for the lease.  
 23 (C) The estimated interest rates that will be paid and the total  
 24 interest costs associated with the bonds or lease.  
 25 (D) The purpose of the bonds or lease.  
 26 (E) **The projected operating costs of the controlled project.**  
 27 (F) A statement that any owners of real property within the  
 28 political subdivision who want to initiate a petition and  
 29 remonstrance process against the proposed debt service or  
 30 lease payments must file a petition that complies with  
 31 subdivisions (4) and (5) not later than thirty (30) days after  
 32 publication in accordance with IC 5-3-1.
- 33 (4) After notice is given, a petition requesting the application of  
 34 a petition and remonstrance process may be filed by the lesser of:  
 35 (A) two hundred fifty (250) owners of real property within the  
 36 political subdivision; or  
 37 (B) ten percent (10%) of the owners of real property within the  
 38 political subdivision.
- 39 (5) Each petition must be verified under oath by at least one (1)  
 40 qualified petitioner in a manner prescribed by the state board of  
 41 accounts before the petition is filed with the county auditor under  
 42 subdivision (6).

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- 1 (6) Each petition must be filed with the county auditor not more
- 2 than thirty (30) days after publication under subdivision (2) of the
- 3 notice of the preliminary determination.
- 4 (7) The county auditor must file a certificate and each petition
- 5 with:
- 6 (A) the township trustee, if the political subdivision is a
- 7 township, who shall present the petition or petitions to the
- 8 township board; or
- 9 (B) the body that has the authority to authorize the issuance of
- 10 the bonds or the execution of a lease, if the political
- 11 subdivision is not a township;
- 12 within fifteen (15) business days of the filing of the petition
- 13 requesting a petition and remonstrance process. The certificate
- 14 must state the number of petitioners that are owners of real
- 15 property within the political subdivision.

16 If a sufficient petition requesting a petition and remonstrance process  
 17 is not filed by owners of real property as set forth in this section, the  
 18 political subdivision may issue bonds or enter into a lease by following  
 19 the provisions of law relating to the bonds to be issued or lease to be  
 20 entered into.

21 SECTION 3. IC 8-10-5-8 IS AMENDED TO READ AS FOLLOWS  
 22 [EFFECTIVE JULY 1, 2001]: Sec. 8. A port authority shall have full  
 23 power and authority to do the following:

- 24 (1) Purchase, construct, sell, lease, and operate docks, wharves,
- 25 warehouses, piers, and other port, terminal, or transportation
- 26 facilities within its jurisdiction consistent with the purposes of the
- 27 port authority and make charges for the use thereof.
- 28 (2) Straighten, deepen, and improve any canal, channel, river,
- 29 stream, or other water course or way which may be necessary or
- 30 proper in the development of the facilities of such port.
- 31 (3) Establish dock lines, piers, and other facilities necessary to the
- 32 conduct of pleasure boating within the territory under the
- 33 jurisdiction of the port authority.
- 34 (4) Regulate and enforce the regulation of all uses and activities
- 35 related to the port in the area under the jurisdiction of the port
- 36 authority and determine the use of land adjacent to waters under
- 37 the jurisdiction of the port authority within a reasonable distance
- 38 from the shore lines of such waters. However, this subdivision
- 39 does not:
- 40 (A) affect the requirement that special standards for the safe
- 41 operation of watercraft on public waters must be adopted by
- 42 rule by the department of natural resources under

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IC 14-15-7-3; or  
(B) authorize the assessment by the port authority of a charge or fee for the passage of a watercraft through the navigable waters of the state.  
(5) Acquire, own, hold, sell, lease, or operate real or personal property for the authorized purposes of the port authority.  
(A) The board of directors may, by resolution, recommend to the governing body of the municipality or municipalities creating the port authority that they authorize general obligations, mortgage, or revenue bonds for any one (1) or more of the following purposes:  
(i) To acquire or improve port or harbor sites.  
(ii) To acquire, construct, extend, alter, or improve structures, ways, facilities, or equipment necessary for the proper operation of the port authority or the port or harbor within its jurisdiction.  
(iii) To refund outstanding bonds and matured interest coupons and issue and sell refunding bonds for that purpose.  
(B) Prior to a recommendation authorized by clause (A), the board shall give notice of a public hearing at which time the board shall disclose the purpose for which the bond issue is proposed, the amount of the proposed issue, **the projected operating costs (as defined in IC 6-1.1-20-1.8) of the proposed project**, and all other pertinent data. At least ten (10) days prior to the date set for hearing, the board shall publish in two (2) newspapers of general circulation in the city, county or counties, or such other municipalities involved, a notice of the time, place, and purpose of the hearing. If there is only one (1) paper one (1) notice shall be sufficient.  
(C) The governing body shall review the proposal of the board of directors of the port authority and if it approves shall provide for the advertisement and sale of the issue in compliance with IC 5-1-11. For purposes of this chapter, IC 5-1-11 shall apply as fully to mortgage bonds as to general obligation or revenue bonds.  
(D) Bonds issued under the authority of this chapter are not subject to limitations on interest rates.  
(E) The governing body shall fix the time and place of payment of principal and interest, but no issue shall have a maturity date in excess of forty (40) years from date of issue.  
(F) Bonds issued under the provisions of this chapter, together with the interest thereon, shall be tax exempt.

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1 (G) The governing body shall apply the proceeds from the sale  
 2 of bonds exclusively to the purposes for which the bonds were  
 3 issued and only to the extent necessary therefor. Any  
 4 remaining balance shall be placed in a sinking fund for the  
 5 payment of the bonds and the interest thereon.  
 6 (H) Nothing in this chapter shall affect existing obligations on  
 7 outstanding bonds. In case a board of directors or a port  
 8 authority is discontinued as provided in section 4 of this  
 9 chapter the primary obligations on its bonds shall remain  
 10 unaffected. In addition, the city or county or municipalities  
 11 involved in the issuance thereof shall assume liability for the  
 12 payment of the bonds according to their terms and in relation  
 13 to their interest or proportion therein.  
 14 (6) With the approval of the governing body creating it, sell,  
 15 lease, or enter into a royalty contract for the natural or mineral  
 16 resources of land which it owns. Moneys received from these  
 17 sources shall be deposited in the nonreverting capital fund of the  
 18 port authority.  
 19 (7) Apply to the proper authorities of the United States pursuant  
 20 to appropriate law for the right to establish, operate, and maintain  
 21 foreign trade zones within the limits of the port authority and  
 22 establish, operate, and maintain such foreign trade zones.  
 23 (8) Exercise the right of eminent domain to appropriate any land,  
 24 rights, rights-of-way, franchises, easements, or other property  
 25 necessary or proper for the construction or the efficient operation  
 26 of any facility of the port authority, award damages to landowners  
 27 for real estate and property rights appropriated and taken or  
 28 injuriously affected, and in case the board of directors of the port  
 29 authority cannot agree with the owners, lessees, or occupants of  
 30 any real estate selected by them for the purposes herein set forth,  
 31 proceed to procure the condemnation of the same as hereinafter  
 32 provided, and in addition thereto, when not in conflict or  
 33 inconsistent with the express provisions of this chapter, proceed  
 34 under the general laws of the state of Indiana governing the  
 35 condemnation of lands and the rights-of-way for other public  
 36 purposes which may be in force at the time, and the provisions of  
 37 such laws are hereby extended to ports and harbors and to the  
 38 properties of port authorities as provided for herein so far as the  
 39 same are not in conflict or inconsistent with the terms of this  
 40 chapter. In any such proceeding prosecuted by the board of  
 41 directors of a port authority to condemn or appropriate any land  
 42 or the use thereof or any right therein for purposes permitted by

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this chapter, the board and all owners and holders of property or rights therein sought to be taken shall be governed by and have the same rights as to procedure, notices, hearings, assessments of benefits and awards, and payments thereof as are now or may hereafter be prescribed by law for the appropriation and condemnation of real estate, and such property owners shall have like powers and rights as to remonstrance and of appeals to the circuit or superior courts in the county in which such property sought to be appropriated is located. However, the payment of all damages awarded for all lands and property or interests or rights therein appropriated under the provisions of this chapter shall be paid entirely out of funds under the control of such port authority, except for the following:

(A) Upon written application of any property owner affected, any municipal corporation, or, as to areas outside the boundaries of a municipal corporation, any county, participating in the creation of a port authority, after ten (10) days written notice to the port authority and public hearing had thereon, may revoke the right of eminent domain to be exercised by the port authority as to any parcel or parcels of land inside its borders within sixty (60) days after the port authority has by resolution announced the lands, rights, rights-of-way, franchises, easements, or other property to be taken.

(B) Nothing herein contained shall authorize a port authority to take or disturb property or facilities belonging to any public corporation, public utility, or common carrier, which property or facilities are necessary and convenient in the operation of such public corporation, public utility, or common carrier, unless provision is made for the restoration, relocating, or duplication of such property or facilities, or upon the election of such public corporation, public utility, or common carrier, for the payment of compensation, if any at the sole cost of the port authority, subject to the following:

(i) If any restoration or duplication proposed to be made hereunder shall involve a relocation of such property or facilities, the new facilities and location shall be of at least comparable utilitarian value and effectiveness and such relocation shall not impair the ability of the public utility or common carrier to compete in its original area of operation.

(ii) Provisions for restoration or duplication shall be described in detail in the resolution for appropriation passed

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1 by the port authority.

2 (9) Accept, receive, and receipt for federal moneys, and other  
3 moneys, either public or private, for the acquisition, construction,  
4 enlargement, improvement, maintenance, equipment, or operation  
5 of a port or harbor or other navigation facilities, and sites therefor  
6 and comply with the provisions of the laws of the United States  
7 and any rules and regulations made thereunder for the expenditure  
8 of federal moneys upon such ports and other navigation facilities.

9 (10) Maintain such funds as it deems necessary.

10 (11) Direct its agents or employees, when properly identified in  
11 writing, and after at least five (5) days written notice, to enter  
12 upon lands within the confines of its jurisdiction in order to make  
13 surveys and examinations preliminary to location and  
14 construction of works for the purposes of the port authority,  
15 without liability of the port authority or its agents or employees  
16 except for actual damage done.

17 (12) Sell or lease real and personal property not needed for the  
18 operation of the port authority and grant easements or  
19 rights-of-way over property of the port authority.

20 (13) Promote, advertise, and publicize the port and its facilities,  
21 provide traffic information and rate information to shippers and  
22 shipping interests, and appear before rate making authorities to  
23 represent and promote the interests of the port.

24 SECTION 4. IC 8-18-22-3 IS AMENDED TO READ AS  
25 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. (a) Upon request of  
26 the county executive, the county fiscal body may borrow money and  
27 issue bonds in the name of the county in principal amounts and  
28 maturities as the fiscal body determines necessary to provide sufficient  
29 funds for the purposes specified in IC 8-16 through IC 8-20, including:

30 (1) the payment of costs of the project for which bonds are  
31 authorized, costs of issuance, or related costs of financing;

32 (2) the payment of interest on the bonds;

33 (3) the establishment of reserves to secure the bonds; and

34 (4) all other expenditures of the county incident to, necessary, and  
35 convenient to carry out this chapter.

36 (b) Before bonds may be issued under this chapter, the county fiscal  
37 body shall give notice of a public hearing to disclose the purpose for  
38 which the bond issue is proposed, the amount of the proposed issue,  
39 **the projected operating costs (as defined in IC 6-1.1-20-1.8) of the**  
40 **proposed project**, and other pertinent data. The county fiscal body  
41 shall publish in accordance with IC 5-3-1 a notice of the time, place,  
42 and general purpose of the hearing.

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1 (c) The costs of more than one (1) project may be included in one  
2 (1) issue of bonds.

3 SECTION 5. IC 8-22-3-16 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 16. (a) The board may  
5 issue general obligation bonds of the authority for the purpose of  
6 procuring funds to pay the cost of acquiring real property, or  
7 constructing, enlarging, improving, remodeling, repairing, or equipping  
8 buildings, structures, runways, or other facilities, for use as or in  
9 connection with or for administrative purposes of the airport. The  
10 issuance of the bonds must be authorized by ordinance of the board  
11 providing for the amount, terms, and tenor of the bonds and for the  
12 time and character of notice and the mode of making sale. If one (1)  
13 airport is owned by the authority, an ordinance authorizing the issuance  
14 of bonds for a separate second airport is subject to approval as provided  
15 in this section. The bonds bear interest and are payable at the times and  
16 places that the board determines but running not more than twenty-five  
17 (25) years after the date of their issuance, and they must be executed in  
18 the name of the authority by the president of the board and attested by  
19 the secretary who shall affix to each of the bonds the official seal of the  
20 authority. The interest coupons attached to the bonds may be executed  
21 by placing on them the facsimile signature of the president of the  
22 board.

23 (b) The issuance of general obligation bonds must be approved by  
24 resolution of the following body:

25 (1) When the authority is established by an eligible entity, by its  
26 fiscal body.

27 (2) When the authority is established by two (2) or more eligible  
28 entities acting jointly, by the fiscal body of each of those entities.

29 (3) When the authority was established under IC 19-6-2, by the  
30 mayor of the consolidated city, and if a second airport is to be  
31 funded, also by the city-county council.

32 (4) When the authority was established under IC 19-6-3, by the  
33 county council.

34 (c) The airport director shall manage and supervise the preparation,  
35 advertisement, and sale of the bonds, subject to the authorizing  
36 ordinance. Before the sale of the bonds, the airport director shall cause  
37 notice of the sale to be published once each week for two (2)  
38 consecutive weeks in two (2) newspapers of general circulation  
39 published in the district, setting out the time and place where bids will  
40 be received, the amount and maturity dates of the issue, the maximum  
41 interest rate, and the terms and conditions of sale and delivery of the  
42 bonds. The bonds shall be sold to the highest bidder, in accordance



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1 with the procedures for selling public bonds. After the bonds have been  
 2 properly sold and executed, the airport director shall deliver them to the  
 3 treasurer of the authority and take his receipt for them, and shall certify  
 4 to the treasurer the amount which the purchaser is to pay for them,  
 5 together with the name and address of the purchaser. On payment of  
 6 the purchase price the treasurer shall deliver the bonds to the  
 7 purchaser, and the treasurer and airport director or superintendent shall  
 8 report their actions to the board.

9 (d) The provisions of IC 6-1.1-20 and IC 5-1 relating to the filing of  
 10 a petition requesting the issuance of bonds and giving notice of them,  
 11 the giving of notice of determination to issue bonds, **the giving of**  
 12 **notice of the projected operating costs (as defined in**  
 13 **IC 6-1.1-20-1.8) of the proposed project,** the giving of notice of  
 14 hearing on the appropriation of the proceeds of bonds and the right of  
 15 taxpayers to appeal and be heard on the proposed appropriation, the  
 16 approval of the appropriation by the state board of tax commissioners,  
 17 the right of taxpayers to remonstrate against the issuance of bonds, and  
 18 the sale of bonds at public sale for not less than par value are  
 19 applicable to proceedings under this chapter for the issuance of general  
 20 obligation bonds.

21 (e) Bonds issued under this chapter are not a corporate obligation or  
 22 indebtedness of any eligible entity but are an indebtedness of the  
 23 authority as a municipal corporation. An action to question the validity  
 24 of the bonds issued or to prevent their issue must be instituted not later  
 25 than the date set for sale of the bonds, and all of the bonds after that  
 26 date are incontestable.

27 SECTION 6. IC 8-22-3.6-3 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. (a) An authority that  
 29 is located in a:

30 (1) city having a population of more than one hundred ten  
 31 thousand (110,000) but less than one hundred twenty thousand  
 32 (120,000);

33 (2) county having a population of more than one hundred  
 34 thousand (100,000) but less than one hundred seven thousand  
 35 (107,000); or

36 (3) county having a population of more than three hundred  
 37 thousand (300,000) but less than four hundred thousand  
 38 (400,000);

39 may enter into a lease of an airport project with a lessor for a term not  
 40 to exceed fifty (50) years and the lease may provide for payments to be  
 41 made by the airport authority from property taxes levied under  
 42 IC 8-22-3-17, taxes allocated under IC 8-22-3.5-9, any other revenues

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1 available to the airport authority, or any combination of these sources.

2 (b) A lease may provide that payments by the authority to the lessor  
3 are required only to the extent and only for the period that the lessor is  
4 able to provide the leased facilities in accordance with the lease. The  
5 terms of each lease must be based upon the value of the facilities leased  
6 and may not create a debt of the authority or the eligible entity for  
7 purposes of the Constitution of the State of Indiana.

8 (c) A lease may be entered into by the authority only after a public  
9 hearing by the board at which all interested parties are provided the  
10 opportunity to be heard. **Before the public hearing, the authority**  
11 **shall give public notice of the projected operating costs (as defined**  
12 **in IC 6-1.1-20-1.8) of the proposed project.** After the public hearing,  
13 the board may adopt an ordinance authorizing the execution of the  
14 lease if it finds that the service to be provided throughout the term of  
15 the lease will serve the public purpose of the authority and is in the best  
16 interest of the residents of the authority district.

17 (d) Upon execution of a lease providing for payments by the  
18 authority in whole or in part from the levy of property taxes under  
19 IC 8-22-3-17, the board shall publish notice of the execution of the  
20 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more  
21 taxpayers residing in the authority district who will be affected by the  
22 lease and who may be of the opinion that no necessity exists for the  
23 execution of the lease or that the payments provided for in the lease are  
24 not fair and reasonable may file a petition in the office of the county  
25 auditor within thirty (30) days after the publication of the notice of  
26 execution and approval. The petition must set forth the petitioners'  
27 names, addresses, and objections to the lease and the facts showing that  
28 the execution of the lease is unnecessary or unwise or that the  
29 payments provided for in the lease are not fair and reasonable, as the  
30 case may be.

31 (e) Upon the filing of a petition under subsection (d), the county  
32 auditor shall immediately certify a copy of the petition, together with  
33 any other data necessary to present the questions involved, to the state  
34 board of tax commissioners. Upon receipt of the certified petition and  
35 information, the state board of tax commissioners shall fix a time and  
36 place for a hearing in the authority district, which must be not less than  
37 five (5) or more than thirty (30) days after the time is fixed. Notice of  
38 the hearing shall be given by the state board of tax commissioners to  
39 the members of the board, and to the first fifty (50) petitioners on the  
40 petition, by a letter signed by one (1) member of the state board of tax  
41 commissioners and enclosed with fully prepaid postage sent to those  
42 persons at their usual place of residence, at least five (5) days before

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1 the date of the hearing. The decision of the state board of tax  
2 commissioners on the appeal, upon the necessity for the execution of  
3 the lease, and as to whether the payments under it are fair and  
4 reasonable, is final.

5 (f) An authority entering into a lease payable from any sources  
6 permitted under this chapter may:

7 (1) pledge the revenue to make payments under the lease pursuant  
8 to IC 5-1-14-4; or

9 (2) establish a special fund to make the payments.

10 (g) Lease rentals may be limited to money in the special fund so that  
11 the obligations of the airport authority to make the lease rental  
12 payments are not considered debt of the unit or the district for purposes  
13 of the Constitution of the State of Indiana.

14 (h) Except as provided in this section, no approvals of any  
15 governmental body or agency are required before the authority enters  
16 into a lease under this section.

17 (i) An action to contest the validity of the lease or to enjoin the  
18 performance of any of its terms and conditions must be brought within  
19 thirty (30) days after the later of:

20 (1) the public hearing described in subsection (c); or

21 (2) the publication of the notice of the execution and approval of  
22 the lease described in subsection (d), if the lease is payable in  
23 whole or in part from tax levies.

24 However, if the lease is payable in whole or in part from tax levies and  
25 an appeal has been taken to the state board of tax commissioners, an  
26 action to contest the validity or enjoin the performance must be brought  
27 within thirty (30) days after the decision of the state board of tax  
28 commissioners.

29 (j) If an authority exercises an option to buy an airport project from  
30 a lessor, the authority may subsequently sell the airport project, without  
31 regard to any other statute, to the lessor at the end of the lease term at  
32 a price set forth in the lease or at fair market value established at the  
33 time of the sale by the authority through auction, appraisal, or arms  
34 length negotiation. If the airport project is sold at auction, after  
35 appraisal, or through negotiation, the board shall conduct a hearing  
36 after public notice in accordance with IC 5-3-1 before the sale. Any  
37 action to contest the sale must be brought within fifteen (15) days of  
38 the hearing.

39 SECTION 7. IC 12-29-1-5 IS AMENDED TO READ AS  
40 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. All general Indiana  
41 statutes relating to the following apply to the issuance of county bonds  
42 under this chapter:

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- 1 (1) The filing of a petition requesting the issuance of bonds.
- 2 (2) The giving of notice of the following:
- 3 (A) The filing of the petition requesting the issuance of the
- 4 bonds.
- 5 (B) The determination to issue bonds.
- 6 (C) A hearing on the appropriation of the proceeds of the
- 7 bonds.
- 8 **(D) The projected operating costs (as defined in**
- 9 **IC 6-1.1-20-1.8) of the proposed project.**
- 10 (3) The right of taxpayers to appear and be heard on the proposed
- 11 appropriation.
- 12 (4) The approval of the appropriation by the state board of tax
- 13 commissioners.
- 14 (5) The right of taxpayers to remonstrate against the issuance of
- 15 bonds.

16 SECTION 8. IC 13-21-9-2 IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. (a) The board shall  
 18 hold a public hearing on the proposed financing of the facilities after  
 19 giving public notice. **Before the public hearing, the board shall give**  
 20 **notice of the projected operating costs (as defined in**  
 21 **IC 6-1.1-20-1.8) of the proposed project.**

22 (b) Upon findings by the board that:

- 23 (1) the proposed financing will benefit the health or welfare of the
- 24 district; and
- 25 (2) the proposed financing complies with the purposes and
- 26 provisions of this article;

27 the board shall adopt a resolution to approve the financing, including  
 28 the form and terms of the financing agreement, the waste management  
 29 development bonds, and the trust indenture, if any.

30 SECTION 9. IC 14-27-6-40 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 40. The provisions of  
 32 IC 5-1 and IC 6-1.1-20 relating to the following apply to proceedings  
 33 under this chapter:

- 34 (1) The filing of a petition requesting the issuance of bonds and
- 35 giving notice of the petition.
- 36 (2) The giving of notice of determination to issue bonds.
- 37 (3) The giving of notice of hearing on the appropriation of the
- 38 proceeds of bonds and the right of taxpayers to appeal and be
- 39 heard on the proposed appropriation.
- 40 (4) The approval of the appropriation by the state board of tax
- 41 commissioners.
- 42 (5) The right of taxpayers to remonstrate against the issuance of

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1 bonds.

2 (6) The sale of bonds at public sale for not less than the par value.

3 **(7) The giving of notice of the projected operating costs (as**  
4 **defined in IC 6-1.1-20-1.8) of the proposed project.**

5 SECTION 10. IC 16-22-6-18 IS AMENDED TO READ AS  
6 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 18. When the authority,  
7 the governing board of the hospital, the county executive, and a  
8 majority of the county fiscal body of the county have agreed upon the  
9 terms and conditions of a lease proposed to be entered into under the  
10 terms and conditions of this chapter and before the final execution of  
11 the lease, the county auditor shall publish notice of a public hearing to  
12 be held in the county by the county executive not less than ten (10)  
13 days after the publication of the notice. The notice of the hearing shall  
14 be published one (1) time in a newspaper of general circulation printed  
15 in the English language and published in the county. The notice must  
16 name the day, place, and hour of the hearing and must set forth a brief  
17 summary of the principal terms of the lease, including a description of  
18 the property to be leased, the lease rental, the term of the lease, **the**  
19 **projected operating costs (as defined in IC 6-1.1-20-1.8) of the**  
20 **proposed project**, and where the proposed lease, drawings, plans,  
21 specifications, and estimates may be examined. The proposed lease and  
22 the drawings, plans, specifications, and estimates of construction cost  
23 for the building shall be open to inspection by the public during the ten  
24 (10) day notice period and at the meeting. All persons have a right to  
25 be heard at the meeting on the necessity for the lease and whether the  
26 lease rental is fair and reasonable. The hearing may be adjourned to a  
27 later date or dates and to a place fixed before the adjournment.

28 SECTION 11. IC 16-22-7-21 IS AMENDED TO READ AS  
29 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 21. (a) When the  
30 authority, the governing board of the hospital, the county executive,  
31 and the county fiscal body of the county or the city fiscal body have  
32 agreed on the terms and conditions of a proposed lease and before the  
33 final execution of the lease, the recording officer shall publish notice  
34 of a public hearing to be held in the county or city by the governing  
35 body of the proposed lessee. The hearing shall be held not earlier than  
36 ten (10) days after the date of publication of the notice. The notice must  
37 name the day, place, and hour of the hearing and must set forth a brief  
38 summary of the principal terms of the lease, including the character and  
39 location of the property to be leased, **the projected operating costs (as**  
40 **defined in IC 6-1.1-20-1.8) of the proposed project**, the lease rental  
41 to be paid, the lease term, and where the proposed lease, drawings,  
42 plans, specifications, and estimates may be examined.



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1 (b) The proposed lease and the drawings, plans, specifications, and  
 2 estimates of construction cost for the buildings are open to inspection  
 3 by the public during the ten (10) days before the meeting and at the  
 4 meeting.

5 (c) Interested persons are entitled to be heard at the meeting  
 6 concerning the necessity for and fairness of the lease. The hearing may  
 7 be adjourned to a later date and to a place fixed before adjournment.

8 SECTION 12. IC 16-22-8-43 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 43. (a) The board may  
 10 issue general obligation bonds of the corporation to procure funds to  
 11 pay the cost of acquiring real property or constructing, enlarging,  
 12 improving, remodeling, repairing, or equipping buildings and other  
 13 structures for use as or in connection with hospitals, clinics, health  
 14 centers, dispensaries, or for administrative purposes. The issuance of  
 15 the bonds shall be authorized by ordinance of the board providing for  
 16 the amount, terms, and tenor of the bonds, **for the projected operating**  
 17 **costs (as defined in IC 6-1.1-20-1.8) of the proposed project**, for the  
 18 time and character of notice, and the mode of making the sale. The  
 19 bonds shall be payable not more than forty (40) years after the date of  
 20 issuance and shall be executed in the name of the corporation by the  
 21 chairman of the board and attested by the executive director, who shall  
 22 affix to each of the bonds the official seal of the corporation. The  
 23 interest coupons attached to the bonds may be executed by facsimile  
 24 signature of the chairman of the board.

25 (b) The executive director shall manage and supervise the  
 26 preparation, advertisement, and sale of bonds, subject to the provisions  
 27 of the authorizing ordinance. Before the sale of the bonds, the  
 28 executive director shall publish notice of the sale in accordance with  
 29 IC 5-3-1, setting out the time and place where bids will be received, the  
 30 amount and maturity dates of the issue, the maximum interest rate, and  
 31 the terms and conditions of sale and delivery of the bonds. The bonds  
 32 shall be sold to the highest and best bidder. After the bonds have been  
 33 sold and executed, the executive director shall deliver the bonds to the  
 34 treasurer of the corporation and take the treasurer's receipt, and shall  
 35 certify to the treasurer the amount that the purchaser is to pay, together  
 36 with the name and address of the purchaser. On payment of the  
 37 purchase price, the treasurer shall deliver the bonds to the purchaser,  
 38 and the treasurer and executive director shall report the actions to the  
 39 board.

40 (c) IC 5-1 and IC 6-1.1-20 apply to the following proceedings:

41 (1) Notice and filing of the petition requesting the issuance of the  
 42 bonds.

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- 1 (2) Notice of determination to issue bonds.
- 2 (3) Notice of hearing on the appropriation of the proceeds of the
- 3 bonds and the right of taxpayers to appeal and be heard.
- 4 (4) Approval by the state board of tax commissioners.
- 5 (5) The right to remonstrate.
- 6 (6) Sale of bonds at public sale for not less than the par value.

7 (d) The bonds are the direct general obligations of the corporation  
 8 and are payable out of unlimited ad valorem taxes levied and collected  
 9 on all the taxable property within the county of the corporation. All  
 10 officials and bodies having to do with the levying of taxes for the  
 11 corporation shall see that sufficient levies are made to meet the  
 12 principal and interest on the bonds at the time fixed for payment.

13 (e) The bonds are exempt from taxation for all purposes including  
 14 the gross income tax but the interest is subject to gross income tax.

15 SECTION 13. IC 20-5-4-7 IS AMENDED TO READ AS  
 16 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. The provisions of all  
 17 general statutes and rules relating to filing of petitions requesting the  
 18 issuance of bonds and giving notice thereof, giving notice of  
 19 determination to issue bonds, **giving notice of the projected**  
 20 **operating costs (as defined in IC 6-1.1-20-1.8) of the proposed**  
 21 **project**, giving notice of a hearing on the appropriation of the proceeds  
 22 of the bonds and the right of taxpayers to appear and be heard on the  
 23 proposed appropriation, the approval of the appropriation by the state  
 24 board of tax commissioners, and the right of taxpayers to remonstrate  
 25 against the issuance of bonds shall be applicable to proceedings for the  
 26 issuance of bonds and the making of an emergency loan under  
 27 IC 20-5-1 through IC 20-5-6. No action to contest the validity of such  
 28 bonds or emergency loans shall be brought later than five (5) days after  
 29 the acceptance of a bid for the sale thereof.

30 SECTION 14. IC 20-5-52-2 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. (a) If the governing  
 32 body proposes to construct, repair, or alter a school building at a cost  
 33 of more than one million dollars (\$1,000,000), that would be financed  
 34 by:

- 35 (1) entering into a lease agreement under IC 21-5-11-7 or
- 36 IC 21-5-12-7;
- 37 (2) issuing bonds under IC 20-5-4; or
- 38 (3) any other available method;

39 it must hold a public hearing at which explanations of the potential  
 40 value of the proposed project to the school corporation and to the  
 41 community shall be given, **the projected operating costs (as defined**  
 42 **in IC 6-1.1-20-1.8) of the proposed project shall be given**, and at

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1 ~~which~~ interested parties may present testimony and questions.

2 (b) Notice of the hearing shall be given in accordance with IC 5-3-1.  
3 The notice must state that on a given day, at an hour and place, the  
4 governing body will meet to discuss and hear objections and support to  
5 the proposed construction.

6 SECTION 15. IC 20-14-10-8 IS AMENDED TO READ AS  
7 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 8. (a) When the lessor  
8 corporation and the public corporation or corporations have agreed  
9 upon the terms and conditions of any lease proposed to be entered into  
10 under this chapter and before the final execution of the lease, notice of  
11 a hearing shall be given by publication to all interested persons. The  
12 hearing shall be held before the governing authority, on a day not  
13 earlier than ten (10) days after the publication of the notice.

14 (b) The notice of the hearing shall be published one (1) time in a  
15 newspaper of general circulation printed in the English language in the  
16 district of the public corporation or in each public corporation district  
17 if the proposed lease is a joint lease. If no paper is published in the  
18 district, then the notice shall be published in any newspaper of general  
19 circulation published in the county. The notice must name the day,  
20 place, and hour of the hearing and set forth a brief summary of the  
21 principal terms of the lease agreed upon, including:

- 22 (1) the location;  
23 (2) the name of the proposed lessor corporation and character of  
24 the property to be leased;  
25 (3) the rental to be paid; ~~and~~  
26 (4) the number of years the contract is to be in effect; ~~and~~  
27 **(5) the projected operating costs (as defined in**  
28 **IC 6-1.1-20-1.8) of the proposed project.**

29 The proposed lease, drawings, plans, specifications, and estimates for  
30 the library building or buildings must be available for inspection by the  
31 public during the ten (10) day period and at the meeting. All interested  
32 persons are entitled to be heard at the hearing regarding the necessity  
33 for the execution of the lease, and whether the rental provided for in the  
34 lease to be paid to the lessor corporation is a fair and reasonable rental  
35 for the proposed building or buildings. The hearing may be adjourned  
36 to a later date or dates, and following the hearing, the governing  
37 authority may either authorize the execution of the lease as originally  
38 agreed upon or it may make modifications that have been agreed upon  
39 by the lessor corporation. The lease rentals as set out in the published  
40 notice may not be increased. The cost of the publication of the notice  
41 shall be paid by the lessor corporation.

42 SECTION 16. IC 21-5-11-7 IS AMENDED TO READ AS



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1       FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. (a) When the lessor  
 2       corporation and the school corporation or corporations have agreed  
 3       upon the terms and conditions of any lease proposed to be entered into  
 4       pursuant to the terms and conditions of this chapter and before the final  
 5       execution of such lease a notice shall be given by publication to all  
 6       persons interested of a hearing to be held before the board of school  
 7       trustees, the township board, or the body or bodies vested with  
 8       authority to approve the lease, or a joint meeting thereof, which hearing  
 9       shall be on a day not earlier than ten (10) days if new construction is  
 10      proposed or thirty (30) days if improvement or expansion is proposed  
 11      after the publication of such notice. The notice of such hearing shall be  
 12      published one (1) time in a newspaper of general circulation printed in  
 13      the English language in the school corporation, or one (1) of the same  
 14      if the proposed lease be a joint lease, or if no such paper be published  
 15      therein, then in any newspaper of general circulation published in the  
 16      county. Such notice shall name the day, place, and hour of such hearing  
 17      and shall set forth a brief summary of the principal terms of the lease  
 18      agreed upon, including the location, name of the proposed lessor  
 19      corporation and character of the property to be leased, the rental to be  
 20      paid, **the projected operating costs (as defined in IC 6-1.1-20-1.8)**  
 21      **of the proposed project**, and the number of years the contract is to be  
 22      in effect. The proposed lease, drawings, plans, specifications, and  
 23      estimates for such school building or buildings shall be available for  
 24      inspection by the public during said ten (10) day or thirty (30) day  
 25      period and at said meeting.

26      (b) All persons interested shall have a right to be heard at the time  
 27      fixed, upon the necessity for the execution of such lease and whether  
 28      the rental provided for therein to be paid to the lessor corporation is a  
 29      fair and reasonable rental for the proposed building. Such hearing may  
 30      be adjourned to a later date or dates, and within thirty (30) days  
 31      following the termination of such hearing the board of school trustees,  
 32      township board, or governing body or bodies of such school  
 33      corporation or corporations may by a majority vote of all its members  
 34      either authorize the execution of such lease as originally agreed upon,  
 35      or make such modifications therein as may be agreed upon with such  
 36      lessor corporation, but in no event shall the lease rentals as set out in  
 37      the published notice be increased. The cost of the publication of the  
 38      notice shall be borne by the lessor corporation.

39      (c) In the event the execution of the lease as originally agreed upon,  
 40      or as modified by agreement, is authorized by such board of school  
 41      trustees, township board, or governing body or bodies of such school  
 42      corporation or corporations, such board or governing body shall give

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1 notice of the signing of said contract by publication one (1) time in a  
2 newspaper of general circulation printed in the English language in the  
3 school corporation, or one (1) of the same if the proposed lease be a  
4 joint lease, or if no such newspaper be published therein, then in any  
5 newspaper of general circulation published in the county. Fifty (50) or  
6 more taxpayers in such school corporation or corporations who will be  
7 affected by the proposed lease and who may be of the opinion that no  
8 necessity exists for the execution of such lease, or that the proposed  
9 rental provided for therein is not a fair and reasonable rental, may file  
10 a petition in the office of the county auditor of the county in which such  
11 school corporation or corporations is located, within thirty (30) days  
12 after publication of notice of the execution of such lease, setting forth  
13 their objections thereto and facts showing that the execution of the  
14 lease is unnecessary or unwise, or that the lease rental is not fair and  
15 reasonable, as the case may be. Upon the filing of any such petition, the  
16 county auditor shall immediately certify a copy thereof, together with  
17 such other data as may be necessary in order to present the questions  
18 involved, to the state board of tax commissioners, and upon the receipt  
19 of such certified petition and information, the state board of tax  
20 commissioners shall fix a time and place for the hearing of such matter  
21 which shall not be less than five (5) nor more than thirty (30) days  
22 thereafter, and said hearing shall be held in the school corporation or  
23 corporations, or in the county where such school corporations are  
24 located. Notice of the hearing shall be given by the state board of tax  
25 commissioners to the members of the board of school trustees,  
26 township board, or governing body or bodies of such school  
27 corporation or corporations, and to the first fifty (50)  
28 taxpayer-petitioners upon such petition by a letter signed by one (1)  
29 member of the state board of tax commissioners, and enclosed with full  
30 prepaid postage addressed to such persons at their usual place of  
31 residence, at least five (5) days before the date of such hearing. The  
32 decision of the state board of tax commissioners on such appeal, upon  
33 the necessity for the execution of said lease and as to whether the rental  
34 is fair and reasonable, shall be final.

35 (d) No action to contest the validity of the lease or to enjoin the  
36 performance of any of the terms and conditions of the lease shall be  
37 instituted at any time later than thirty (30) days after publication of  
38 notice of the execution of the lease by the board of school trustees,  
39 township board, or governing body or bodies of such corporation or  
40 corporations; or if an appeal has been taken to the state board of tax  
41 commissioners, then within thirty (30) days after the decision of said  
42 board.

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1 SECTION 17. IC 21-5-12-7 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. (a) When the lessor  
3 corporation and the school corporation or corporations have agreed  
4 upon the terms and conditions of any lease proposed to be entered into  
5 pursuant to the terms and conditions of this chapter and before the final  
6 execution of such lease a notice shall be given by publication to all  
7 persons interested of a hearing to be held before the board of school  
8 trustees, the township board, or the body or bodies vested with  
9 authority to approve the lease, or a joint meeting thereof, which hearing  
10 shall be on a day not earlier than ten (10) days if new construction is  
11 proposed or thirty (30) days if improvement or expansion is proposed  
12 after the publication of such notice. The notice of such hearing shall be  
13 published one (1) time in a newspaper of general circulation printed in  
14 the English language in the school corporation, or one (1) of the same  
15 if the proposed lease be a joint lease, or if no such paper be published  
16 therein, then in any newspaper of general circulation published in the  
17 county. Such notice shall name the day, place, and hour of such hearing  
18 and shall set forth a brief summary of the principal terms of the lease  
19 agreed upon, including the location, **the** name of the proposed lessor  
20 corporation and character of the property to be leased, the rental to be  
21 paid, **the projected operating costs (as defined in IC 6-1.1-20-1.8)**  
22 **of the proposed project**, and the number of years the contract is to be  
23 in effect. The proposed lease, drawings, plans, specifications, and  
24 estimates for such school building or buildings shall be available for  
25 inspection by the public during said ten (10) day or thirty (30) day  
26 period and at said meeting. All persons interested shall have a right to  
27 be heard at the time fixed, upon the necessity for the execution of such  
28 lease and whether the rental provided for therein be paid to the lessor  
29 corporation is a fair and reasonable rental for the proposed building.  
30 Such hearing may be adjourned to a later date or dates, and within  
31 thirty (30) days following the termination of such hearing the board of  
32 school trustees, township board, or governing body or bodies of such  
33 school corporation or corporations may by a majority vote of all its  
34 members either authorize the execution of such lease as originally  
35 agreed upon or may make such modifications therein as may be agreed  
36 upon with such lessor corporation, but in no event shall the lease  
37 rentals as set out in the published notice be increased. The cost of the  
38 publication of the notice shall be borne by lessor corporations.

39 (b) In the event the execution of the lease as originally agreed upon,  
40 or as modified by agreement, is authorized by such board of school  
41 trustees, township board, or governing body or bodies of such school  
42 corporation or corporations, such board or governing body shall give

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1 notice of the signing of said contract by publication one (1) time in a  
 2 newspaper of general circulation printed in the English language in the  
 3 school corporation, or one (1) of the same if the proposed lease be a  
 4 joint lease, or if no such newspaper be published therein, then in any  
 5 newspaper of general circulation published in the county. Ten (10) or  
 6 more taxpayers in such school corporation or corporations, who will be  
 7 affected by the proposed lease and who may be of the opinion that no  
 8 necessity exists for the execution of such lease, or that the proposed  
 9 rental provided for therein is not a fair and reasonable rental, may file  
 10 a petition in the office of the county auditor of the county in which such  
 11 school corporation or corporations is located, within thirty (30) days  
 12 after publication of notice of the execution of such lease, setting forth  
 13 their objections thereto and facts showing that the execution of the  
 14 lease is unnecessary or unwise, or that the lease rental is not fair and  
 15 reasonable as the case may be. Upon the filing of any such petition, the  
 16 county auditor shall immediately certify a copy thereof, together with  
 17 such other data as may be necessary in order to present the questions  
 18 involved, to the state board of tax commissioners, and upon the receipt  
 19 of such certified petition and information, the state board of tax  
 20 commissioners shall fix a time and place for the hearing of such matter  
 21 which shall not be less than five (5) nor more than thirty (30) days  
 22 thereafter, and said hearing shall be in the school corporation or  
 23 corporations, or in the county where such school corporations are  
 24 located. Notice of the hearing shall be given by the state board of tax  
 25 commissioners to the members of the board of school trustees,  
 26 township board, or governing body or bodies of such school  
 27 corporation or corporations, and to the first ten (10)  
 28 taxpayer-petitioners upon such petition by a letter signed by one (1)  
 29 member of the state board of tax commissioners, and enclosed with full  
 30 prepaid postage addressed to such persons at their usual place of  
 31 residence, at least five (5) days before the date of such hearing. The  
 32 decision of the state board of tax commissioners on such appeal, upon  
 33 the necessity for the execution of said lease and as to whether the rental  
 34 is fair and reasonable, shall be final.

35 (c) No action to contest the validity of the lease or to enjoin the  
 36 performance of any of the terms and conditions of the lease shall be  
 37 instituted at any time later than thirty (30) days after publication of  
 38 notice of the execution of the lease by the board of school trustees,  
 39 township board, or governing body or bodies of such school  
 40 corporation or corporations; or if an appeal has been taken to the state  
 41 board of tax commissioners, then within thirty (30) days after the  
 42 decision of said board.

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1 SECTION 18. IC 36-1-10-13 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 13. (a) After the leasing  
3 agent and the lessor have agreed upon the terms and conditions of the  
4 lease but before the execution of the lease, the leasing agent shall  
5 publish notice, in accordance with IC 5-3-1, of a public hearing to be  
6 held before the leasing agent. The cost of the publication of the notice  
7 shall be paid by the lessor. Notice of the hearing must be given at least  
8 ten (10) days before the hearing is held.

9 (b) The notice must state the date, place, and hour of the hearing  
10 and provide a summary of the principal terms of the lease.  
11 Additionally, the notice must contain the name of the proposed lessor,  
12 the location and character of the structure, transportation project, or  
13 system to be leased, the rental to be paid, **the projected operating**  
14 **costs (as defined in IC 6-1.1-20-1.8) of the proposed project**, and the  
15 number of years the lease is to be in effect.

16 (c) The proposed lease, drawings, plans, specifications, and  
17 estimates for the structure, or description and cost estimate of the  
18 transportation project or system, are open to public inspection during  
19 the ten (10) day period and at the hearing.

20 (d) All persons are entitled to be heard at the hearing as to whether  
21 the execution of the lease is necessary and whether the rental is fair and  
22 reasonable for the proposed structure or system. After the hearing,  
23 which may be adjourned from time to time, the leasing agent may  
24 modify, confirm, or rescind the proposed lease, but the rental as set out  
25 in the published notice may not be increased. The leasing agent may  
26 rely on the testimony of independent experts as to the fairness and  
27 reasonableness of the lease.

28 (e) If the execution of the lease as originally agreed upon or as  
29 modified is authorized by the leasing agent, the leasing agent shall give  
30 notice of the execution of the lease by publication in accordance with  
31 IC 5-3-1.

32 SECTION 19. IC 36-3-5-8 IS AMENDED TO READ AS  
33 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 8. (a) This section  
34 applies whenever a special taxing district of the consolidated city has  
35 the power to issue bonds, notes, or warrants.

36 (b) Before any bonds, notes, or warrants of a special taxing district  
37 may be issued, the issue must be approved by resolution of the  
38 legislative body of the consolidated city.

39 (c) Any bonds of a special taxing district must be issued in the  
40 manner prescribed by statute for that district, and the board of the  
41 department having jurisdiction over the district shall:

- 42 (1) hold all required hearings;

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1           (2) adopt all necessary resolutions; and  
 2           (3) appropriate the proceeds of the bonds;  
 3 in that manner. However, the legislative body shall levy each year the  
 4 special tax required to pay the principal of and interest on the bonds  
 5 and any bank paying charges.

6           (d) Notwithstanding any other statute, bonds of a special taxing  
 7 district may:

- 8           (1) be dated;
- 9           (2) be issued in any denomination;
- 10          (3) mature at any time or times not exceeding fifty (50) years after  
 11 their date; and
- 12          (4) be payable at any bank or banks;

13 as determined by the board. The interest rate or rates that the bonds will  
 14 bear must be determined by bidding, notwithstanding IC 5-1-11-3.

15           (e) Bonds of a special taxing district are subject to the provisions of  
 16 IC 5-1 and IC 6-1.1-20 relating to the filing of a petition requesting the  
 17 issuance of bonds and giving notice of the petition, **giving of notice of**  
 18 **the projected operating costs (as defined in IC 6-1.1-20-1.8) of the**  
 19 **proposed project**, the giving of notice of a hearing on the  
 20 appropriation of the proceeds of bonds, the right of taxpayers to appear  
 21 and be heard on the proposed appropriation, the approval of the  
 22 appropriation by the state board of tax commissioners, the right of  
 23 taxpayers to remonstrate against the issuance of bonds, and the sale of  
 24 bonds at public sale.

25           SECTION 20. IC 36-5-2-11 IS AMENDED TO READ AS  
 26 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 11. (a) The legislative  
 27 body may issue bonds for the purpose of procuring money to be used  
 28 in the exercise of the powers of the town and for the payment of town  
 29 debts. However, a town may not issue bonds to procure money to pay  
 30 current expenses.

31           (b) Bonds issued under this section are payable in the amounts and  
 32 at the times determined by the legislative body.

33           (c) Bonds issued under this section are subject to the provisions of  
 34 IC 5-1 and IC 6-1.1-20 relating to the filing of a petition requesting the  
 35 issuance of bonds and giving notice of the petition, **the giving of notice**  
 36 **of the projected operating costs (as defined in IC 6-1.1-20-1.8) of**  
 37 **the proposed project**, the giving of notice of a hearing on the  
 38 appropriation of the proceeds of bonds, the right of taxpayers to appear  
 39 and be heard on the proposed appropriation, the approval of the  
 40 appropriation by the state board of tax commissioners, the right of  
 41 taxpayers to remonstrate against the issuance of bonds, and the sale of  
 42 bonds at public sale for not less than their par value.

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1 (d) The legislative body may, by ordinance, make loans of money  
2 for not more than five (5) years and issue notes for the purpose of  
3 refunding those loans. The loans may be made only for the purpose of  
4 procuring money to be used in the exercise of the powers of the town,  
5 and the total amount of outstanding loans under this subsection may not  
6 exceed five percent (5%) of the town's total tax levy in the current year  
7 (excluding amounts levied to pay debt service and lease rentals). Loans  
8 under this subsection shall be made as follows:

- 9 (1) The ordinance authorizing the loans must pledge to their  
10 payment a sufficient amount of tax revenues over the ensuing five  
11 (5) years to provide for refunding the loans.
- 12 (2) The loans must be evidenced by notes of the town in terms  
13 designating the nature of the consideration, the time and place  
14 payable, and the revenues out of which they will be payable.
- 15 (3) The interest accruing on the notes to the date of maturity may  
16 be added to and included in their face value or be made payable  
17 periodically, as provided in the ordinance.

18 Notes issued under this subsection are not bonded indebtedness for  
19 purposes of IC 6-1.1-18.5.

20 SECTION 21. IC 36-7-14-25.1 IS AMENDED TO READ AS  
21 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 25.1. (a) In addition to  
22 other methods of raising money for property acquisition or  
23 redevelopment in a blighted area, and in anticipation of the special tax  
24 to be levied under section 27 of this chapter, the taxes allocated under  
25 section 39 of this chapter, or other revenues of the district, or any  
26 combination of these sources, the redevelopment commission may, by  
27 resolution, issue the bonds of the special taxing district in the name of  
28 the unit. The amount of the bonds may not exceed the total, as  
29 estimated by the commission, of all expenses reasonably incurred in  
30 connection with the acquisition and redevelopment of the property,  
31 including:

- 32 (1) the total cost of all land, rights-of-way, and other property to  
33 be acquired and redeveloped;
- 34 (2) all reasonable and necessary architectural, engineering, legal,  
35 financing, accounting, advertising, bond discount, and  
36 supervisory expenses related to the acquisition and redevelopment  
37 of the property or the issuance of bonds;
- 38 (3) capitalized interest permitted by this chapter and a debt  
39 service reserve for the bonds to the extent the redevelopment  
40 commission determines that a reserve is reasonably required; and  
41 (4) expenses that the redevelopment commission is required or  
42 permitted to pay under IC 8-23-17.

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1 (b) If the redevelopment commission plans to acquire different  
2 parcels of land or let different contracts for redevelopment work at  
3 approximately the same time, whether under one (1) or more  
4 resolutions, the commission may provide for the total cost in one (1)  
5 issue of bonds.

6 (c) The bonds must be dated as set forth in the bond resolution and  
7 negotiable, subject to the requirements of the bond resolution for  
8 registering the bonds. The resolution authorizing the bonds must state:

9 (1) the denominations of the bonds;

10 (2) the place or places at which the bonds are payable; and

11 (3) the term of the bonds, which may not exceed fifty (50) years.

12 The resolution may also state that the bonds are redeemable before  
13 maturity with or without a premium, as determined by the  
14 redevelopment commission.

15 (d) The redevelopment commission shall certify a copy of the  
16 resolution authorizing the bonds to the municipal or county fiscal  
17 officer, who shall then prepare the bonds. The seal of the unit must be  
18 impressed on the bonds, or a facsimile of the seal must be printed on  
19 the bonds.

20 (e) The bonds must be executed by the appropriate officer of the  
21 unit, and attested by the municipal or county fiscal officer.

22 (f) The bonds are exempt from taxation for all purposes.

23 (g) The municipal or county fiscal officer shall give notice of the  
24 sale of the bonds by publication in accordance with IC 5-3-1. The  
25 municipal fiscal officer, or county fiscal officer or executive, shall sell  
26 the bonds to the highest bidder, but may not sell them for less than  
27 ninety-seven percent (97%) of their par value. However, bonds payable  
28 solely or in part from tax proceeds allocated under section 39(b)(2) of  
29 this chapter, or other revenues of the district may be sold at a private  
30 negotiated sale.

31 (h) Except as provided in subsection (i), a redevelopment  
32 commission may not issue the bonds when the total issue, including  
33 bonds already issued and to be issued, exceeds two percent (2%) of the  
34 adjusted value of the taxable property in the special taxing district, as  
35 determined under IC 36-1-15.

36 (i) The bonds are not a corporate obligation of the unit but are an  
37 indebtedness of the taxing district. The bonds and interest are payable,  
38 as set forth in the bond resolution of the redevelopment commission:

39 (1) from a special tax levied upon all of the property in the taxing  
40 district, as provided by section 27 of this chapter;

41 (2) from the tax proceeds allocated under section 39(b)(2) of this  
42 chapter;

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- 1 (3) from other revenues available to the redevelopment
- 2 commission; or
- 3 (4) from a combination of the methods stated in subdivisions (1)
- 4 through (3).

5 If the bonds are payable solely from the tax proceeds allocated under  
 6 section 39(b)(2) of this chapter, other revenues of the redevelopment  
 7 commission, or any combination of these sources, they may be issued  
 8 in any amount without limitation.

9 (j) Proceeds from the sale of bonds may be used to pay the cost of  
 10 interest on the bonds for a period not to exceed five (5) years from the  
 11 date of issuance.

12 (k) All laws relating to the giving of notice of the issuance of bonds,  
 13 **the giving of notice of the projected operating costs (as defined in**  
 14 **IC 6-1.1-20-1.8) of the proposed project,** the giving of notice of a  
 15 hearing on the appropriation of the proceeds of the bonds, the right of  
 16 taxpayers to appear and be heard on the proposed appropriation, and  
 17 the approval of the appropriation by the state board of tax  
 18 commissioners apply to all bonds issued under this chapter that are  
 19 payable from the special benefits tax levied pursuant to section 27 of  
 20 this chapter or from taxes allocated under section 39 of this chapter.

21 (l) All laws relating to the filing of petitions requesting the issuance  
 22 of bonds and the right of taxpayers to remonstrate against the issuance  
 23 of bonds apply to bonds issued under this chapter, except for bonds  
 24 payable solely from tax proceeds allocated under section 39(b)(2) of  
 25 this chapter, other revenues of the redevelopment commission, or any  
 26 combination of these sources.

27 (m) If a debt service reserve is created from the proceeds of bonds,  
 28 the debt service reserve may be used to pay principal and interest on  
 29 the bonds as provided in the bond resolution.

30 (n) Any amount remaining in the debt service reserve after all of the  
 31 bonds of the issue for which the debt service reserve was established  
 32 have matured shall be deposited in the allocation fund established  
 33 under section 39(b)(2) of this chapter.

34 (o) If bonds are issued under this chapter that are payable solely or  
 35 in part from revenues to the redevelopment commission from a project  
 36 or projects, the redevelopment commission may adopt a resolution or  
 37 trust indenture or enter into covenants as is customary in the issuance  
 38 of revenue bonds. The resolution or trust indenture may pledge or  
 39 assign the revenues from the project or projects, but may not convey or  
 40 mortgage any project or parts of a project. The resolution or trust  
 41 indenture may also contain any provisions for protecting and enforcing  
 42 the rights and remedies of the bond owners as may be reasonable and

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1 proper and not in violation of law, including covenants setting forth the  
 2 duties of the redevelopment commission. The redevelopment  
 3 commission may establish fees and charges for the use of any project  
 4 and covenant with the owners of any bonds to set those fees and  
 5 charges at a rate sufficient to protect the interest of the owners of the  
 6 bonds. Any revenue bonds issued by the redevelopment commission  
 7 that are payable solely from revenues of the commission shall contain  
 8 a statement to that effect in the form of bond.

9 SECTION 22. IC 36-7-14-25.2 IS AMENDED TO READ AS  
 10 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 25.2. (a) A  
 11 redevelopment commission may enter into a lease of any property that  
 12 could be financed with the proceeds of bonds issued under this chapter  
 13 with a lessor for a term not to exceed fifty (50) years and the lease may  
 14 provide for payments to be made by the redevelopment commission  
 15 from special benefits taxes levied under section 27 of this chapter,  
 16 taxes allocated under section 39 of this chapter, any other revenues  
 17 available to the redevelopment commission, or any combination of  
 18 these sources.

19 (b) A lease may provide that payments by the redevelopment  
 20 commission to the lessor are required only to the extent and only for the  
 21 period that the lessor is able to provide the leased facilities in  
 22 accordance with the lease. The terms of each lease must be based upon  
 23 the value of the facilities leased and may not create a debt of the unit  
 24 or the district for purposes of the Constitution of the State of Indiana.

25 (c) A lease may be entered into by the redevelopment commission  
 26 only after a public hearing by the redevelopment commission at which  
 27 all interested parties are provided the opportunity to be heard. **Before**  
 28 **the public hearing, the redevelopment commission shall give public**  
 29 **notice of the projected operating costs (as defined in**  
 30 **IC 6-1.1-20-1.8) of the proposed project.** After the public hearing, the  
 31 redevelopment commission may adopt a resolution authorizing the  
 32 execution of the lease on behalf of the unit if it finds that the service to  
 33 be provided throughout the term of the lease will serve the public  
 34 purpose of the unit and is in the best interests of its residents. Any lease  
 35 approved by a resolution of the redevelopment commission must be  
 36 approved by an ordinance of the fiscal body of the unit.

37 (d) Upon execution of a lease providing for payments by the  
 38 redevelopment commission in whole or in part from the levy of special  
 39 benefits taxes under section 27 of this chapter and upon approval of the  
 40 lease by the unit's fiscal body, the redevelopment commission shall  
 41 publish notice of the execution of the lease and its approval in  
 42 accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the

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1 redevelopment district who will be affected by the lease and who may  
 2 be of the opinion that no necessity exists for the execution of the lease  
 3 or that the payments provided for in the lease are not fair and  
 4 reasonable may file a petition in the office of the county auditor within  
 5 thirty (30) days after the publication of the notice of execution and  
 6 approval. The petition must set forth the petitioners' names, addresses,  
 7 and objections to the lease and the facts showing that the execution of  
 8 the lease is unnecessary or unwise or that the payments provided for in  
 9 the lease are not fair and reasonable, as the case may be.

10 (e) Upon the filing of the petition, the county auditor shall  
 11 immediately certify a copy of it, together with such other data as may  
 12 be necessary in order to present the questions involved, to the state  
 13 board of tax commissioners. Upon receipt of the certified petition and  
 14 information, the state board of tax commissioners shall fix a time and  
 15 place for a hearing in the redevelopment district, which must be not  
 16 less than five (5) or more than thirty (30) days after the time is fixed.  
 17 Notice of the hearing shall be given by the state board of tax  
 18 commissioners to the members of the fiscal body, to the redevelopment  
 19 commission, and to the first fifty (50) petitioners on the petition by a  
 20 letter signed by one (1) member of the state board of tax commissioners  
 21 and enclosed with fully prepaid postage sent to those persons at their  
 22 usual place of residence, at least five (5) days before the date of the  
 23 hearing. The decision of the state board of tax commissioners on the  
 24 appeal, upon the necessity for the execution of the lease, and as to  
 25 whether the payments under it are fair and reasonable, is final.

26 (f) A redevelopment commission entering into a lease payable from  
 27 allocated taxes under section 39 of this chapter or other available funds  
 28 of the redevelopment commission may:

- 29 (1) pledge the revenue to make payments under the lease pursuant
- 30 to IC 5-1-14-4; and
- 31 (2) establish a special fund to make the payments.

32 (g) Lease rentals may be limited to money in the special fund so that  
 33 the obligations of the redevelopment commission to make the lease  
 34 rental payments are not considered debt of the unit or the district for  
 35 purposes of the Constitution of the State of Indiana.

36 (h) Except as provided in this section, no approvals of any  
 37 governmental body or agency are required before the redevelopment  
 38 commission enters into a lease under this section.

39 (i) An action to contest the validity of the lease or to enjoin the  
 40 performance of any of its terms and conditions must be brought within  
 41 thirty (30) days after the publication of the notice of the execution and  
 42 approval of the lease. However, if the lease is payable in whole or in

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1 part from tax levies and an appeal has been taken to the state board of  
 2 tax commissioners, an action to contest the validity or enjoin the  
 3 performance must be brought within thirty (30) days after the decision  
 4 of the state board of tax commissioners.

5 (j) If a redevelopment commission exercises an option to buy a  
 6 leased facility from a lessor, the redevelopment commission may  
 7 subsequently sell the leased facility, without regard to any other statute,  
 8 to the lessor at the end of the lease term at a price set forth in the lease  
 9 or at fair market value established at the time of the sale by the  
 10 redevelopment commission through auction, appraisal, or arms length  
 11 negotiation. If the facility is sold at auction, after appraisal, or through  
 12 negotiation, the redevelopment commission shall conduct a hearing  
 13 after public notice in accordance with IC 5-3-1 before the sale. Any  
 14 action to contest the sale must be brought within fifteen (15) days of  
 15 the hearing.

16 SECTION 23. IC 36-7-15.1-17.1 IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 17.1. (a) A commission  
 18 may enter into a lease of any property that may be financed with the  
 19 proceeds of bonds issued under this chapter with a lessor for a term not  
 20 to exceed fifty (50) years. The lease may provide for payments to be  
 21 made by the commission from special benefits taxes levied under  
 22 section 19 of this chapter, taxes allocated under section 26 of this  
 23 chapter, any other revenue available to the commission, or any  
 24 combination of these sources.

25 (b) A lease may provide that payments by the commission to the  
 26 lessor are required only to the extent and only for the period that the  
 27 lessor is able to provide the leased facilities in accordance with the  
 28 lease. The terms of each lease must be based upon the value of the  
 29 facilities leased and may not create a debt of the unit or the district for  
 30 purposes of the Constitution of the State of Indiana.

31 (c) A lease may be entered into by the commission only after a  
 32 public hearing by the commission at which all interested parties are  
 33 given the opportunity to be heard. Notice of the hearing must be given  
 34 by publication in accordance with IC 5-3-1. **Before the public**  
 35 **hearing, the commission shall give public notice of the projected**  
 36 **operating costs (as defined in IC 6-1.1-20-1.8) of the proposed**  
 37 **project.** After the public hearing, the commission may adopt a  
 38 resolution authorizing the execution of the lease on behalf of the unit  
 39 if it finds that the service to be provided throughout the term of the  
 40 lease will serve the public purpose of the unit and is in the best  
 41 interests of its residents. Any lease approved by a resolution of the  
 42 commission must be approved by an ordinance of the fiscal body of the

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1 unit.

2 (d) Upon execution of a lease providing for payments by the  
 3 commission in whole or in part from the levy of special benefits taxes  
 4 under section 19 of this chapter and upon approval of the lease by the  
 5 fiscal body, the commission shall publish notice of the execution of the  
 6 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more  
 7 taxpayers residing in the district who will be affected by the lease and  
 8 who may be of the opinion that no necessity exists for the execution of  
 9 the lease or that the payments provided for in the lease are not fair and  
 10 reasonable may file a petition in the office of the county auditor within  
 11 thirty (30) days after the publication of the notice of execution and  
 12 approval. The petition must set forth the petitioners' names, addresses,  
 13 and objections to the lease and the facts showing that the execution of  
 14 the lease is unnecessary or unwise or that the payments provided for in  
 15 the lease are not fair and reasonable, as the case may be. Upon the  
 16 filing of the petition, the county auditor shall immediately certify a  
 17 copy of it, together with such other data as may be necessary in order  
 18 to present the questions involved, to the state board of tax  
 19 commissioners. Upon receipt of the certified petition and information,  
 20 the state board of tax commissioners shall fix a time and place for the  
 21 hearing in the redevelopment district, which must be not less than five  
 22 (5) or more than thirty (30) days after the time for the hearing is fixed.  
 23 Notice of the hearing shall be given by the state board of tax  
 24 commissioners to the members of the fiscal body, to the commission,  
 25 and to the first fifty (50) petitioners on the petition by a letter signed by  
 26 one (1) member of the state board of tax commissioners and enclosed  
 27 with fully prepaid postage sent to those persons at their usual place of  
 28 residence, at least five (5) days before the date of the hearing. The  
 29 decision of the state board of tax commissioners on the appeal, upon  
 30 the necessity for the execution of the lease and as to whether the  
 31 payments under it are fair and reasonable, is final.

32 (e) A commission entering into a lease payable from allocated taxes  
 33 under section 26 of this chapter or revenues or other available funds of  
 34 the commission may:

- 35 (1) pledge the revenue to make payments under the lease pursuant  
 36 to IC 5-1-14-4; and  
 37 (2) establish a special fund to make the payments.

38 Lease rentals may be limited to money in the special fund so that the  
 39 obligations of the commission to make the lease rental payments are  
 40 not considered a debt of the unit or the district for purposes of the  
 41 Constitution of the State of Indiana.

42 (f) Except as provided in this section, no approvals of any

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governmental body or agency are required before the commission enters into a lease under this section.

(g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the state board of tax commissioners, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the state board of tax commissioners.

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 24. IC 36-7-15.1-46, AS ADDED BY P.L.102-1999, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 46. (a) A commission may enter into a lease of any property that may be financed with the proceeds of bonds issued under section 45 of this chapter with a lessor for a term not to exceed fifty (50) years. The lease may provide for payments to be made by the commission from special benefits taxes levied under section 50 of this chapter, taxes allocated under section 53 of this chapter, any other revenue available to the commission, or any combination of these sources.

(b) A lease may provide that payments by the commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the commission only after a public hearing by the commission at which all interested parties are given the opportunity to be heard. Notice of the hearing must be given by publication in accordance with IC 5-3-1. **Before the public hearing, the commission shall give public notice of the projected operating costs (as defined in IC 6-1.1-20-1.8) of the proposed**

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1 **project.** After the public hearing, the commission may adopt a  
2 resolution authorizing the execution of the lease on behalf of the unit  
3 if it finds that the service to be provided throughout the term of the  
4 lease will serve the public purpose of the unit and is in the best  
5 interests of its residents. Any lease approved by a resolution of the  
6 commission must be approved by an ordinance of the fiscal body of the  
7 excluded city.

8 (d) Upon execution of a lease providing for payments by the  
9 commission in whole or in part from the levy of special benefits taxes  
10 under section 50 of this chapter and upon approval of the lease by the  
11 fiscal body, the commission shall publish notice of the execution of the  
12 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more  
13 taxpayers residing in the district who will be affected by the lease and  
14 who may be of the opinion that no necessity exists for the execution of  
15 the lease or that the payments provided for in the lease are not fair and  
16 reasonable may file a petition in the office of the county auditor within  
17 thirty (30) days after the publication of the notice of execution and  
18 approval. The petition must set forth the petitioners' names, addresses,  
19 and objections to the lease and the facts showing that the execution of  
20 the lease is unnecessary or unwise or that the payments provided for in  
21 the lease are not fair and reasonable, as the case may be. Upon the  
22 filing of the petition, the county auditor shall immediately certify a  
23 copy of the petition, together with such other data as may be necessary  
24 in order to present the questions involved, to the state board of tax  
25 commissioners. Upon receipt of the certified petition and information,  
26 the state board of tax commissioners shall fix a time and place for the  
27 hearing in the redevelopment district, which must not be less than five  
28 (5) or more than thirty (30) days after the time for the hearing is fixed.  
29 Notice of the hearing shall be given by the state board of tax  
30 commissioners to the members of the fiscal body, to the commission,  
31 and to the first fifty (50) petitioners on the petition by a letter signed by  
32 one (1) member of the state board of tax commissioners and enclosed  
33 with fully prepaid postage sent to those persons at their usual place of  
34 residence, at least five (5) days before the date of the hearing. The  
35 decision of the state board of tax commissioners on the appeal, upon  
36 the necessity for the execution of the lease and as to whether the  
37 payments under it are fair and reasonable, is final.

38 (e) A commission entering into a lease payable from allocated taxes  
39 under section 53 of this chapter or revenues or other available funds of  
40 the commission may:

- 41 (1) pledge the revenue to make payments under the lease as  
42 provided in IC 5-1-14-4; and

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1 (2) establish a special fund to make the payments.  
2 Lease rentals may be limited to money in the special fund so that the  
3 obligations of the commission to make the lease rental payments are  
4 not considered a debt of the unit or the district for purposes of the  
5 Constitution of the State of Indiana.

6 (f) Except as provided in this section, no approvals of any  
7 governmental body or agency are required before the commission  
8 enters into a lease under this section.

9 (g) An action to contest the validity of the lease or to enjoin the  
10 performance of any of its terms and conditions must be brought within  
11 thirty (30) days after the publication of the notice of the execution and  
12 approval of the lease. However, if the lease is payable in whole or in  
13 part from tax levies and an appeal has been taken to the state board of  
14 tax commissioners, an action to contest the validity or to enjoin  
15 performance must be brought within thirty (30) days after the decision  
16 of the state board of tax commissioners.

17 (h) If a commission exercises an option to buy a leased facility from  
18 a lessor, the commission may subsequently sell the leased facility,  
19 without regard to any other statute, to the lessor at the end of the lease  
20 term at a price set forth in the lease or at fair market value established  
21 at the time of the sale by the commission through auction, appraisal, or  
22 arms length negotiation. If the facility is sold at auction, after appraisal,  
23 or through negotiation, the commission shall conduct a hearing after  
24 public notice in accordance with IC 5-3-1 before the sale. Any action  
25 to contest the sale must be brought within fifteen (15) days after the  
26 hearing.

27 SECTION 25. IC 36-7-23-53, AS AMENDED BY P.L.86-1999,  
28 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
29 JULY 1, 2001]: Sec. 53. (a) An authority may enter into a lease of any  
30 infrastructure that could be financed with the proceeds of bonds issued  
31 under this chapter with a lessor for a term not to exceed fifty (50) years,  
32 and the lease may provide for payments to be made by the authority  
33 from any revenues of the authority.

34 (b) A lease may provide that payments by the authority to the lessor  
35 are required only to the extent and only for the period that the lessor is  
36 able to provide the leased infrastructure in accordance with the lease.  
37 The terms of each lease must be based upon the value of the  
38 infrastructure leased and may not create a debt of the authority or a  
39 member for purposes of the Constitution of the State of Indiana.

40 (c) A lease may be entered into by the authority only after a public  
41 hearing by the board at which all interested parties are provided the  
42 opportunity to be heard. **Before the public hearing, the authority**

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1 **shall give public notice of the projected operating costs (as defined**  
2 **in IC 6-1.1-20-1.8) of the proposed project.** After the public hearing,  
3 the board may adopt a resolution authorizing the execution of the lease  
4 on behalf of the authority if the board finds that the service to be  
5 provided throughout the term of the lease will serve the public purpose  
6 of the authority and is in the best interests of its residents.

- 7 (d) The authority may:  
8 (1) pledge revenues to make payments under the lease; and  
9 (2) establish a special fund to make the payments.

10 (e) Lease rentals may be limited to money in the special fund so that  
11 the obligations of the authority to make the lease rental payments are  
12 not considered debt of the authority or a member for purposes of the  
13 Constitution of the State of Indiana.

14 (f) Except as provided in this section, no approvals of any  
15 governmental body or agency are required before the authority enters  
16 into a lease under this section.

17 SECTION 26. IC 36-7-29-16 IS AMENDED TO READ AS  
18 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 16. (a) District bonds  
19 may be issued by a board under this chapter without following any  
20 procedures set forth in any other statute except that the board must:

- 21 (1) adopt a bond resolution after a public hearing following public  
22 notice of the hearing published in accordance with IC 5-3-1;  
23 (2) publish notice of the determination to issue district bonds in  
24 accordance with IC 6-1.1-20-5;  
25 (3) obtain the approval for the appropriation of the proceeds of the  
26 district bonds as set forth in IC 6-1.1-18-5 if the appropriation is  
27 an additional appropriation; ~~and~~  
28 (4) obtain the approval of the state board of tax commissioners for  
29 a tax levy under IC 6-1.1-18.5-8; **and**  
30 **(5) before the public hearing referred to in subdivision (1),**  
31 **publish notice of the projected operating costs (as defined in**  
32 **IC 6-1.1-20-1.8) of the proposed project.**

33 (b) The bond resolution must contain a finding that substance  
34 removal or remedial action at the qualified site will be of public utility  
35 and benefit because the conditions at the qualified site are detrimental  
36 to the social and economic interests of the district.

37 SECTION 27. IC 36-8-15-15.1 IS AMENDED TO READ AS  
38 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 15.1. (a) A board may  
39 enter into a lease of any facility that may be financed with the proceeds  
40 of bonds issued under this chapter with a lessor for a term not to exceed  
41 fifty (50) years. The lease may provide for payments to be made by the  
42 board from special benefits taxes levied under section 14 of this

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1 chapter and any other revenue available to the board, or any  
2 combination of these sources.

3 (b) A lease may provide that payments by the board to the lessor are  
4 required only to the extent and only for the period that the lessor is able  
5 to provide the leased facilities in accordance with the lease. The terms  
6 of each lease must be based upon the value of the facilities leased and  
7 may not create a debt of the unit or the district for purposes of the  
8 Constitution of the State of Indiana.

9 (c) A lease may be entered into by the board only after a public  
10 hearing by the board at which all interested parties are given the  
11 opportunity to be heard. Notice of the hearing must be given by  
12 publication in accordance with IC 5-3-1. **Before the public hearing,**  
13 **the board must give public notice of the projected operating costs**  
14 **(as defined in IC 6-1.1-20-1.8) of the proposed project.** After the  
15 public hearing, the board may adopt a resolution authorizing the  
16 execution of the lease on behalf of the unit if the board finds that the  
17 service to be provided throughout the term of the lease will serve the  
18 public purpose of the unit and is in the best interests of the unit's  
19 residents. A lease approved by a resolution of the board must be  
20 approved by an ordinance of the fiscal body of the unit.

21 (d) Upon execution of a lease providing for payments by the board  
22 in whole or in part from the levy of special benefits taxes under section  
23 14 of this chapter and upon approval of the lease by the fiscal body, the  
24 board shall publish notice of the execution of the lease and its approval  
25 in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in  
26 the district who will be affected by the lease and who may be of the  
27 opinion that no necessity exists for the execution of the lease or that the  
28 payments provided for in the lease are not fair and reasonable may file  
29 a petition in the office of the county auditor within thirty (30) days after  
30 the publication of the notice of execution and approval. The petition  
31 must set forth the petitioners' names, addresses, and objections to the  
32 lease and the facts showing that the execution of the lease is  
33 unnecessary or unwise or that the payments provided for in the lease  
34 are not fair and reasonable, as the case may be. Upon the filing of the  
35 petition, the county auditor shall immediately certify a copy of it,  
36 together with any other data necessary in order to present the questions  
37 involved, to the state board of tax commissioners. Upon receipt of the  
38 certified petition and information, the state board of tax commissioners  
39 shall fix a time and place for the hearing in the district, which must be  
40 not less than five (5) or more than thirty (30) days after the time of the  
41 hearing is fixed. Notice of the hearing shall be given by the state board  
42 of tax commissioners to the members of the fiscal body, the board, and

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1 the first fifty (50) petitioners on the petition by a letter signed by one  
 2 (1) member of the state board of tax commissioners and enclosed with  
 3 fully prepaid postage sent to those persons at their usual place of  
 4 residence, at ~~least~~ **least** five (5) days before the date of the hearing.  
 5 The decision of the state board of tax commissioners on the appeal,  
 6 upon the necessity for the execution of the lease and as to whether the  
 7 payments under it are fair and reasonable, is final.

8 (e) A board entering into a lease that is payable from revenues or  
 9 other available funds of the board may:

10 (1) pledge the revenue to make payments under the lease as  
 11 provided in IC 5-1-14-4; and

12 (2) establish a special fund to make the payments.

13 Lease rentals may be limited to money in the special fund so that the  
 14 obligations of the board to make the lease rental payments are not  
 15 considered a debt of the unit or the district for purposes of the  
 16 Constitution of the State of Indiana.

17 (f) Except as provided in this section, no approvals of a  
 18 governmental body or an agency are required before the board enters  
 19 into a lease under this section.

20 (g) An action to contest the validity of the lease or to enjoin the  
 21 performance of any of its terms and conditions must be brought within  
 22 thirty (30) days after the publication of the notice of the execution and  
 23 approval of the lease. However, if the lease is payable in whole or in  
 24 part from tax levies and an appeal has been taken to the state board of  
 25 tax commissioners, an action to contest the validity or to enjoin  
 26 performance must be brought within thirty (30) days after the decision  
 27 of the state board of tax commissioners.

28 (h) If a board exercises an option to buy a leased facility from a  
 29 lessor, the board may subsequently sell the leased facility, without  
 30 regard to any other statutes, to the lessor at the end of the lease term at  
 31 a price set forth in the lease or at fair market value established at the  
 32 time of the sale by the board through an auction, appraisal, or arms  
 33 length negotiation. The board shall conduct a hearing after public  
 34 notice in accordance with IC 5-3-1 before the sale. An action to contest  
 35 the sale must be brought within fifteen (15) days after the hearing.

36 SECTION 28. IC 36-9-3-31 IS AMENDED TO READ AS  
 37 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 31. (a) This section  
 38 applies to an authority that includes a county having a population of  
 39 more than four hundred thousand (400,000) but less than seven  
 40 hundred thousand (700,000).

41 (b) The authority may issue revenue or general obligation bonds  
 42 under this section.

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1 (c) The board may issue revenue bonds of the authority for the  
 2 purpose of procuring money to pay the cost of acquiring real or  
 3 personal property for the purpose of this chapter. The issuance of bonds  
 4 must be authorized by resolution of the board and approved by the  
 5 county fiscal bodies of the counties in the authority before issuance.  
 6 The resolution must provide for the amount, terms, and tenor of the  
 7 bonds, and for the time and character of notice and mode of making  
 8 sale of the bonds.

9 (d) The bonds are payable at the times and places determined by the  
 10 board, but they may not run more than thirty (30) years after the date  
 11 of their issuance and must be executed in the name of the authority by  
 12 an authorized officer of the board and attested by the secretary. The  
 13 interest coupons attached to the bonds may be executed by placing on  
 14 them the facsimile signature of the authorized officer of the board.

15 (e) The president of the authority shall manage and supervise the  
 16 preparation, advertisement, and sale of the bonds, subject to the  
 17 authorizing ordinance. Before the sale of bonds, the president shall  
 18 cause notice of the sale to be published in accordance with IC 5-3-1,  
 19 setting out the time and place where bids will be received, the amount  
 20 and maturity dates of the issue, the maximum interest rate, and the  
 21 terms and conditions of sale and delivery of the bonds. The bonds shall  
 22 be sold in accordance with IC 5-1-11. After the bonds have been  
 23 properly sold and executed, the executive director or president shall  
 24 deliver them to the controller of the authority and take his receipt for  
 25 them, and shall certify to the treasurer the amount that the purchaser is  
 26 to pay, together with the name and address of the purchaser. On  
 27 payment of the purchase price the controller shall deliver the bonds to  
 28 the purchaser, and the controller and executive director or president  
 29 shall report their actions to the board.

30 (f) General obligation bonds issued under this section are subject to  
 31 the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a  
 32 petition requesting the issuance of bonds, **the giving of notice of the**  
 33 **projected operating costs (as defined in IC 6-1.1-20-1.8) of the**  
 34 **proposed project**, the appropriation of the proceeds of bonds, the right  
 35 of taxpayers to appeal and be heard on the proposed appropriation, the  
 36 approval of the appropriation by the state board of tax commissioners,  
 37 the right of taxpayers to remonstrate against the issuance of bonds, and  
 38 the sale of bonds for not less than their par value.

39 (g) Notice of the filing of a petition requesting the issuance of  
 40 bonds, notice of determination to issue bonds, and notice of the  
 41 appropriation of the proceeds of the bonds shall be given by posting in  
 42 the offices of the authority for a period of one (1) week and by

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publication in accordance with IC 5-3-1.

(h) The bonds are not a corporate indebtedness of any unit, but are an indebtedness of the authority as a municipal corporation. A suit to question the validity of the bonds issued or to prevent their issuance may not be instituted after the date set for sale of the bonds, and after that date the bonds may not be contested for any cause.

(i) The bonds issued under this section and the interest on them 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.

SECTION 29. IC 36-9-4-45 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 45. (a) Bonds issued under this chapter:

- (1) shall be issued in the denomination;
- (2) are payable over a period not to exceed thirty (30) years from the date of the bonds; and
- (3) mature;

as determined by the ordinance authorizing the bond issue.

(b) All bonds issued under this chapter, the interest on them, and the income from them are exempt from taxation to the extent provided by IC 6-8-5-1.

(c) The provisions of IC 6-1.1-20 relating to filing petitions requesting the issuance of bonds and giving notice of those petitions, **giving notice of the projected operating costs (as defined in IC 6-1.1-20-1.8) of the proposed project**, giving notice of a hearing on the appropriation of the proceeds of the bonds, the right of taxpayers to appear and be heard on the proposed appropriation, the approval of the appropriation by the state board of tax commissioners, and the right of taxpayers to remonstrate against the issuance of bonds apply to the issuance of bonds under this chapter.

(d) A suit to question the validity of bonds issued under this chapter or to prevent their issue and sale may not be instituted after the date set for the sale of the bonds, and the bonds are incontestable after that date.

SECTION 30. IC 36-9-11-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 14. (a) Space and air rights over a parking facility may be leased to others for a period not to exceed ninety-nine (99) years, subject to the following conditions:

- (1) The lease must be authorized by an ordinance of the municipal legislative body, but the municipal works board may negotiate with interested parties concerning the terms and conditions of the lease before introduction of the ordinance. After introduction of the ordinance and before final adoption, a notice of public hearing

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must be published in accordance with IC 5-3-1. The notice **must give notice of the projected operating costs (as defined in IC 6-1.1-20-1.8) of the proposed project, and** must specify a date when a public hearing will be held on the question of whether the lease is in the best public interest.

(2) The lease must specify the initial purpose for which the leased space may be used. If the purpose is to erect in the space a structure attached to the real property constituting the site of the parking facility, the lease must:

(A) require approval by the works board of the plans and specifications for any structure to be erected and of the manner in which it shall be imposed upon or around the real property;

(B) provide for use by the lessee of the areas of the surface of the site that are essential for the support of the structure to be erected, as well as for the connection of essential public or private utilities to the structure and for ingress and egress for the structure; and

(C) provide that if the construction of the initial structure is not completed within five (5) years after the date of execution of the lease, the lease is cancellable at the option of the municipality.

(3) A structure erected in the space leased must be financed, operated, maintained, and repaired by the lessee separate from the parking facility financed, operated, maintained, and repaired by the municipality, and the municipality has no obligation or liability to the lessee or creditors of the lessee other than to provide the air space leased and to permit the use of the site for the necessary supports for the structure erected in the leased space, ingress and egress for the structure, and the construction of essential utilities.

(4) The lease must require the lessee to carry sufficient public liability and property damage insurance to indemnify the municipality and protect it from all loss and damage from the hazards and perils normally insured against by such insurance that arise out of the existence and operation of a structure in the leased space.

(5) A structure erected above the parking facility is subject to all property taxes levied on private property unless the structure is acquired by the municipality and wholly used for governmental purposes.

(b) The lease rental received by the municipality is considered revenue of the parking facility and shall be deposited, handled, and

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1       disbursed in the same manner as other revenues of the parking facility.  
 2       However, if the treatment of lease rental as revenues would cause the  
 3       revenue bonds to be industrial development bonds under the Internal  
 4       Revenue Code as it existed on January 1, 1986, and applicable  
 5       regulations under that Code, then the lease rental shall be deposited in  
 6       the general fund of the municipality and disbursed in the same manner  
 7       as other money in that fund.

8       SECTION 31. IC 36-9-13-27 IS AMENDED TO READ AS  
 9       FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 27. (a) When a building  
 10      authority and an eligible entity have agreed upon the terms and  
 11      conditions of a proposed lease under section 23 of this chapter, a notice  
 12      of a public hearing to be held in the county by the governing body of  
 13      the eligible entity shall be given by publication to all interested  
 14      persons. The notice of the hearing shall be published in accordance  
 15      with IC 5-3-1. The notice must name the day, place, and hour of the  
 16      hearing, and set forth a brief summary of the principal terms of the  
 17      lease agreed upon, including the character of the property to be leased,  
 18      the location of the property to be leased if the property is a government  
 19      building, the estimated lease rental to be paid, **the projected operating**  
 20      **costs (as defined in IC 6-1.1-20-1.8) of the proposed project**, and the  
 21      number of years the lease is to be in effect.

22      (b) The proposed lease, a detailed description of the government  
 23      building or system, and any drawings, plans, specifications, and  
 24      estimates that are available for the government building or system shall  
 25      be kept open for inspection by the public after the notice is published  
 26      and at the hearing.

27      (c) At the hearing, all interested persons are entitled to be heard  
 28      upon the necessity for the execution of the lease and whether the basis  
 29      for the determination of the lease rental is fair and reasonable. The  
 30      hearing may be adjourned to a later date or dates, with the place and  
 31      date of the continued hearing to be fixed before adjournment.

32      (d) Following the hearing, the governing body may approve the  
 33      proposed lease in substantially final form and authorize the execution  
 34      of the lease within parameters established by the authority at the time  
 35      the proposed lease is approved, as originally agreed upon or with any  
 36      modifications that the authority agrees to. The governing body may rely  
 37      on the testimony of independent experts as to the fairness and  
 38      reasonableness of the lease. Such an authorization must be by  
 39      resolution or ordinance entered in the official records of the governing  
 40      body. The lease must be executed on behalf of the eligible entity by the  
 41      officer or officers authorized by law to execute contracts on behalf of  
 42      that entity, and on behalf of the authority by the president or vice

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president and the secretary of its board of directors.

SECTION 32. IC 36-9-24-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. (a) When a municipality and a lessor agree on the terms and conditions of a lease proposed to be entered into under this chapter, notice of a hearing to be held before the municipal legislative body shall be given to all interested persons by publication in accordance with IC 5-3-1. The notice must name the date, place, and hour of the hearing, and set forth a summary of the principal terms of the lease agreed upon, including the name of the lessor, the character of the property to be leased, the lease rental to be paid, **the projected operating costs (as defined in IC 6-1.1-20-1.8) of the proposed project**, and the number of years the lease is to be in effect.

(b) The date of the hearing may not be less than twenty (20) days after publication of the notice.

(c) The proposed lease shall be kept available for inspection by the public before and at the hearing.

(d) At the hearing, all interested persons are entitled to be heard as to the necessity for the execution of the lease and whether the rental to be paid to the proposed lessor under the lease is a fair and reasonable rental for the facilities. The hearing may be adjourned to a later date or dates.

(e) After the hearing, the municipal legislative body may authorize the execution of the lease as originally agreed on, or may, with the consent of the proposed lessor, modify the lease. However, the lease rental as set out in the published notice may not be increased without a new notice and hearing.

SECTION 33. IC 36-9-30-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 25. (a) After the lessor corporation and the unit have agreed upon the terms and conditions of a lease under section 24 of this chapter, and before the final execution of the lease, notice of a hearing to be held before the board shall be given to all interested persons. The hearing may not be earlier than ten (10) days after the publication of notice.

(b) The notice of hearing shall be published one (1) time in the manner prescribed by IC 5-3-1. The notice must name the day, place, and hour of the hearing and set forth a brief summary of the principal terms of the lease, including the location and name of the proposed lessor corporation, the character of the property to be leased, the rental to be paid, the term of the lease, **the projected operating costs (as defined in IC 6-1.1-20-1.8) of the proposed project**, and a summary of the terms of purchase under the option. The cost of publication shall

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1 be paid by the lessor corporation.

2 (c) The proposed lease, drawings, plans, specifications, and  
3 estimates for the solid waste disposal facilities shall be kept available  
4 for inspection by the public during the ten (10) day period and at the  
5 meeting.

6 (d) At the hearing, which may be adjourned from time to time, all  
7 interested persons are entitled to be heard upon the necessity for the  
8 execution of the lease and upon the fairness and reasonableness of the  
9 rental and purchase price provided for in the lease.

10 (e) After the hearing, the board may authorize the execution of the  
11 lease as originally agreed upon or make the modifications in the lease  
12 that are agreed upon with the lessor corporation. However, the lease  
13 rental or purchase price as set out in the published notice may not be  
14 increased.

15 SECTION 34. IC 36-10-3-24 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 24. (a) In order to raise  
17 money to pay for land to be acquired for any of the purposes named in  
18 this chapter, to pay for an improvement authorized by this chapter, or  
19 both, and in anticipation of the special benefit tax to be levied as  
20 provided in this chapter, the board shall cause to be issued, in the name  
21 of the unit, the bonds of the district. The bonds may not exceed in  
22 amount the total cost of all land to be acquired and all improvements  
23 described in the resolution, including all expenses necessarily incurred  
24 in connection with the proceedings, together with a sum sufficient to  
25 pay the costs of supervision and inspection during the period of  
26 construction of a work. The expenses to be covered in the bond issue  
27 include all expenses of every kind actually incurred preliminary to  
28 acquiring the land and the construction of the work, such as the cost of  
29 the necessary record, engineering expenses, publication of notices,  
30 preparation of bonds, and other necessary expenses. If more than one  
31 (1) resolution or proceeding of the board under section 23 of this  
32 chapter is confirmed whereby different parcels of land are to be  
33 acquired, or more than one (1) contract for work is let by the board at  
34 approximately the same time, the cost involved under all of the  
35 resolutions and proceedings may be included in one (1) issue of bonds.

36 (b) The bonds may be issued in any denomination not less than one  
37 thousand dollars (\$1,000) each, in not less than five (5) nor more than  
38 forty (40) annual series. The bonds are payable one (1) series each  
39 year, beginning at a date after the receipt of taxes from a levy made for  
40 that purpose. The bonds are negotiable. The bonds may bear interest at  
41 any rate, payable semiannually. After adopting a resolution ordering  
42 bonds, the board shall certify a copy of the resolution to the unit's fiscal

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1 officer. The fiscal officer shall prepare the bonds and the unit's  
2 executive shall execute them, attested by the fiscal officer.

3 (c) The bonds and the interest on them are exempt from taxation as  
4 prescribed by IC 6-8-5-1. Bonds issued under this section are subject  
5 to the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a  
6 petition requesting the issuance of bonds, **the giving of notice of the**  
7 **projected operating costs (as defined in IC 6-1.1-20-1.8) of the**  
8 **proposed project**, the right of taxpayers to remonstrate against the  
9 issuance of bonds, the appropriation of the proceeds of the bonds and  
10 approval by the state board of tax commissioners, and the sale of bonds  
11 at public sale for not less than their par value.

12 (d) The board may not have bonds of the district issued under this  
13 section that are payable by special taxation when the total issue for that  
14 purpose, including the bonds already issued or to be issued, exceeds  
15 two percent (2%) of the adjusted value of the taxable property in the  
16 district as determined under IC 36-1-15. All bonds or obligations  
17 issued in violation of this subsection are void. The bonds are not  
18 obligations or indebtedness of the unit, but constitute an indebtedness  
19 of the district as a special taxing district. The bonds and interest are  
20 payable only out of a special tax levied upon all the property of the  
21 district as prescribed by this chapter. The bonds must recite the terms  
22 upon their face, together with the purposes for which they are issued.

23 SECTION 35. IC 36-10-3-25 IS AMENDED TO READ AS  
24 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 25. (a) Before bonds  
25 may be issued under section 23 of this chapter, the board shall give  
26 notice of a public hearing to disclose the purposes for which the bond  
27 issue is proposed, the amount of the proposed issue, **the projected**  
28 **operating costs (as defined in IC 6-1.1-20-1.8) of the proposed**  
29 **project**, and all other pertinent data.

30 (b) The board shall have published in accordance with IC 5-3-1 a  
31 notice of the time, place, and purposes of the hearing.

32 (c) After the public hearing and before additional proceedings on  
33 the bond issues, the board must obtain an ordinance approving the  
34 bond issue from the unit's fiscal body.

35 SECTION 36. IC 36-10-4-35 IS AMENDED TO READ AS  
36 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 35. (a) In order to pay  
37 for:

- 38 (1) land to be acquired for any of the purposes of this chapter;
- 39 (2) an improvement authorized by this chapter; or
- 40 (3) both;

41 the board shall issue the bonds of the district in the name of the city in  
42 anticipation of the special benefits tax to be levied under this chapter.

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1 The amount of the bonds may not exceed the estimated cost of all land  
 2 to be acquired and the estimated cost of all improvements provided in  
 3 the resolution, including all expenses necessarily incurred in the  
 4 proceedings and a sum sufficient to pay the estimated costs of  
 5 supervision and inspection during the period of construction. Expenses  
 6 include all expenses actually incurred preliminary to acquisition of the  
 7 land and the construction work, such as the estimated cost of the  
 8 necessary record, engineering expenses, publication of notices,  
 9 preparation of bonds, and other expenses necessary to letting the  
 10 contract and selling the bonds.

11 (b) The total amount of any benefits that have been assessed by the  
 12 board and confirmed against lots and parcels of land, exclusive of  
 13 improvements, lying within two thousand (2,000) feet on either side of  
 14 the land to be acquired or of the improvement, however, shall be  
 15 deducted from the estimated cost.

16 (c) If more than one (1) resolution or proceeding of the board under  
 17 section 25 of this chapter is confirmed whereby different parcels of  
 18 land are to be acquired or more than one (1) contract for work is let by  
 19 the board at approximately the same time, the estimated cost involved  
 20 under all of the resolutions and proceedings may be contained in one  
 21 (1) issue of bonds.

22 (d) The bonds shall be issued in any denomination up to five  
 23 thousand dollars (\$5,000) each. The bonds are negotiable instruments  
 24 and bear interest at a rate established by the board and approved by the  
 25 city legislative body.

26 (e) After adopting a resolution ordering the bonds, the board shall  
 27 certify a copy of the resolution to the fiscal officer of the city. The  
 28 fiscal officer shall then prepare the bonds, which shall be executed by  
 29 the city executive and attested by the fiscal officer. The bonds are  
 30 exempt from taxation for all purposes and are subject to IC 6-1.1-20  
 31 concerning the filing of a petition requesting the issuance of bonds, **the**  
 32 **giving of notice of the projected operating costs (as defined in**  
 33 **IC 6-1.1-20-1.8) of the proposed project,** and the right of taxpayers  
 34 to remonstrate against the issuance of bonds.

35 (f) All bonds shall be sold at not less than par value plus accrued  
 36 interest to date of delivery by the city fiscal officer to the highest bidder  
 37 after giving notice of the sale of the bonds by publication in accordance  
 38 with IC 5-3-1.

39 (g) The bonds are subject to approval by the city legislative body,  
 40 in the manner it prescribes by ordinance or resolution.

41 (h) The bonds are not corporate obligations or indebtedness of the  
 42 city, but are an indebtedness of the district as a special taxing district.



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1 The bonds and interest are payable only out of a special tax levied upon  
 2 all property of the district. The bonds must recite these terms upon their  
 3 face, together with the purposes for which they are issued.

4 (i) An action to question the validity of bonds of the district or to  
 5 prevent their issue may not be brought after the date set for the sale of  
 6 the bonds.

7 (j) The board may, instead of selling the bonds in series, sell the  
 8 bonds to run for a period of five (5) years from the date of issue for the  
 9 purposes of this chapter at any rate of interest payable semiannually,  
 10 also exempt from taxation for all purposes. The board may sell bonds  
 11 in series to refund the five (5) year bonds.

12 SECTION 37. IC 36-10-7-8 IS AMENDED TO READ AS  
 13 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 8. (a) This section  
 14 applies to all townships having a population of less than two thousand  
 15 (2,000).

16 (b) The township executive may lease, purchase, accept by grant,  
 17 devise, bequest, or other conveyance to the township, or otherwise  
 18 acquire land for park purposes and may make necessary improvements  
 19 only as provided by this section.

20 (c) The legislative body may establish a township park and may, by  
 21 resolution, appropriate from the general fund of the township the  
 22 necessary money to lease, purchase, accept, or otherwise acquire land  
 23 for park purposes or make improvements thereon. The executive shall  
 24 then lease, purchase, accept, or acquire the land for park purposes or  
 25 shall make improvements thereon as directed in the resolution.  
 26 However, the costs of the park grounds or of the improvements  
 27 provided for in the resolution may not exceed in one (1) year one-fifth  
 28 of one percent (0.2%) of the adjusted value of all taxable property of  
 29 the township as determined under IC 36-1-15.

30 (d) If a park has been established under this section, the executive  
 31 shall have the park maintained and may make improvements and  
 32 construct and maintain facilities for the comfort and convenience of the  
 33 public. However, the executive annually may not spend more than one  
 34 cent (\$0.01) on each one hundred dollars (\$100) of assessed valuation  
 35 of taxable property in the township as it appears on the tax duplicates  
 36 of the auditor of the county in which the township is located. The  
 37 money shall be paid from the general fund of the township.

38 (e) If the general fund of the township is insufficient to meet the  
 39 expenses of acquiring or improving the land for park purposes, the  
 40 executive shall call a special meeting of the legislative body by written  
 41 notice to each member of the legislative body at least three (3) days  
 42 before the date of the meeting. The notice must state the time, place,

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1 and purpose of the meeting. The legislative body shall meet and  
 2 determine whether an emergency exists for the issuance of the warrants  
 3 or bonds of the township. The legislative body shall, by resolution,  
 4 authorize the issuance and sale of the warrants or bonds of the  
 5 township in an amount not exceeding two percent (2%) of the adjusted  
 6 value of all taxable property in the township as determined under  
 7 IC 36-1-15. The amount of bonds may not exceed the total estimated  
 8 cost of all land to be acquired and all improvements described in the  
 9 resolution, including all expenses necessarily incurred in connection  
 10 with the proceedings. The proceeds from the sale of the bonds shall be  
 11 deposited in the general fund of the township. The bonds become due  
 12 and payable not less than two (2) nor more than ten (10) years after the  
 13 date of issuance, may bear interest at any rate, and may not be sold for  
 14 less than par value. The bonds shall be sold after giving notice of the  
 15 sale of bonds in accordance with IC 5-3-1. The bonds and the interest  
 16 thereon are exempt from taxation as provided by IC 6-8-5 and are  
 17 subject to the provisions of IC 6-1.1-20 relating to the filing of a  
 18 petition requesting the issuance of bonds, **the giving of notice of the**  
 19 **projected operating costs (as defined in IC 6-1.1-20-1.8) of the**  
 20 **proposed project**, the appropriation of the proceeds of the bonds, and  
 21 the approval by the state board of tax commissioners.

22 (f) The legislative body shall, at its next annual meeting after  
 23 authorization of bonds and annually each following year, levy a  
 24 sufficient tax against all the taxable property of the township to pay the  
 25 principal of the bonds, together with accruing interest, as they become  
 26 due. The executive shall apply the money received from the levy only  
 27 to the payment of bonds and interest as they become due.

28 (g) In addition to the levy required by subsection (f), the legislative  
 29 body shall, when a park has been established under this section and at  
 30 every annual meeting after establishment, levy a tax not exceeding one  
 31 cent (\$0.01) on each one hundred dollars (\$100) of taxable property in  
 32 the township. The levy required by this subsection shall be used by the  
 33 executive for the maintenance and improvement of the park. The  
 34 executive may not expend more for maintenance and improvement of  
 35 the park than the amount collected by the levy except:

- 36 (1) upon petition by fifty-one percent (51%) of the taxpayers of
- 37 the township; or
- 38 (2) when warrants or bonds are to be issued under this section to
- 39 finance the expenses of improvements.

40 The amount received from the levy shall be deposited in the general  
 41 fund of the township.

42 (h) A park established under this section shall be kept open to the

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public in accordance with rules prescribed by the executive.

(i) If the executive determines that land or other property used for park purposes under this section should be disposed of and that the park should no longer be maintained, the executive shall appoint three (3) disinterested appraisers to appraise the property. The property shall then be disposed of either at public or private sale for at least its appraised value.

(j) This subsection applies if the township sells the property by acceptance of bids. A bid submitted by a trust (as defined in IC 30-4-1-1(a)) must identify each:

- (1) beneficiary of the trust; and
- (2) settlor empowered to revoke or modify the trust.

(k) All money from the sale of park property, less the expenses incurred in making the appraisal and sale, shall be paid into the general fund of the township.

SECTION 38. IC 36-10-7.5-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 22. (a) To raise money to pay for land to be acquired for any of the purposes named in this chapter or to pay for an improvement authorized by this chapter and in anticipation of the special benefit tax to be levied as provided in this chapter, the legislative body shall issue in the name of the township the bonds of the district. The bonds may not exceed in amount the total cost of all land to be acquired and all improvements described in the resolution, including all expenses necessarily incurred in connection with the proceedings, together with a sum sufficient to pay the costs of supervision and inspection during the period of construction of a work. The expenses to be covered in the bond issue include all expenses of every kind actually incurred preliminary to acquiring the land and the construction of the work, such as the cost of the necessary record, engineering expenses, publication of notices, preparation of bonds, and other necessary expenses. If more than one (1) resolution or proceeding of the legislative body under this chapter is confirmed whereby different parcels of land are to be acquired or more than one (1) contract for work is let by the executive at approximately the same time, the cost involved under all of the resolutions and proceedings may be included in one (1) issue of bonds.

(b) The bonds may be issued in any denomination not less than one thousand dollars (\$1,000) each, in not less than five (5) nor more than forty (40) annual series. The bonds are payable one (1) series each year, beginning at a date after the receipt of taxes from a levy made for that purpose. The bonds are negotiable. The bonds may bear interest at any rate, payable semiannually. After adopting a resolution ordering

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1 bonds, the legislative body shall certify a copy of the resolution to the  
2 township's fiscal officer. The fiscal officer shall prepare the bonds and  
3 the executive shall execute the bonds, attested by the fiscal officer.

4 (c) The bonds and the interest on the bonds are exempt from  
5 taxation as prescribed by IC 6-8-5-1. Bonds issued under this section  
6 are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to the  
7 filing of a petition requesting the issuance of bonds, **the giving of**  
8 **notice of the projected operating costs (as defined in**  
9 **IC 6-1.1-20-1.8) of the proposed project**, the right of taxpayers to  
10 remonstrate against the issuance of bonds, the appropriation of the  
11 proceeds of the bonds with the approval of the state board of tax  
12 commissioners, and the sale of bonds at public sale for not less than the  
13 par value of the bonds.

14 (d) The legislative body may not have bonds of the district issued  
15 under this section that are payable by special taxation when the total  
16 issue for that purpose, including the bonds already issued or to be  
17 issued, exceeds two percent (2%) of the total adjusted value of the  
18 taxable property in the district as determined under IC 36-1-15. All  
19 bonds or obligations issued in violation of this subsection are void. The  
20 bonds are not obligations or indebtedness of the township but constitute  
21 an indebtedness of the district as a special taxing district. The bonds  
22 and interest are payable only out of a special tax levied upon all the  
23 property of the district as prescribed by this chapter. A bond must  
24 recite the terms upon the face of the bond, together with the purposes  
25 for which the bond is issued.

26 SECTION 39. IC 36-10-7.5-23 IS AMENDED TO READ AS  
27 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 23. (a) Before bonds  
28 may be issued under this chapter, the legislative body shall give notice  
29 of a public hearing to disclose the purposes for which the bond issue is  
30 proposed, the amount of the proposed issue, **the projected operating**  
31 **costs (as defined in IC 6-1.1-20-1.8) of the proposed project**, and all  
32 other pertinent data.

33 (b) The legislative body shall publish in accordance with IC 5-3-1  
34 a notice of the time, place, and purposes of the hearing.

35 SECTION 40. IC 36-10-8-16 IS AMENDED TO READ AS  
36 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 16. (a) A capital  
37 improvement may be financed in whole or in part by the issuance of  
38 general obligation bonds of the county or, if the authority was created  
39 under IC 18-7-18 (before its repeal on February 24, 1982), also of the  
40 city, if the board determines that the estimated annual net income of the  
41 capital improvement, plus the estimated annual tax revenues to be  
42 derived from any tax revenues made available for this purpose, will not

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1 be sufficient to satisfy and pay the principal of and interest on all bonds  
 2 issued under this chapter, including the bonds then proposed to be  
 3 issued.

4 (b) If the board desires to finance a capital improvement in whole  
 5 or in part as provided in this section, it shall have prepared a resolution  
 6 to be adopted by the county executive authorizing the issuance of  
 7 general obligation bonds, or, if the authority was created under  
 8 IC 18-7-18 (before its repeal on February 24, 1982), by the fiscal body  
 9 of the city authorizing the issuance of general obligation bonds. The  
 10 resolution must set forth an itemization of the funds and assets received  
 11 by the board, together with the board's valuation and certification of the  
 12 cost. The resolution must state the date or dates on which the principal  
 13 of the bonds is payable, the maximum interest rate to be paid, and the  
 14 other terms upon which the bonds shall be issued. The board shall  
 15 submit the proposed resolution to the proper officers, together with a  
 16 certificate to the effect that the issuance of bonds in accordance with  
 17 the resolution will be in compliance with this section. The certificate  
 18 must also state the estimated annual net income of the capital  
 19 improvement to be financed by the bonds, the estimated annual tax  
 20 revenues, and the maximum amount payable in any year as principal  
 21 and interest on the bonds issued under this chapter, including the bonds  
 22 proposed to be issued, as the maximum interest rate set forth in the  
 23 resolution. The bonds issued may mature over a period not exceeding  
 24 forty (40) years from the date of issue.

25 (c) Upon receipt of the resolution and certificate the proper officers  
 26 may adopt them and take all action necessary to issue the bonds in  
 27 accordance with the resolution. An action to contest the validity of  
 28 bonds issued under this section may not be brought after the fifteenth  
 29 day following the receipt of bids for the bonds.

30 (d) The provisions of all general statutes relating to:

- 31 (1) the filing of a petition requesting the issuance of bonds and  
 32 giving notice;
- 33 (2) the right of taxpayers to remonstrate against the issuance of  
 34 bonds;
- 35 (3) the giving of notice of the determination to issue bonds;
- 36 (4) the giving of notice of a hearing on the appropriation of the  
 37 proceeds of bonds;
- 38 (5) the right of taxpayers to appear and be heard on the proposed  
 39 appropriation;
- 40 (6) the approval of the appropriation by the state board of tax  
 41 commissioners; ~~and~~
- 42 (7) the sale of bonds at public sale; **and**



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**(8) the giving of notice of the projected operating costs (as defined in IC 6-1.1-20-1.8) of the proposed project;**  
apply to the issuance of bonds under this section.

SECTION 41. IC 36-10-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 8. (a) The board shall prepare a budget for each calendar year covering the projected operating expenses, and estimated income to pay the operating expenses, including amounts, if any, to be received from excise taxes and ad valorem property taxes. It shall submit the budget for review, approval, or rejection to the city-county legislative body. The board may make expenditures only as provided in the budget as approved, unless additional expenditures are approved by the legislative body. However, payments to users of any capital improvement that constitute a contractual share of box office receipts are neither an operating expense nor an expenditure within the meaning of this section.

(b) If the board desires to finance a capital improvement in whole or in part by the issuance of bonds under section 12 or 15 of this chapter, the board shall submit the following information to the city-county legislative body at least fifteen (15) days before the adoption of a resolution authorizing the issuance of the bonds:

- (1) A description of the project to be financed through the issuance of bonds.
- (2) The total amount of the project anticipated to be funded through the issuance of bonds.
- (3) The total amount of other anticipated revenue sources for the project.
- (4) Any other terms upon which the bonds will be issued.

**(5) The projected operating costs (as defined in IC 6-1.1-20-1.8) of the proposed project.**

(c) The city-county legislative body must discuss the information provided in subsection (b) in a public hearing.

SECTION 42. IC 36-10-9-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 15. (a) A capital improvement may be financed in whole or in part by the issuance of general obligation bonds of the county.

(b) If the board desires to finance a capital improvement in whole or in part as provided in this section, it shall have prepared a resolution to be adopted by the board of commissioners of the county authorizing the issuance of general obligation bonds. The resolution must state the date or dates on which the principal of the bonds is payable, the maximum interest rate to be paid, and the other terms upon which the bonds shall be issued. The board shall submit the proposed resolution

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1 to the board of commissioners of the county, together with a certificate  
 2 to the effect that the issuance of bonds in accordance with the  
 3 resolution will be in compliance with this section. The certificate must  
 4 also state the estimated annual net income of the capital improvement  
 5 to be financed by the bonds, the estimated annual tax revenues, and the  
 6 maximum amount payable in any year as principal and interest on the  
 7 bonds issued under this chapter, including the bonds proposed to be  
 8 issued, at the maximum interest rate set forth in the resolution. The  
 9 bonds issued may mature over a period not exceeding forty (40) years  
 10 from the date of issue.

11 (c) Upon receipt of the resolution and certificate, the board of  
 12 commissioners of the county may adopt them and take all action  
 13 necessary to issue the bonds in accordance with the resolution. An  
 14 action to contest the validity of bonds issued under this section may not  
 15 be brought after the fifteenth day following the receipt of bids for the  
 16 bonds.

17 (d) The provisions of all general statutes relating to:

- 18 (1) the filing of a petition requesting the issuance of bonds and
- 19 giving notice;
- 20 (2) the right of taxpayers to remonstrate against the issuance of
- 21 bonds;
- 22 (3) the giving of notice of the determination to issue bonds;
- 23 (4) the giving of notice of a hearing on the appropriation of the
- 24 proceeds of bonds;
- 25 (5) the right of taxpayers to appear and be heard on the proposed
- 26 appropriation;
- 27 (6) the approval of the appropriation by the state board of tax
- 28 commissioners; ~~and~~
- 29 (7) the sale of bonds at public sale for not less than par value; **and**
- 30 **(8) The projected operating costs (as defined in**
- 31 **IC 6-1.1-20-1.8) of the proposed project;**

32 are applicable to the issuance of bonds under this section.

33 SECTION 43. IC 36-10-10-13 IS AMENDED TO READ AS  
 34 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 13. (a) When the  
 35 authority, the city executive, and a majority of the city legislative body  
 36 have agreed upon the terms and conditions of a lease, and before the  
 37 final execution of the lease, a notice shall be given by the city clerk by  
 38 publication of a public hearing to be held by the city legislative body  
 39 in the city. The hearing shall be held on a day at least ten (10) days  
 40 after the publication of notice. The notice of the hearing shall be  
 41 published one (1) time in a newspaper of general circulation printed in  
 42 the English language and published in the city.



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1 (b) The notice must name the date, place, and time of the hearing  
 2 and must set forth a brief summary of the principal terms of the lease,  
 3 including the character and location of the property to be leased, the  
 4 lease rental to be paid, the number of years the contract is to be in  
 5 effect, **the projected operating costs (as defined in IC 6-1.1-20-1.8)**  
 6 **of the proposed project**, and where the proposed lease, drawings,  
 7 plans, specifications, and estimates may be examined. The proposed  
 8 lease and the drawings, plans, specifications, and estimates of  
 9 construction cost must be open to inspection by the public during the  
 10 ten (10) day period and at the meeting.

11 (c) All interested persons are entitled to be heard at the hearing  
 12 concerning the necessity for the execution of the lease and whether the  
 13 lease rental is fair and reasonable. The hearing may be adjourned to a  
 14 later date with the place to be set before adjournment. Following the  
 15 hearing the city legislative body and city executive may either  
 16 authorize the execution of the lease as originally agreed upon or may  
 17 make modifications that are agreed upon with the authority, the  
 18 legislative body, and city executive. The authorization must be done by  
 19 ordinance, which shall be entered in the official records of the  
 20 legislative body. The lease contract shall be executed on behalf of the  
 21 city by the executive and attested by the city clerk. It shall be executed  
 22 on behalf of the authority by the president or vice president and  
 23 secretary of the board.

24 SECTION 44. IC 36-10-11-15 IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 15. (a) When the  
 26 authority and a governmental entity have agreed upon the lease, and  
 27 before the final execution of the lease, a notice shall be published under  
 28 IC 5-3-1 of a hearing to be held by the fiscal body of the governmental  
 29 entity. The hearing shall be held on a day at least ten (10) days after the  
 30 publication of notice. The proposed lease and any plans and  
 31 specifications must be open to inspection by the public during the ten  
 32 (10) day period and at the hearing.

33 (b) The notice must state:

- 34 (1) the date, place, and time of the hearing;
- 35 (2) a brief summary of the principal terms of the lease, including
- 36 the character and location of the property to be leased;
- 37 (3) the estimated lease rental to be paid; ~~and~~
- 38 (4) the period of the lease; **and**
- 39 **(5) the projected operating costs (as defined in**
- 40 **IC 6-1.1-20-1.8) of the proposed project.**

41 (c) All interested persons are entitled to be heard at the hearing  
 42 concerning the necessity for the execution of the lease and whether the

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1 lease rental is fair and reasonable. The hearing may be adjourned to a  
2 later date fixed before adjournment. Following the hearing the fiscal  
3 body may either:  
4 (1) authorize the execution of the original lease; or  
5 (2) authorize the execution of the lease with modifications that are  
6 agreed to by the authority.

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