IC 20-48
ARTICLE 48. BORROWING AND BONDS

IC 20-48-1
Chapter 1. Borrowing and Bonds

IC 20-48-1-1
Powers; issuance of bonds; improvement of real estate
Sec. 1. (a) As used in this section, "improvement of real estate" includes:
(1) construction, reconstruction, remodeling, alteration, or repair of buildings or additions to buildings;
(2) equipment related to activities specified in subdivision (1); and
(3) auxiliary facilities related to activities specified in subdivision (1), including facilities for:
   (A) furnishing water, gas, and electricity;
   (B) carrying and disposing of sewage and storm and surface water drainage;
   (C) housing of school owned buses;
   (D) landscaping of grounds; and
   (E) construction of walks, drives, parking areas, playgrounds, or facilities for physical training.
(b) A school corporation is authorized to issue bonds to pay the:
   (1) cost of acquisition and improvement of real estate for school purposes;
   (2) funding of judgments;
   (3) cost of the purchase of school buses; and
   (4) incidental expenses incurred in connection with and on account of the issuance of the bonds.

As added by P.L.2-2006, SEC.171.

IC 20-48-1-2
Powers; issuance of bonds; retirement or severance liability
Sec. 2. (a) As used in this section, "retirement or severance liability" means the payments anticipated to be required to be made to employees of a school corporation upon or after termination of the employment of the employees by the school corporation under an existing or previous employment agreement.
(b) This section applies to each school corporation that:
   (1) did not issue bonds under IC 20-5-4-1.7 before its repeal; or
   (2) issued bonds under IC 20-5-4-1.7 (repealed):
      (A) before April 14, 2003; or
      (B) after April 13, 2003, if an order approving the issuance of the bonds was issued by the department of local government finance before April 14, 2003.
(c) In addition to the purposes set forth in section 1 of this chapter, a school corporation described in subsection (b) may issue bonds to implement solutions to contractual retirement or severance liability. The issuance of bonds for this purpose is subject to the following
conditions:

(1) The school corporation may issue bonds under this section only one (1) time.
(2) A school corporation described in subsection (b)(1) or (b)(2)(A) must issue the bonds before July 1, 2006.
(3) The solution to which the bonds are contributing must be reasonably expected to reduce the school corporation's unfunded contractual liability for retirement or severance payments as it existed on June 30, 2001.
(4) The amount of the bonds that may be issued for the purpose described in this section may not exceed:
   (A) two percent (2%) of the true tax value of property in the school corporation, for a school corporation that did not issue bonds under IC 20-5-4-1.7 (before its repeal); or
   (B) the remainder of:
      (i) two percent (2%) of the true tax value of property in the school corporation as of the date that the school corporation issued bonds under IC 20-5-4-1.7 (before its repeal); minus
      (ii) the amount of bonds that the school corporation issued under IC 20-5-4-1.7 (before its repeal);
   for a school corporation that issued bonds under IC 20-5-4-1.7 (repealed) as described in subsection (b)(2).
(5) Each year that a debt service levy is needed under this section, the school corporation shall reduce the total property tax levy for the school corporation's transportation, school bus replacement, capital projects, and art association and historical society funds, as appropriate, in an amount equal to:
   (A) the property tax levy needed for the debt service under this section; multiplied by
   (B) the adjustment percentage set forth in subsection (f) or (g), as applicable.
   The property tax rate for each of these funds shall be reduced each year until the bonds are retired.
(6) The school corporation shall establish a separate debt service fund for repayment of the bonds issued under this section.
(d) Bonds issued for the purpose described in this section shall be issued in the same manner as other bonds of the school corporation.
(e) Bonds issued under this section are not subject to the petition and remonstrance process under IC 6-1.1-20 or to the limitations contained in IC 36-1-15.
(f) This subsection applies only if the governing body of a school corporation adopts a resolution specifying that the adjustment percentages under this subsection apply to the school corporation. The adjustment percentage under this subsection is the following:
   (1) For property taxes first due and payable in 2013, twenty-five percent (25%).
   (2) For property taxes first due and payable in 2014, fifty percent (50%).
   (3) For property taxes first due and payable in 2015,
seventy-five percent (75%).
(4) For property taxes first due and payable after 2015, one hundred percent (100%).
(g) If the governing body of a school corporation does not adopt a resolution specifying that the adjustment percentages under subsection (f) apply to the school corporation, the adjustment percentage is one hundred percent (100%).


IC 20-48-1-2.5
Status of bonds issued under prior statute; debt service levies, property tax levies

Sec. 2.5. Notwithstanding the repeal of IC 20-5-4-1.7, as added by P.L.253-2001, the following provisions apply to bonds issued under IC 20-5-4-1.7, as added by P.L.253-2001, before December 31, 2004:
(1) The bonds remain valid and binding obligations of the school corporation that issued them, as if IC 20-5-4-1.7 had not been repealed.
(2) Each year that a debt service levy is needed for the bonds, the school corporation that issued the bonds shall reduce its total property tax levy for the school corporation's other funds in an amount equal to the property tax levy needed for the debt service on the bonds.


IC 20-48-1-3
Payment schedule; maximum term; designee of paying agent

Sec. 3. (a) Bonds authorized by this article and IC 20-26-1 through IC 20-26-5 must be payable in the amounts and at the times and places determined by the governing body.
(b) Bonds issued for the funding of judgments or for the purchase of school buses shall mature not more than five (5) years from the date of the bonds. Bonds issued for other purposes must mature not more than twenty-five (25) years from the date of the bonds.
(c) The governing body may provide that principal and interest of the bonds are payable at a bank in Indiana and may also be payable at the option of the holder at another bank designated by the governing body, either before or after the sale.
(d) The governing body may pay the fees of the bank paying agent and shall deposit with the paying agent, if any, within a reasonable period before the date that principal and interest become due sufficient money for the payment of the principal and interest on the due date.

As added by P.L.2-2006, SEC.171.

IC 20-48-1-4
Conditions of sale; par value; public sale; interest rate; approval required for certain bonds

Sec. 4. (a) Bonds issued by a school corporation must be sold at:
(1) not less than par value;
(2) public sale as provided by IC 5-1-11; and
(3) any rate or rates of interest determined by the bidding.

(b) This subsection does not apply to bonds for which a school corporation:
(1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or
(2) in the case of bonds not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the bonds after June 30, 2008.

If the net interest cost exceeds eight percent (8%) per year, the bonds must not be issued until the issuance is approved by the department of local government finance.


IC 20-48-1-5
Signatures; issuing party

Sec. 5. (a) Bonds shall be executed in the name and on behalf of the school corporation by the president and secretary of the governing body. One (1) of the signatures may be by facsimile imprinted on a bond instrument, but at least one (1) of the signatures shall be manually affixed. The secretary of the governing body shall cause the seal of the school corporation to be impressed or a facsimile of the seal printed on each bond. Interest coupons, if any, shall be executed by the facsimile signature of the treasurer of the governing body.

(b) If the president, secretary, or treasurer of the governing body ceases to be the president, secretary, or treasurer for any reason after the officer has executed bonds under this section but before the bonds have been delivered to the purchaser or purchasers of the bonds, the bonds are binding and valid obligations as if the officer were in office at the time of delivery. The treasurer of the governing body shall cause the bonds to be delivered to the purchaser or purchasers and shall receive payment for the bonds.

As added by P.L.2-2006, SEC.171.

IC 20-48-1-6
Required levy; payment of obligations

Sec. 6. (a) The governing body shall provide for the payment of principal and interest on bonds executed under section 5 of this chapter by levying annually a tax that is sufficient to pay the principal and interest as the bonds become due.

(b) The bodies charged with the review of budgets and tax levies shall review a levy for principal and interest described in subsection (a) to determine whether the levy is sufficient.

As added by P.L.2-2006, SEC.171.

IC 20-48-1-7
Emergency loans

Sec. 7. (a) This section applies if a governing body finds by written resolution that an emergency exists that requires the expenditure of money for a lawful corporate purpose that was not included in the school corporation's existing budget and tax levy.

(b) If a governing body makes a finding specified in subsection (a), the governing body may authorize making an emergency loan that may be evidenced by the issuance of the school corporation's note in the same manner and subject to the same procedure and restrictions as provided for the issuance of the school corporation's bonds, except as to purpose.

(c) If a governing body authorizes an emergency loan as specified in subsection (b), the governing body shall, at the time for making the next annual budget and tax levy for the school corporation, make a levy to the credit of the fund for which the expenditure is made sufficient to pay the loan and the interest on the loan. However, the interest on the loan may be paid from the debt service fund.

As added by P.L.2-2006, SEC.171.

IC 20-48-1-8
Bonds; emergency loans; compliance with other laws

Sec. 8. The provisions of all general statutes and rules relating to:

(1) filing petitions requesting the issuance of bonds and giving notice of the issuance of bonds;
(2) giving notice of determination to issue bonds;
(3) giving notice of a hearing on the appropriation of the proceeds of the bonds and the right of taxpayers to appear and be heard on the proposed appropriation; and
(4) the right of taxpayers and voters to remonstrate against or vote on, as applicable, the issuance of bonds;

apply to proceedings for the issuance of bonds and the making of an emergency loan under this article and IC 20-26-1 through IC 20-26-5. An action to contest the validity of the bonds or emergency loans may not be brought later than five (5) days after the acceptance of a bid for the sale of the bonds.


IC 20-48-1-9
Anticipation warrants

Sec. 9. (a) If the governing body of a school corporation finds and declares that an emergency exists to borrow money with which to pay current expenses from a particular fund before the receipt of revenues from taxes levied or state tuition support distributions for the fund, the governing body may issue warrants in anticipation of the receipt of the revenues.

(b) The principal of warrants issued under subsection (a) is payable solely from the fund for which the taxes are levied or from the school corporation's general fund in the case of anticipated state tuition support distributions. However, the interest on the warrants
may be paid from the debt service fund, from the fund for which the
taxes are levied, or the general fund in the case of anticipated state
tuition support distributions.

(c) The amount of principal of temporary loans maturing on or
before June 30 for any fund may not exceed eighty percent (80%) of
the amount of taxes and state tuition support distributions estimated
to be collected or received for and distributed to the fund at the June
settlement.

(d) The amount of principal of temporary loans maturing after
June 30 and on or before December 31 may not exceed eighty percent
(80%) of the amount of taxes and state tuition support distributions
estimated to be collected or received for and distributed to the fund
at the December settlement.

(e) The county auditor or the auditor's deputy shall determine the
estimated amount of taxes and state tuition support distributions to be
collected or received and distributed. The warrants evidencing a loan
in anticipation of tax revenue or state tuition support distributions
may not be delivered to the purchaser of the warrant and payment
may not be made on the warrant before January 1 of the year the loan
is to be repaid. However, the proceedings necessary for the loan may
be held and carried out before January 1 and before the approval. The
loan may be made even though a part of the last preceding June or
December settlement has not been received.

(f) Proceedings for the issuance and sale of warrants for more than
one (1) fund may be combined. Separate warrants for each fund must
be issued, and each warrant must state on the face of the warrant the
fund from which the warrant's principal is payable. An action to
contest the validity of a warrant may not be brought later than fifteen
(15) days after the first publication of notice of sale.

(g) An issue of tax or state tuition support anticipation warrants
may not be made if the total of all tax or state tuition support
anticipation warrants exceeds twenty thousand dollars ($20,000) until
the issuance is advertised for sale, bids are received, and an award is
made by the governing body as required for the sale of bonds, except
that the publication of notice of the sale is not necessary:

(1) outside the county; or

(2) more than ten (10) days before the date of sale.

As added by P.L.2-2006, SEC.171. Amended by P.L.146-2008,
SEC.524.

IC 20-48-1-10
Temporary transfers among funds

Sec. 10. Temporary transfers of funds by a school corporation may
be made as authorized under IC 36-1-8-4.

As added by P.L.2-2006, SEC.171.

IC 20-48-1-11
Annual review of obligations; department of local government
finance; increase in levy to pay obligations; intercept of state
distributions to pay obligations
Sec. 11. (a) As used in this section, "debt service obligations" refers to the principal and interest payable during a calendar year on a school corporation's general obligation bonds and lease rentals under IC 20-47-2 and IC 20-47-3.

(b) Before the end of each calendar year, the department of local government finance shall review the bond and lease rental levies, or any levies that replace bond and lease rental levies, of each school corporation that are payable in the next succeeding year and the appropriations from the levies from which the school corporation is to pay the amount, if any, of the school corporation's debt service obligations. If the levies and appropriations of the school corporation are not sufficient to pay the debt service obligations, the department of local government finance shall establish for each school corporation:

1) bond or lease rental levies, or any levies that replace the bond and lease rental levies; and
2) appropriations;

that are sufficient to pay the debt service obligations.

(c) Upon the failure of a school corporation to pay any of the school corporation's debt service obligations during a calendar year when due, the treasurer of state, upon being notified of the failure by a claimant, shall pay the unpaid debt service obligations that are due from the funds of the state only to the extent of the amounts appropriated by the general assembly for the calendar year for distribution to the school corporation from state funds, deducting the payment from the appropriated amounts. A deduction under this subsection must be made:

1) first from all funds except state tuition support; and
2) second from state tuition support.

(d) This section shall be interpreted liberally so that the state shall to the extent legally valid ensure that the debt service obligations of each school corporation are paid. However, this section does not create a debt of the state.


IC 20-48-1-12
Status of bonds issued under prior statute; debt service levies, property tax levies

Sec. 12. Notwithstanding the repeal of IC 20-5-4-1.5, the following provisions apply to bonds issued under IC 20-5-4-1.5, before December 2, 2000:

1) The bonds remain valid and binding obligations of the school corporation that issued them, as if IC 20-5-4-1.5 had not been repealed.

2) Each year that a debt service levy is needed for the bonds, the school corporation that issued the bonds shall reduce its total property tax levy for the school corporation's other funds in an amount equal to the property tax levy needed for the debt service on the bonds.
IC 20-48-1-13
Sale of certain refunding bonds
Sec. 13. A school corporation may:
(1) issue bonds to refund bonds or other obligations that were issued or entered into by a school corporation before that school corporation completed a consolidation or merger under IC 20-23 or any other law; and
(2) sell the bonds at a negotiated, private sale to the Indiana bond bank.

As added by P.L.220-2011, SEC.341.

As added by P.L.140-2014, SEC.2.
IC 20-48-2
Chapter 2. Borrowing; School Towns and School Cities

IC 20-48-2-1
Application
Sec. 1. This chapter applies to any school city or school town.
As added by P.L.2-2006, SEC.171.

IC 20-48-2-2
Temporary loans
Sec. 2. (a) Subject to subsection (c), if the board of school trustees or other proper authority of a school town or school city finds that an emergency exists for borrowing money with which to meet current expenses of the schools of the school town or school city, the board of school trustees or other proper authority of the school town or school city may make temporary loans in anticipation of current revenues of the school town or school city to an amount not to exceed fifty percent (50%) of the amount of taxes actually levied and in the course of collection for the fiscal year in which the loans are made.
   (b) For purposes of subsection (a), revenues are considered to be current and taxes are considered to have been actually levied and in the course of collection when the budget levy and rate have been finally approved by the department of local government finance.
   (c) In second and third class school cities, a loan may not be made under this section for more than twenty thousand dollars ($20,000) unless:
      (1) the letting of the loans has been advertised once each week for two (2) successive weeks in two (2) newspapers of general circulation published in the school city; and
      (2) sealed bids have been submitted:
         (A) at a regular meeting of the school board of the school city; and
         (B) under the notices specified in subdivision (1); stipulating the rate of interest to be charged by the bidder.
   (d) School loans made under this section must be made with the bidder that submits:
      (1) the lowest rate of interest; and
      (2) with the bid an affidavit showing that collusion does not exist between the bidder and any other bidder for the loan.
As added by P.L.2-2006, SEC.171.

IC 20-48-2-3
Requirements; resolution
Sec. 3. (a) A temporary loan made under section 2 of this chapter must be authorized by a resolution of the board of school trustees or other proper authority:
   (1) designating the:
      (A) nature of the consideration;
      (B) date, time, and place payable;
      (C) rate of interest, not to exceed six percent (6%) per
annum; and
(D) revenues in anticipation of which the temporary loan is made and out of which the temporary loan is payable; and
(2) appropriating and pledging a sufficient amount of current revenues of the school town or school city:
(A) in anticipation of which the temporary loan is made; and
(B) out of which the temporary loan is payable;
to the payment of the temporary loan.
A temporary loan must be evidenced by the time warrants of the school town or school city in terms designating the nature of the consideration, the date, time, and place payable, and the revenues in anticipation of which the temporary loan is issued and out of which the temporary loan is payable. Interest accruing on the warrants to date of maturity must be added to and included in the face value of the warrants.
(b) A school town or school city may issue the time warrants of the school corporation, in anticipation of current revenues of the school town or school city, directly to persons, firms, limited liability companies, and corporations in payment of approved services, materials, and supplies contracted for, purchased, performed, and delivered.
As added by P.L.2-2006, SEC.171.
IC 20-48-3
Chapter 3. Borrowing; Indianapolis Public Schools

IC 20-48-3-1
Application
Sec. 1. This chapter applies only to a school city to which IC 20-25 applies.
As added by P.L.2-2006, SEC.171.

IC 20-48-3-2
"Board"
Sec. 2. As used in this chapter, "board" has the meaning set forth in IC 20-25-2-5.
As added by P.L.2-2006, SEC.171.

IC 20-48-3-3
"School city"
Sec. 3. As used in this chapter, "school city" has the meaning set forth in IC 20-25-2-12.
As added by P.L.2-2006, SEC.171.

IC 20-48-3-4
Powers; bonds; real property; improvements to real property
Sec. 4. (a) The board may periodically, as the need arises, borrow money and issue school building bonds to supply the school city with funds:
   (1) to buy real estate;
   (2) to erect buildings for school or administrative purposes;
   (3) to enlarge, remodel, and repair school buildings; or
   (4) for one (1) or more of the purposes described in subdivisions (1) through (3).
The proceeds of the sale of bonds under this subsection may not be used for a purpose other than a purpose described in subdivisions (1) through (4).

   (b) The board may periodically, as the need arises, issue school funding bonds to take up and retire the principal and accrued interest of any outstanding bonds of the school city. School funding bonds may be issued only if the board determines it is to the advantage of the school city to refund the outstanding bonds of the school city. A school funding bond may not be issued and the proceeds of a school funding bond may not be used for a purpose other than to refund or take up and discharge outstanding bonds of the school city. Any preexisting bonds for which the school city is liable under IC 20-25-4, this chapter, or a predecessor law are outstanding bonds of the school city under this subsection.

   (c) Before school building bonds may be issued under subsection (a), the board shall, by a resolution entered into the record in the board's corporate minutes, demonstrate a particular need for the money and the inability of the school city to supply the money from any other applicable fund under the control of the board. Before
school funding bonds may be issued under subsection (b), the board shall, by a resolution entered into the record of the board's corporate minutes, provide a description of the bonds to be taken up, including the kind, date, date of maturity, and amount of the bonds.

(d) Bonds issued under this section must:
   (1) be serial bonds;
   (2) bear interest at a rate payable semiannually; and
   (3) mature at a time or times fixed in the resolution of the board.

(e) A bond to be issued under this section may not be delivered until the price of the bond is paid to the treasurer of the school city in:
   (1) money for school building bonds; or
   (2) money or bonds to be refunded for school funding bonds.

A bond issued under this section may not accrue interest before its delivery.

(f) A bond issued under this section must be payable to bearer and be of the general form usual in municipal bonds.

(g) Before offering bonds authorized by this section for sale, the board must give three (3) weeks notice of the date fixed for the sale of the bonds. The notice must include a description of the bonds and invite bids for the bonds. The notice shall be given by three (3) advertisements, one (1) time each week for the three (3) consecutive weeks immediately preceding the day of sale in a newspaper published and with a general circulation in Indianapolis. Notice may also be required in other advertisements if ordered by the board.

(h) The board shall sell the bonds to the highest and best bidder and has the right to reject any bid. The proceeds arising from the sale shall be used only for the purpose declared in the resolution of the board.

As added by P.L.2-2006, SEC.171.

IC 20-48-3-5
Temporary loans

Sec. 5. (a) The board may, if the board's general fund is exhausted or in the board's judgment is in danger of exhaustion, make temporary loans for the use of the board's general fund to be paid out of the proceeds of taxes levied by the school city for the board's general fund. The amount borrowed for the general fund must be paid into the board's general fund and may be used for any purpose for which the board's general fund lawfully may be used. A temporary loan must:

   (1) be evidenced by the promissory note or notes of the school city;
   (2) bear interest that is payable, according to the note or notes, periodically or at the maturity of the note or notes and at not more than seven percent (7%) per annum; and
   (3) mature at a time or times determined by the board, but not later than one (1) year after the date of the note or notes.

Loans made in a calendar year may not be for a sum greater than the amount estimated by the board as proceeds to be received by the board from the levy of taxes made by the school city for the board's
general fund. Successive loans may be made to aid the general fund in a calendar year, but the total amount of successive loans outstanding at any time may not exceed the estimated proceeds of taxes levied for the board's general fund.

(b) A loan under this section may not be made until notice asking for bids is given by newspaper publication. Notice must be made one (1) time in a newspaper published in the school city at least seven (7) days before the time the bids for the loans will be opened. A bidder shall name the amount of interest the bidder agrees to accept, not exceeding seven percent (7%) per annum. The loan shall be made to the bidder or bidders bidding the lowest rate of interest. The note, notes, or warrants may not be delivered until the full price of the face of the loan is paid to the treasurer of the school city, and interest does not accrue on the loan until delivery.

As added by P.L.2-2006, SEC.171.

IC 20-48-3-6
Temporary transfers; proceeds of bonds
Sec. 6. (a) A school city wishing to make a temporary loan for its general fund under this section may temporarily borrow money, without payment of interest, from the school city's treasury if the school city has in its treasury money derived from the sale of bonds that cannot or will not in the due course of the business of the school city be expended in the near future. A school city shall, by its board, take the following steps required by law to obtain a temporary loan under this section:

(1) Present to the department of local government finance and the state board of accounts:
   (A) a copy of the corporate action of the school city concerning the school city's desire to make a temporary loan;
   (B) a petition showing the particular need for a temporary loan;
   (C) the amount and the date or dates when the general fund will need the temporary loan or the installments of the loan;
   (D) the date on which the loan and each installment of the loan will be needed;
   (E) the estimated amounts from taxes to come into the general fund;
   (F) the dates when it is expected the proceeds of taxes will be received by the school city for the general fund;
   (G) the amount of money the school city has in each fund derived from the proceeds of the sale of bonds that cannot or will not be expended in the near future; and
   (H) a showing of when, to what extent, and why money in the bond service fund will not be expended in the near future.

(2) Request the department of local government finance and the state board of accounts to authorize a temporary loan from the bond service fund for the general fund.

(b) If:
   (1) the department of local government finance finds and orders
that there is need for a temporary loan and that it should be made;
(2) the state board of accounts finds that the money proposed to
be borrowed will not be needed during the period of the
temporary loan by the fund from which it is to be borrowed; and
(3) the state board of accounts and the department of local
government finance approve the loan;
the business manager and treasurer of the school city shall, upon the
approval of the state board of accounts and the department of local
government finance, take all steps necessary to transfer the amount
of the loans as a temporary loan from the fund to be borrowed from
to the general fund of the school city. The loan is a debt of the school
city chargeable against its constitutional debt limit.
(c) The state board of accounts and the department of local
government finance:
(1) may fix the total amount that may be borrowed on a petition;
and
(2) shall determine:
(A) at what time or times;
(B) in what installments; and
(C) for what periods;
the money may be borrowed.
The treasurer and business manager of the school city, as money is
collected from taxes levied on behalf of the general fund, shall credit
the amount of money collected from taxes levied to the loan until the
amount borrowed is fully repaid to the fund from which the loan was
made. The treasurer and business manager of the school city shall at
the end of each calendar month report to the board the amounts
applied from taxes to the payment of the loan.
(d) The school city shall, as often as once a month, report to both
the state board of accounts and the department of local government
finance:
(1) the amount of money borrowed and unpaid;
(2) any anticipated similar borrowings for the current month;
(3) the amount left in the general fund; and
(4) the anticipated drafts on the bond service fund for the
purposes for which the fund was created.
(e) The state board of accounts and the department of local
government finance, or either acting independently:
(1) if it appears that the fund from which the loan was made
requires the repayment of all or part of the loan before maturity;
or
(2) if the general fund no longer requires all or part of the
proceeds of the loan;
may require the school city to repay all or part of the loan. A school
city shall, if necessary to repay all or part of a loan under this
subsection, exercise its power to obtain a temporary loan from others
under section 5 of this chapter to raise the money needed to repay the
bond service fund the amount ordered repaid.
As added by P.L.2-2006, SEC.171.
IC 20-48-3-7
Requirements; repayment of obligations
   Sec. 7. A school city shall provide for the payment and retirement of debt obligations of the school city in the manner provided under IC 20-46-7, IC 20-48-1-6, and IC 20-48-1-11.
   As added by P.L.2-2006, SEC.171.

IC 20-48-3-8
Maximum obligation
   Sec. 8. (a) The board may not create debt exceeding twenty-five thousand dollars ($25,000) in total, except:
   (1) as otherwise provided in IC 20-25-4 or this chapter; or
   (2) for debts that exist after March 8, 1931, that are authorized by the general school laws of Indiana, including debt incurred under IC 21-4-20, IC 20-26-1, IC 20-26-2, IC 20-26-3, IC 20-26-4, IC 20-26-5, IC 20-26-7, and IC 20-41-1.
   (b) Notwithstanding subsection (a), the board is liable for the board's lawful contracts with persons rendering services and furnishing materials incident to the ordinary current operations of the board's schools if the contracts have been entered into as provided in this chapter and in accordance with law. The obligations of the board to persons rendering services or furnishing materials is not limited or prohibited by IC 20-25-4 or this chapter.
   As added by P.L.2-2006, SEC.171.
IC 20-48-4
Chapter 4. Township School Building

IC 20-48-4-1
Application
Sec. 1. Sections 2 through 4 of this chapter apply if a township board finds at an annual or special meeting of the board, that:
(1) it is necessary to provide for the construction of a school building; and
(2) the cost of the building, or the proportional cost if it is a joint graded high school building, will exceed the sum available from an annual levy.
As added by P.L.2-2006, SEC.171.

IC 20-48-4-2
Powers; township trustee; issuance of warrants or bonds
Sec. 2. (a) The board may authorize the trustee to issue township warrants or bonds to pay for the building or the proportional cost of it. The warrants or bonds:
(1) may run for a period not exceeding fifteen (15) years;
(2) may bear interest at any rate; and
(3) shall be sold for not less than par.
The township trustee, before issuing the warrants or bonds, shall place a notice in at least one (1) newspaper announcing the sale of the bonds in at least one (1) issue a week for three (3) weeks. The notice must comply with IC 5-3-1 and must set forth the amount of bonds offered, the denomination, the period to run, the rate of interest, and the date, place, and time of selling. The township board shall attend the bond sale and must concur in the sale before the bonds are sold.
(b) The board shall annually levy sufficient taxes each year to pay at least one-fifteenth (1/15) of the warrants or bonds, including interest, and the trustee shall apply the annual tax to the payment of the warrants or bonds each year.
(c) A debt of the township may not be created except by the township board in the manner specified in this section. The board may bring an action in the name of the state against the bond of a trustee to recover for the use of the township funds expended in the unauthorized payment of a debt. The board may appropriate and the township trustee shall pay from township funds a reasonable sum for attorney's fees for this purpose.
(d) If a taxpayer serves the board with a written demand that the board bring an action as described in subsection (c), and after thirty (30) days the board has not brought an action, a taxpayer may bring an action to recover for the use of the township funds expended in the unauthorized payment of a debt. An action brought under this subsection shall be brought in the name of the state.
As added by P.L.2-2006, SEC.171.

IC 20-48-4-3
Preparation of specifications for bidders; competitive bids;
contracts

Sec. 3. (a) If a trustee finds it necessary to erect a new school, the trustee shall procure suitable specifications for the school to be used by the bidders in bidding and in the construction of the school. If the trustee desires to purchase school furniture, fixtures, maps, charts, or other school supplies, not including fuel and literary periodicals, as authorized by the township board, the trustee shall make an estimate of the kinds and amounts, itemized particularly, to be used by bidders. If it is necessary to make repairs to a school, other than current or incidental repairs, the trustee shall make an itemized statement of the nature and character of the work to be performed for the use of bidders.

(b) All contracts shall be let after notice is given by publication in accordance with IC 5-3-1.

(c) The township board shall attend the letting. At the letting, all the work or supplies in any one (1) class shall be included and let in a single contract. All bids must be in writing and opened and read publicly at the date, time, and place fixed in the notice. In consultation with the township board, the trustee may take time to examine the bids and determine which is the lowest and best bid. The board may reject any bid. The trustee shall endorse either acceptance or rejection on the bids and preserve them.

(d) If a bid is accepted, a proper contract shall then be reduced to writing for the building, repairs, or supplies and signed by the successful bidder and the trustee. The trustee shall require the bidder to give bond with security to the trustee's approval for the faithful execution of the contract.

As added by P.L.2-2006, SEC.171.

IC 20-48-4-4
Effect of noncompliance with law

Sec. 4. A contract made in violation of sections 2 through 3 of this chapter is void.

As added by P.L.2-2006, SEC.171.

IC 20-48-4-5
Application

Sec. 5. Sections 6 through 9 of this chapter apply to a township in which there is not a city or town that operates public schools within the city or town.

As added by P.L.2-2006, SEC.171.

IC 20-48-4-6
Petition; alteration, construction, or addition of school building

Sec. 6. If:

1. a petition signed by at least one hundred (100) freeholders of the township is filed with the township trustee asking for the alteration or construction of a building or for an addition to a building to be used for teaching the children of the township the arts of agriculture, domestic science, or physical culture; and
(2) the building or addition to the building may be used by the citizens of the township for school and community entertainment and for other public purposes; the township trustee, with the consent of the township board, may grant the petition and shall alter or construct a building or an addition to a building as will best meet the needs of the citizens of the township.

As added by P.L.2-2006, SEC.171.

IC 20-48-4-7
Approval by department of local government finance
Sec. 7. (a) After June 30, 2008, this section applies only if the alteration or construction is a controlled project (as defined in IC 6-1.1-20-1.1) for which a preliminary determination under IC 6-1.1-20-3.1 was made before July 1, 2008.

(b) Before altering or constructing a building or an addition to a building, the proposed action must be submitted for approval to the department of local government finance. The department of local government finance shall set the proposal for hearing and give ten (10) days notice of the hearing to the taxpayers of the taxing district by:

1. one (1) publication in each of two (2) newspapers of opposite political parties published in the taxing district;
2. one (1) publication if only one (1) newspaper is published;
3. publication in two (2) newspapers representing the two (2) leading political parties published in the county and having a general circulation in the taxing district if no newspaper is published in the district; or
4. publication in one (1) newspaper if only one (1) paper is published in the county.

The department of local government finance shall conduct the hearing in the taxing district. After the hearing upon the proposal, the department of local government finance shall certify its approval or disapproval to the county auditor and to the township trustee.


IC 20-48-4-8
Powers; issuance of bonds
Sec. 8. (a) Upon approval by the department of local government finance (if required under section 6 of this chapter), the township trustee may, with the consent of the township board, issue and sell the bonds of the civil township in an amount sufficient to pay for the alteration, construction, or addition described in section 6 of this chapter.

(b) The trustee may levy a tax on the taxable property of the township in an amount sufficient to discharge the bonds issued and sold. The bonds may not bear a maturity date more than twenty (20) years from the date of issue.

As added by P.L.2-2006, SEC.171. Amended by P.L.146-2008,
SEC. 527.

IC 20-48-4-9
Joint action; township trustee; school township

Sec. 9. In carrying out sections 6 through 8 of this chapter, the township trustee may join with the school township or district in the alteration, construction, or addition, contracting together and joining in the employment of an engineer or architect. 

As added by P.L.2-2006, SEC.171.