

SENATE BILL No. 225

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-1-11; IC 14-27-6-40; IC 20-48-1-4; IC 36-3-5-8; IC 36-7-18-31; IC 36-10.

Synopsis: Bonding procedures. Removes a provision specifying that a negotiated sale is not authorized after June 30, 2021, for the following political subdivisions: (1) A consolidated city. (2) A second class city. (3) A school corporation located in a consolidated city or a second class city. Expands the list of political subdivisions that are eligible to sell bonds at a negotiated sale to include the following: (1) A third class city. (2) A public library or another special taxing district located in a consolidated city, second class city, or third class city. Provides that this expansion does not apply to refinancing bonds and some revenue bonds that are dedicated to a limited purpose.

Effective: July 1, 2020.

Taylor G

January 6, 2020, read first time and referred to Committee on Tax and Fiscal Policy.



Second Regular Session of the 121st General Assembly (2020)

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 a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2019 Regular Session of the General Assembly.

SENATE BILL No. 225

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 5-1-11-1, AS AMENDED BY P.L.125-2018,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2020]: Sec. 1. (a) Except as otherwise provided in this chapter
4 or in the statute authorizing their issuance, all bonds issued by or in the
5 name of counties, townships, cities, towns, school corporations, and
6 special taxing districts, agencies or instrumentalities thereof, or by
7 entities required to sell bonds pursuant to IC 5-1-11, whether the bonds
8 are general obligations or issued in anticipation of the collection of
9 special taxes or are payable out of revenues, may be sold:
10 (1) at a public sale; or
11 (2) alternatively, at a negotiated sale ~~after June 30, 2018, and~~
12 ~~before July 1, 2021~~, in the case of:
13 (A) a ~~consolidated city~~; or
14 (B) a ~~second class city~~; or a:
15 (i) **school corporation**;
16 (ii) **public library (as defined in 36-12-1-5)**; or
17 (iii) **special taxing district**;



1 **located in a city.**

2 ~~(C) a school corporation located in a city described in clause~~
 3 ~~(A) or (B):~~

4 (b) The word "bonds" as used in this chapter means any obligations
 5 issued by or in the name of any of the political subdivisions or bodies
 6 referred to in subsection (a), except obligations payable in the year in
 7 which they are issued, obligations issued in anticipation of the
 8 collection of delinquent taxes, and obligations issued in anticipation of
 9 the collection of frozen bank deposits.

10 (c) Notwithstanding any of the provisions of subsection (a) or any
 11 of the provisions of section 2 of this chapter, any bonds may be sold to
 12 the federal government or any agency thereof, at private sale and
 13 without a public offering.

14 SECTION 2. IC 5-1-11-6, AS AMENDED BY P.L.125-2018,
 15 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2020]: Sec. 6. (a) In cases where other statutes authorize the
 17 issuance and exchange of new bonds for the purpose of refunding or
 18 redeeming outstanding bonds for the payment of which no funds are
 19 available, it shall be the duty of the officers charged with issuance and
 20 exchange of the new bonds to cause the bonds to be offered:

21 (1) at a public sale as provided in this chapter; or

22 (2) alternatively, at a negotiated sale ~~after June 30, 2018, and~~
 23 ~~before July 1, 2021~~, in the case of:

24 (A) a ~~consolidated city; or~~

25 (B) a ~~second class city; or a:~~

26 **(i) school corporation;**

27 **(ii) public library (as defined in IC 36-12-1-5); or**

28 **(iii) special taxing district;**

29 **located in a city.**

30 ~~(C) a school corporation located in a city described in clause~~
 31 ~~(A) or (B):~~

32 (b) In cases where it is necessary to provide for the refunding of
 33 bonds or interest coupons maturing at various times over a period not
 34 exceeding six (6) months, the bodies and officials charged with the
 35 duty of issuing and selling the refunding bonds may, for the purpose of
 36 reducing the cost of issuance of the bonds, issue and sell one (1) issue
 37 of bonds in an amount sufficient to provide for the refunding of all of
 38 the bonds and interest coupons required to be refunded during the six
 39 (6) month period.

40 SECTION 3. IC 14-27-6-40, AS AMENDED BY P.L.125-2018,
 41 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2020]: Sec. 40. The provisions of IC 5-1 and IC 6-1.1-20



1 relating to the following apply to proceedings under this chapter:

- 2 (1) The filing of a petition requesting the issuance of bonds and
 3 giving notice of the petition.
 4 (2) The giving of notice of determination to issue bonds.
 5 (3) The giving of notice of hearing on the appropriation of the
 6 proceeds of bonds and the right of taxpayers to appeal and be
 7 heard on the proposed appropriation.
 8 (4) The approval of the appropriation by the department of local
 9 government finance.
 10 (5) The right of:
 11 (A) taxpayers and voters to remonstrate against the issuance of
 12 bonds in the case of a proposed bond issue described by
 13 IC 6-1.1-20-3.1(a); or
 14 (B) voters to vote on the issuance of bonds in the case of a
 15 proposed bond issue described by IC 6-1.1-20-3.5(a).
 16 (6) The sale of bonds at:
 17 (A) a public sale for not less than the par value; or
 18 (B) alternatively, a negotiated sale ~~after June 30, 2018, and~~
 19 ~~before July 1, 2021~~, in the case of a city described in section
 20 1(1) of this chapter.

21 SECTION 4. IC 20-48-1-4, AS AMENDED BY P.L.125-2018,
 22 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2020]: Sec. 4. (a) Bonds issued by a school corporation shall
 24 be sold:

- 25 (1) at a public sale; or
 26 (2) alternatively, at a negotiated sale ~~after June 30, 2018, and~~
 27 ~~before July 1, 2021~~, in the case of a school corporation located in
 28 **a city.**

- 29 (A) ~~a consolidated city; or~~
 30 (B) ~~a second class city.~~
 31 (b) If the bonds are sold at a public sale, the bonds must be sold at:
 32 (1) not less than par value;
 33 (2) a public sale as provided by IC 5-1-11; and
 34 (3) any rate or rates of interest determined by the bidding.

35 (c) This subsection does not apply to bonds for which a school
 36 corporation:

- 37 (1) after June 30, 2008, makes a preliminary determination as
 38 described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as
 39 described in IC 6-1.1-20-5; or
 40 (2) in the case of bonds not subject to IC 6-1.1-20-3.1,
 41 IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance
 42 authorizing the bonds after June 30, 2008.



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

4 SECTION 5. IC 36-3-5-8, AS AMENDED BY P.L.125-2018,
 5 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2020]: Sec. 8. (a) This section applies whenever a special
 7 taxing district of the consolidated city has the power to issue bonds,
 8 notes, or warrants.

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

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

- 15 (1) hold all required hearings;
- 16 (2) adopt all necessary resolutions; and
- 17 (3) appropriate the proceeds of the bonds;

18 in that manner. However, the legislative body shall levy each year the
 19 special tax required to pay the principal of and interest on the bonds
 20 and any bank paying charges.

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

- 23 (1) be dated;
- 24 (2) be issued in any denomination;
- 25 (3) except as otherwise provided by IC 5-1-14-10, mature at any
 26 time or times not exceeding fifty (50) years after their date; and
- 27 (4) be payable at any bank or banks;

28 as determined by the board. If the bonds are sold at a public sale, the
 29 interest rate or rates that the bonds will bear must be determined by
 30 bidding, notwithstanding IC 5-1-11-3.

31 (e) Bonds of a special taxing district are subject to the provisions of
 32 IC 5-1 and IC 6-1.1-20 relating to the following:

- 33 (1) The filing of a petition requesting the issuance of bonds and
 34 giving notice of the petition.
- 35 (2) The giving of notice of a hearing on the appropriation of the
 36 proceeds of bonds.
- 37 (3) The right of taxpayers to appear and be heard on the proposed
 38 appropriation.
- 39 (4) The approval of the appropriation by the department of local
 40 government finance.
- 41 (5) The right of:

42 (A) taxpayers and voters to remonstrate against the issuance of



1 bonds in the case of a proposed bond issue described by
2 IC 6-1.1-20-3.1(a); or

3 (B) voters to vote on the issuance of bonds in the case of a
4 proposed bond issue described by IC 6-1.1-20-3.5(a).

5 (6) The sale of bonds at a public sale or at a negotiated sale. ~~after~~
6 ~~June 30, 2018, and before July 1, 2021.~~

7 (7) The maximum term or repayment period provided by
8 IC 5-1-14-10.

9 SECTION 6. IC 36-7-18-31, AS AMENDED BY P.L.125-2018,
10 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2020]: Sec. 31. (a) Issues of bonds, notes, or warrants of a
12 housing authority must be approved by the fiscal body of the unit after
13 a public hearing, with notice of the time, place, and purpose of the
14 hearing given by publication in accordance with IC 5-3-1. The bonds,
15 notes, or warrants must then be authorized by resolution of the
16 authority.

17 (b) After the bonds, notes, or warrants have been approved under
18 subsection (a), they may be issued in one (1) or more series, with the:

- 19 (1) dates;
20 (2) maturities;
21 (3) denominations;
22 (4) form, either coupon or registered;
23 (5) conversion or registration privileges;
24 (6) rank or priority;
25 (7) manner of execution;
26 (8) medium of payment;
27 (9) places of payment; and
28 (10) terms of redemption, with or without premium;

29 provided by the resolution or its trust indenture or mortgage.

30 (c) The bonds, notes, or warrants shall be sold at a public sale under
31 IC 5-1-11, for not less than par value, after notice published in
32 accordance with IC 5-3-1. However, they may be sold at not less than
33 par value to the federal government:

- 34 (1) at private sale without any public advertisement; or
35 (2) alternatively, at a negotiated sale ~~after July 1, 2018, and before~~
36 ~~June 30, 2021~~, in the case of a **city** housing authority. ~~of:~~

- 37 (A) a consolidated city; or
38 (B) a second class city.

39 (d) If any of the commissioners or officers of the housing authority
40 whose signatures appear on any bonds, notes, or warrants or coupons
41 cease to be commissioners or officers before the delivery, exchange, or
42 substitution of the bonds, notes, or warrants, their signatures remain



1 valid and sufficient for all purposes, as if they had remained in office
2 until the delivery, exchange, or substitution.

3 (e) Subject to provision for registration and notwithstanding any
4 other law, any bonds, notes, or warrants issued under this chapter are
5 fully negotiable.

6 (f) In any proceedings involving the validity or enforceability of any
7 bond, note, or warrant of a housing authority or of its security, if the
8 instrument states that it has been issued by the authority to aid in
9 financing a housing project to provide dwelling accommodations for
10 persons of low income, it shall be conclusively presumed to have been
11 issued for that purpose and the project shall be conclusively presumed
12 to have been planned, located, and constructed in accordance with this
13 chapter.

14 SECTION 7. IC 36-10-3-24, AS AMENDED BY P.L.125-2018,
15 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2020]: Sec. 24. (a) In order to raise money to pay for land to
17 be acquired for any of the purposes named in this chapter, to pay for an
18 improvement authorized by this chapter, or both, and in anticipation of
19 the special benefit tax to be levied as provided in this chapter, the
20 board shall cause to be issued, in the name of the unit, the bonds of the
21 district. The bonds may not exceed in amount the total cost of all land
22 to be acquired and all improvements described in the resolution,
23 including all expenses necessarily incurred in connection with the
24 proceedings, together with a sum sufficient to pay the costs of
25 supervision and inspection during the period of construction of a work.
26 The expenses to be covered in the bond issue include all expenses of
27 every kind actually incurred preliminary to acquiring the land and the
28 construction of the work, such as the cost of the necessary record,
29 engineering expenses, publication of notices, preparation of bonds, and
30 other necessary expenses. If more than one (1) resolution or proceeding
31 of the board under section 23 of this chapter is confirmed whereby
32 different parcels of land are to be acquired, or more than one (1)
33 contract for work is let by the board at approximately the same time,
34 the cost involved under all of the resolutions and proceedings may be
35 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



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:

6 (1) the filing of a petition requesting the issuance of bonds;

7 (2) the right of:

8 (A) taxpayers and voters to remonstrate against the issuance of
9 bonds in the case of a proposed bond issue described by
10 IC 6-1.1-20-3.1(a); or

11 (B) voters to vote on the issuance of bonds in the case of a
12 proposed bond issue described by IC 6-1.1-20-3.5(a);

13 (3) the appropriation of the proceeds of the bonds and approval by
14 the department of local government finance; and

15 (4) the sale of bonds at:

16 (A) a public sale for not less than their par value; or

17 (B) a negotiated sale ~~after June 30, 2018, and before July 1,~~
18 ~~2021,~~ in the case of a board of a district in a **city**.

19 (i) a ~~consolidated city~~; or

20 (ii) a ~~second class city~~.

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

32 SECTION 8. IC 36-10-8-16, AS AMENDED BY P.L.125-2018,
33 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2020]: Sec. 16. (a) A capital improvement may be financed in
35 whole or in part by the issuance of general obligation bonds of the
36 county or, if the board was created under IC 18-7-18 (before its repeal
37 on February 24, 1982), also of the city, if the board determines that the
38 estimated annual net income of the capital improvement, plus the
39 estimated annual tax revenues to be derived from any tax revenues
40 made available for this purpose, will not be sufficient to satisfy and pay
41 the principal of and interest on all bonds issued under this chapter,
42 including the bonds then proposed to be issued.



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

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

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

- 29 (1) the filing of a petition requesting the issuance of bonds and
 30 giving notice;
 31 (2) the right of:
 32 (A) taxpayers and voters to remonstrate against the issuance of
 33 bonds in the case of a proposed bond issue described by
 34 IC 6-1.1-20-3.1(a); or
 35 (B) voters to vote on the issuance of bonds in the case of a
 36 proposed bond issue described by IC 6-1.1-20-3.5(a);
 37 (3) the giving of notice of the determination to issue bonds;
 38 (4) the giving of notice of a hearing on the appropriation of the
 39 proceeds of bonds;
 40 (5) the right of taxpayers to appear and be heard on the proposed
 41 appropriation;
 42 (6) the approval of the appropriation by the department of local



1 government finance; and
 2 (7) the sale of bonds at a public sale or at a negotiated sale; ~~after~~
 3 ~~June 30, 2018, and before July 1, 2021;~~
 4 apply to the issuance of bonds under this section.

5 SECTION 9. IC 36-10-9-15, AS AMENDED BY P.L.125-2018,
 6 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2020]: Sec. 15. (a) A capital improvement may be financed in
 8 whole or in part by the issuance of general obligation bonds of the
 9 county.

10 (b) If the board desires to finance a capital improvement in whole
 11 or in part as provided in this section, it shall have prepared a resolution
 12 to be adopted by the board of commissioners of the county authorizing
 13 the issuance of general obligation bonds. The resolution must state the
 14 date or dates on which the principal of the bonds is payable, the
 15 maximum interest rate to be paid, and the other terms upon which the
 16 bonds shall be issued. The board shall submit the proposed resolution
 17 to the city-county legislative body for approval under IC 36-3-6-9,
 18 together with a certificate to the effect that the issuance of bonds in
 19 accordance with the resolution will be in compliance with this section.
 20 The certificate must also state the estimated annual net income of the
 21 capital improvement to be financed by the bonds, the estimated annual
 22 tax revenues, and the maximum amount payable in any year as
 23 principal and interest on the bonds issued under this chapter, including
 24 the bonds proposed to be issued, at the maximum interest rate set forth
 25 in the resolution. The bonds issued may mature over a period not
 26 exceeding forty (40) years from the date of issue.

27 (c) If the city-county legislative body approves the issuance of
 28 bonds under IC 36-3-6-9, the board shall submit the resolution to the
 29 executive of the consolidated city, who shall review the resolution. If
 30 the executive approves the resolution, the board shall take all action
 31 necessary to issue the bonds in accordance with the resolution. An
 32 action to contest the validity of bonds issued under this section and sold
 33 at a public sale may not be brought after the fifteenth day following the
 34 receipt of bids for the bonds.

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

36 (1) the filing of a petition requesting the issuance of bonds and
 37 giving notice;

38 (2) the right of:

39 (A) taxpayers and voters to remonstrate against the issuance of
 40 bonds in the case of a proposed bond issue described by
 41 IC 6-1.1-20-3.1(a); or

42 (B) voters to vote on the issuance of bonds in the case of a



- 1 proposed bond issue described by IC 6-1.1-20-3.5(a);
- 2 (3) the giving of notice of the determination to issue bonds;
- 3 (4) the giving of notice of a hearing on the appropriation of the
- 4 proceeds of bonds;
- 5 (5) the right of taxpayers to appear and be heard on the proposed
- 6 appropriation;
- 7 (6) the approval of the appropriation by the department of local
- 8 government finance; and
- 9 (7) the sale of bonds at a public sale for not less than par value or
- 10 at a negotiated sale; ~~after June 30, 2018, and before July 1, 2021;~~
- 11 are applicable to the issuance of bonds under this section.

12 SECTION 10. IC 36-10-10-20, AS AMENDED BY P.L.125-2018,
 13 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2020]: Sec. 20. (a) The bonds shall be executed by the
 15 president of the board, and the corporate seal of the authority shall be
 16 affixed and attested by the secretary of the board. The interest coupons
 17 attached to the bonds shall be executed by placing the facsimile
 18 signature of the treasurer on them. The bonds shall be sold by the
 19 board:

- 20 (1) at a public sale for not less than the par value; or
- 21 (2) alternatively, at a negotiated sale. ~~after June 30, 2018, and~~
- 22 ~~before July 1, 2021.~~

23 Notice of sale shall be published in accordance with IC 5-3-1.

24 (b) If the bonds are sold at a public sale, the board shall award the
 25 bonds to the highest bidder as determined by computing the total
 26 interest on the bonds from the date of issue to the dates of maturity and
 27 deducting the premium bid, if any, unless the board determines that no
 28 acceptable bid has been received. In that case the sale may be
 29 continued from day to day, not to exceed thirty (30) days. A bid may
 30 not be accepted that is lower than the highest bid received at the time
 31 fixed for sale in the bond sale notice.

32 (c) Any premium received from the sale of the bonds shall be used
 33 solely for the payment of principal and interest on the bonds. The board
 34 may also issue refunding bonds under IC 5-1-5.

35 SECTION 11. IC 36-10-11-21, AS AMENDED BY P.L.125-2018,
 36 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2020]: Sec. 21. (a) The bonds shall be executed by the
 38 president of the board, and the corporate seal of the authority shall be
 39 affixed and attested by the secretary of the board. The interest coupons
 40 attached to the bonds shall be executed by placing the facsimile
 41 signature of the treasurer on them. The bonds shall be sold by the
 42 board:



- 1 (1) at public sale for not less than the par value; or
2 (2) alternatively, at a negotiated sale. ~~after June 30, 2018, and~~
3 ~~before July 1, 2021.~~
- 4 Notice of sale shall be published in accordance with IC 5-3-1.
- 5 (b) If the bonds are sold at a public sale, the board shall award the
6 bonds to the highest bidder as determined by computing the total
7 interest on the bonds from the date of issue to the dates of maturity and
8 deducting the premium bid, if any. If the bonds are not sold on the date
9 fixed for the sale, the sale may be continued from day to day until a
10 satisfactory bid has been received.
- 11 (c) Any premium received from the sale of the bonds shall be used
12 solely for the payment of principal and interest on the bonds.
- 13 (d) Before the preparation of definitive bonds, temporary bonds may
14 under like restrictions be issued with or without coupons, exchangeable
15 for definitive bonds upon the issuance of the latter. The total amount
16 of bonds issued by the authority under this section, when added to any
17 loan or loans negotiated under section 22 of this chapter, may not
18 exceed three million dollars (\$3,000,000).

