

## SENATE BILL No. 446

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-1-14-12.5; IC 5-3-1-3; IC 5-11-1-4; IC 20-26-7-18; IC 20-48-1-1; IC 36-1-4-9; IC 36-2-6-18; IC 36-3-4-21; IC 36-4-6-19; IC 36-5-2-11; IC 36-6-6-11; IC 36-12-3-9.

**Synopsis:** Local government financial reporting. Provides that beginning in 2016, a political subdivision may not issue bonds unless: (1) the political subdivision has filed required annual financial reports with the state board of accounts or (in the case of a school corporation) the department of education; and (2) the annual financial reports are prepared in accordance with all generally accepted accounting principles for financial accounting and reporting as established by the Governmental Accounting Standards Board. Specifies that the proceeds of a bond issue may be used to pay the costs incurred by the issuer to comply with generally accepted accounting principles.

**Effective:** July 1, 2015.

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## Holdman

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January 12, 2015, read first time and referred to Committee on Tax & Fiscal Policy.

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First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

# SENATE BILL No. 446



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 5-1-14-12.5 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 12.5. (a)  
3 Notwithstanding any other law, an issuer may purchase any obligations  
4 on terms the issuer finds reasonable and may issue its obligations to  
5 effectuate that purpose on terms that the issuer finds reasonable.  
6 (b) **Notwithstanding any other law, the accounting and financial**  
7 **reporting costs that are incurred by an issuer to comply with**  
8 **generally accepted accounting principles for financial accounting**  
9 **and reporting, as established by the Governmental Accounting**  
10 **Standards Board, for the obligations may be paid by the issuer**  
11 **from the proceeds of those obligations.**  
12 SECTION 2. IC 5-3-1-3, AS AMENDED BY P.L.1-2005,  
13 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
14 JULY 1, 2015]: Sec. 3. (a) Within sixty (60) days after the expiration  
15 of each calendar year, the fiscal officer of each civil city and town in  
16 Indiana shall publish an annual report of the receipts and expenditures



1 of the city or town during the preceding calendar year.

2 (b) Not earlier than August 1 or later than August 15 of each year,  
3 the secretary of each school corporation in Indiana shall publish an  
4 annual financial report.

5 (c) In the annual financial report the school corporation shall  
6 include the following:

7 (1) Actual receipts and expenditures by major accounts as  
8 compared to the budget advertised under IC 6-1.1-17-3 for the  
9 prior calendar year.

10 (2) The salary schedule for all certificated employees (as defined  
11 in IC 20-29-2-4) as of June 30, with the number of employees at  
12 each salary increment. However, the listing of salaries of  
13 individual teachers is not required.

14 (3) The extracurricular salary schedule as of June 30.

15 (4) The range of rates of pay for all noncertificated employees by  
16 specific classification.

17 (5) The number of employees who are full-time certificated,  
18 part-time certificated, full-time noncertificated, and part-time  
19 noncertificated.

20 (6) The lowest, highest, and average salary for the administrative  
21 staff and the number of administrators without a listing of the  
22 names of particular administrators.

23 (7) The number of students enrolled at each grade level and the  
24 total enrollment.

25 (8) The assessed valuation of the school corporation for the prior  
26 and current calendar year.

27 (9) The tax rate for each fund for the prior and current calendar  
28 year.

29 (10) In the general fund, capital projects fund, and transportation  
30 fund, a report of the total payment made to each vendor for the  
31 specific fund in excess of two thousand five hundred dollars  
32 (\$2,500) during the prior calendar year. However, a school  
33 corporation is not required to include more than two hundred  
34 (200) vendors whose total payment to each vendor was in excess  
35 of two thousand five hundred dollars (\$2,500). A school  
36 corporation shall list the vendors in descending order from the  
37 vendor with the highest total payment to the vendor with the  
38 lowest total payment above the minimum listed in this  
39 subdivision.

40 (11) A statement providing that the contracts, vouchers, and bills  
41 for all payments made by the school corporation are in its  
42 possession and open to public inspection.



- 1 (12) The total indebtedness as of the end of the prior calendar  
 2 year showing the total amount of notes, bonds, certificates, claims  
 3 due, total amount due from such corporation for public  
 4 improvement assessments or intersections of streets, and any and  
 5 all other evidences of indebtedness outstanding and unpaid at the  
 6 close of the prior calendar year.
- 7 (d) The school corporation may provide an interpretation or  
 8 explanation of the information included in the financial report.
- 9 (e) The department of education shall do the following:
- 10 (1) Develop guidelines for the preparation and form of the  
 11 financial report.
- 12 (2) Provide information to assist school corporations in the  
 13 preparation of the financial report.
- 14 (f) The annual reports required by this section and IC 36-2-2-19 and  
 15 the abstract required by IC 36-6-4-13 shall each be published one (1)  
 16 time only, in accordance with this chapter.
- 17 (g) Each school corporation shall submit to the department of  
 18 education a copy of the financial report required under this section. The  
 19 department of education shall make the financial reports available for  
 20 public inspection.
- 21 **(h) As used in this subsection, "bonds" means any bonds, notes,**  
 22 **or other evidences of indebtedness, whether payable from property**  
 23 **taxes, other taxes, revenues, fees, or any other source. However, the**  
 24 **term does not include notes, warrants, or other evidences of**  
 25 **indebtedness that have a maturity of not more than five (5) years**  
 26 **and that are made in anticipation of and to be paid from revenues**  
 27 **of the school corporation. Notwithstanding any other law, after**  
 28 **August 15, 2016, a school corporation may not issue any bonds**  
 29 **unless:**
- 30 **(1) the school corporation has filed the annual financial report**  
 31 **required under subsection (b) with the department of**  
 32 **education; and**
- 33 **(2) in addition to any information required under subsection**  
 34 **(c), the annual financial report filed with the department of**  
 35 **education was prepared in accordance with all generally**  
 36 **accepted accounting principles for financial accounting and**  
 37 **reporting as established by the Governmental Accounting**  
 38 **Standards Board.**
- 39 **The requirements under this subsection for the issuance of bonds**  
 40 **by a school corporation are in addition to any other requirements**  
 41 **imposed under any other law. This subsection applies to the**  
 42 **issuance of bonds authorized under any statute, regardless of**



1 **whether that statute specifically references this subsection or the**  
 2 **requirements under this subsection.**

3 SECTION 3. IC 5-11-1-4, AS AMENDED BY P.L.137-2012,  
 4 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 5 JULY 1, 2015]: Sec. 4. (a) The state examiner shall require from every  
 6 municipality and every state or local governmental unit, entity, or  
 7 instrumentality financial reports covering the full period of each fiscal  
 8 year. These reports shall be prepared, verified, and filed with the state  
 9 examiner not later than sixty (60) days after the close of each fiscal  
 10 year. The reports must be in the form and content prescribed by the  
 11 state examiner and filed electronically in the manner prescribed under  
 12 IC 5-14-3.8-7.

13 (b) The department of local government finance may not approve  
 14 the budget of a political subdivision or a supplemental appropriation  
 15 for a political subdivision until the political subdivision files an annual  
 16 report under subsection (a) for the preceding calendar year.

17 (c) **As used in this subsection, "bonds" means any bonds, notes,**  
 18 **or other evidences of indebtedness, whether payable from property**  
 19 **taxes, other taxes, revenues, fees, or any other source. However, the**  
 20 **term does not include notes, warrants, or other evidences of**  
 21 **indebtedness that have a maturity of not more than five (5) years**  
 22 **and that are made in anticipation of and to be paid from revenues**  
 23 **of the political subdivision. Notwithstanding any other law, after**  
 24 **July 1, 2016, a political subdivision other than a school corporation**  
 25 **may not issue any bonds unless:**

- 26 (1) **the political subdivision has filed an annual financial**  
 27 **report with the state examiner for the preceding fiscal year;**  
 28 **and**  
 29 (2) **the annual financial report filed with the state examiner**  
 30 **for the preceding fiscal year was prepared in accordance with**  
 31 **all generally accepted accounting principles for financial**  
 32 **accounting and reporting as established by the Governmental**  
 33 **Accounting Standards Board.**

34 **The requirements under this subsection for the issuance of bonds**  
 35 **by a political subdivision are in addition to any other requirements**  
 36 **imposed under any other law. This subsection applies to the**  
 37 **issuance of bonds authorized under any statute, regardless of**  
 38 **whether that statute specifically references this subsection or the**  
 39 **requirements under this subsection.**

40 SECTION 4. IC 20-26-7-18, AS AMENDED BY P.L.146-2008,  
 41 SECTION 467, IS AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE JULY 1, 2015]: Sec. 18. **Subject to IC 5-3-1-3(h), a**



1 school corporation may issue and sell bonds under the general statutes  
 2 governing the issuance of bonds to purchase and improve buildings or  
 3 lands, or both. All laws relating to approval (if required) in a local  
 4 public question under IC 6-1.1-20, the filing of petitions,  
 5 remonstrances, and objecting petitions, giving notices of the filing of  
 6 petitions, the determination to issue bonds, and the appropriation of the  
 7 proceeds of the bonds are applicable to the issuance of bonds under  
 8 sections 17 through 19 of this chapter.

9 SECTION 5. IC 20-48-1-1, AS ADDED BY P.L.2-2006, SECTION  
 10 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY  
 11 1, 2015]: Sec. 1. (a) As used in this section, "improvement of real  
 12 estate" includes:

- 13 (1) construction, reconstruction, remodeling, alteration, or repair
- 14 of buildings or additions to buildings;
- 15 (2) equipment related to activities specified in subdivision (1);
- 16 and
- 17 (3) auxiliary facilities related to activities specified in subdivision
- 18 (1), including facilities for:
  - 19 (A) furnishing water, gas, and electricity;
  - 20 (B) carrying and disposing of sewage and storm and surface
  - 21 water drainage;
  - 22 (C) housing of school owned buses;
  - 23 (D) landscaping of grounds; and
  - 24 (E) construction of walks, drives, parking areas, playgrounds,
  - 25 or facilities for physical training.

26 (b) **Subject to IC 5-3-1-3(h)**, a school corporation is authorized to  
 27 issue bonds to pay the:

- 28 (1) cost of acquisition and improvement of real estate for school
- 29 purposes;
- 30 (2) funding of judgments;
- 31 (3) cost of the purchase of school buses; and
- 32 (4) incidental expenses incurred in connection with and on
- 33 account of the issuance of the bonds.

34 SECTION 6. IC 36-1-4-9 IS AMENDED TO READ AS FOLLOWS  
 35 [EFFECTIVE JULY 1, 2015]: Sec. 9. **Subject to IC 5-11-1-4(c)**, a unit  
 36 may borrow money.

37 SECTION 7. IC 36-2-6-18 IS AMENDED TO READ AS  
 38 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 18. (a) The county  
 39 fiscal body may, by ordinance:

- 40 (1) make loans for the purpose of procuring money to be used in
- 41 the exercise of county powers and for the payment of county debts
- 42 other than current running expenses, and, **subject to**



- 1           **IC 5-11-1-4(c)**, issue bonds or other county obligations to refund  
 2 those loans;  
 3           (2) make temporary loans to meet current running expenses, in  
 4 anticipation of and not in excess of county revenues for the  
 5 current fiscal year, which shall be evidenced by tax anticipation  
 6 warrants of the county; and  
 7           (3) make loans and issue notes under subsection (d).  
 8           (b) An ordinance authorizing the issuance of bonds under this  
 9 section must state the purpose for which the bonds are issued and may  
 10 provide that the bonds:  
 11           (1) are or are not negotiable;  
 12           (2) bear interest at any rate;  
 13           (3) run not longer than twenty (20) years; and  
 14           (4) mature by installments payable annually or otherwise.  
 15           (c) An ordinance authorizing the issuance of tax anticipation  
 16 warrants under this section must:  
 17           (1) state the total amount of the issue;  
 18           (2) state the denomination of the warrants;  
 19           (3) state the time and place payable;  
 20           (4) state the rate of interest;  
 21           (5) state the funds and revenues in anticipation of which the  
 22 warrants are issued and out of which they are payable; and  
 23           (6) appropriate and pledge a sufficient amount of those revenues  
 24 to the punctual payment of the warrants.  
 25 The warrants are exempt from taxation for all purposes.  
 26           (d) The county fiscal body may, by ordinance, make loans of money  
 27 for not more than five (5) years and issue notes for the purpose of  
 28 refunding those loans. The loans may be made only for the purpose of  
 29 procuring money to be used in the exercise of the powers of the county,  
 30 and the total amount of outstanding loans under this subsection may not  
 31 exceed five percent (5%) of the county's total tax levy in the current  
 32 year (excluding amounts levied to pay debt service and lease rentals).  
 33 Loans under this subsection shall be made in the same manner as loans  
 34 made under subsection (a)(1), except that:  
 35           (1) the ordinance authorizing the loans must pledge to their  
 36 payment a sufficient amount of tax revenues over the ensuing five  
 37 (5) years to provide for refunding the loans;  
 38           (2) the loans must be evidenced by notes of the county in terms  
 39 designating the nature of the consideration, the time and place  
 40 payable, and the revenues out of which they will be payable; and  
 41           (3) the interest accruing on the notes to the date of maturity may  
 42 be added to and included in their face value or be made payable



1           periodically, as provided in the ordinance.  
 2 Notes issued under this subsection are not bonded indebtedness for  
 3 purposes of IC 6-1.1-18.5.

4           (e) If a deficit is incurred for the current running expenses of the  
 5 county because the total of county revenues for the fiscal year is less  
 6 than the anticipated total, the county fiscal body shall provide for the  
 7 deficit in the next county tax levy.

8           SECTION 8. IC 36-3-4-21 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 21. (a) The city-county  
 10 legislative body may, by ordinance, make loans of money for the  
 11 consolidated city and, **subject to IC 5-11-1-4(c)**, issue bonds for the  
 12 purpose of refunding those loans. The loans may be made only for the  
 13 purpose of procuring money to be used in the exercise of the powers of  
 14 the city and for the payment of city debts.

15           (b) An ordinance adopted under this section:

16           (1) must include the terms of the bonds to be issued in evidence  
 17 of the loan;

18           (2) must include the time and manner of giving notice of the sale  
 19 of the bonds;

20           (3) must include the manner in which the bonds will be sold; and

21           (4) may authorize a total amount for any issue of bonds.

22           (c) Bonds issued under this section may be sold in parcels of any  
 23 size and at any time their proceeds are needed by the city.

24           (d) Bonds issued and sold by the city under this section:

25           (1) are negotiable with or without registration, as may be provided  
 26 by the ordinance authorizing the issue;

27           (2) may bear interest at any rate;

28           (3) may run not longer than thirty (30) years;

29           (4) may contain an option allowing the city to redeem them in  
 30 whole or in part at specified times prior to maturity; and

31           (5) may be sold for not less than par value.

32           (e) The fiscal officer of the consolidated city shall:

33           (1) manage and supervise the preparation, advertisement,  
 34 negotiations, and sale of bonds under this section, subject to the  
 35 terms of the ordinance authorizing the sale;

36           (2) deliver them to the county treasurer after they have been  
 37 properly executed and shall take his receipt for them; and

38           (3) when a contract for the sale of all or any part of the bonds is  
 39 consummated, certify to the county treasurer the amount the  
 40 purchaser is to pay, together with the name and address of the  
 41 purchaser.

42           The county treasurer shall then receive from the purchaser the amount





1 certified by the fiscal officer, deliver the bonds to the purchaser, and  
 2 take the purchaser's receipt for the bonds. The fiscal officer and county  
 3 treasurer shall then report the proceedings in the sale to the legislative  
 4 body. However, if the county treasurer is not present to receive the  
 5 properly executed bonds from the fiscal officer or to issue the bonds,  
 6 the fiscal officer shall perform his duties under this subsection.

7 SECTION 9. IC 36-4-6-19 IS AMENDED TO READ AS  
 8 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 19. (a) The legislative  
 9 body may, by ordinance, make loans of money and, **subject to**  
 10 **IC 5-11-1-4(c)**, issue bonds for the purpose of refunding those loans.  
 11 The loans may be made only for the purpose of procuring money to be  
 12 used in the exercise of the powers of the city or for the payment of city  
 13 debts.

14 (b) An ordinance adopted under this section:

- 15 (1) must include the terms of the bonds to be issued in evidence
- 16 of the loan;
- 17 (2) must include the time and manner of giving notice of the sale
- 18 of the bonds;
- 19 (3) must include the manner in which the bonds will be sold; and
- 20 (4) may authorize a total amount for any issue of bonds.

21 (c) Bonds issued under this section may be sold in parcels of any  
 22 size and at any time their proceeds are needed by the city.

23 (d) Bonds issued and sold by a city under this section:

- 24 (1) are negotiable with or without registration, as may be provided
- 25 by the ordinance authorizing the issue;
- 26 (2) may bear interest at any rate;
- 27 (3) may run not longer than thirty (30) years;
- 28 (4) may contain an option allowing the city to redeem them in
- 29 whole or in part at specified times prior to maturity; and
- 30 (5) may be sold for not less than par value.

31 (e) The city fiscal officer shall:

- 32 (1) manage and supervise the preparation, advertisement,
- 33 negotiations, and sale of bonds under this section, subject to the
- 34 terms of the ordinance authorizing the sale;
- 35 (2) certify the amount the purchaser is to pay, together with the
- 36 name and address of the purchaser;
- 37 (3) receive the amount of payment certified;
- 38 (4) deliver the bonds to the purchaser;
- 39 (5) take a receipt for the securities delivered;
- 40 (6) pay the purchaser's payment into the city treasury; and
- 41 (7) report the proceedings in the sale to the legislative body.

42 The actions of the fiscal officer under this subsection are ministerial.



1 SECTION 10. IC 36-5-2-11, AS AMENDED BY P.L.146-2008,  
 2 SECTION 708, IS AMENDED TO READ AS FOLLOWS  
 3 [EFFECTIVE JULY 1, 2015]: Sec. 11. (a) **Subject to IC 5-11-1-4(c)**,  
 4 the legislative body may issue bonds for the purpose of procuring  
 5 money to be used in the exercise of the powers of the town and for the  
 6 payment of town debts. However, a town may not issue bonds to  
 7 procure money to pay current expenses.

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

10 (c) Bonds issued under this section are subject to the provisions of  
 11 IC 5-1 and IC 6-1.1-20 relating to the following:

12 (1) The filing of a petition requesting the issuance of bonds and  
 13 giving notice of the petition.

14 (2) The giving of notice of a hearing on the appropriation of the  
 15 proceeds of bonds.

16 (3) The right of taxpayers to appear and be heard on the proposed  
 17 appropriation.

18 (4) The approval of the appropriation by the department of local  
 19 government finance.

20 (5) The right of:

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

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

26 (6) The sale of bonds at public sale for not less than their par  
 27 value.

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

36 (1) The ordinance authorizing the loans must pledge to their  
 37 payment a sufficient amount of tax revenues over the ensuing five  
 38 (5) years to provide for refunding the loans.

39 (2) The loans must be evidenced by notes of the town in terms  
 40 designating the nature of the consideration, the time and place  
 41 payable, and the revenues out of which they will be payable.

42 (3) The interest accruing on the notes to the date of maturity may



1 be added to and included in their face value or be made payable  
2 periodically, as provided in the ordinance.

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

5 SECTION 11. IC 36-6-6-11 IS AMENDED TO READ AS  
6 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 11. (a) The legislative  
7 body shall meet annually in accord with IC 6-1.1-17, to adopt the  
8 township's annual budget.

9 (b) The legislative body shall consider the estimates of expenditures  
10 made by the executive under IC 36-6-4-11, and may approve or reject  
11 all or part of any estimate or any item within an estimate. The  
12 legislative body may require the executive to further itemize an  
13 estimate not sufficiently itemized.

14 (c) The legislative body may not appropriate for any purpose an  
15 amount more than the executive's estimate of the amount required for  
16 that purpose.

17 (d) The legislative body shall include in the budget:

18 (1) provisions for the payment of existing debt of the township as  
19 it becomes due; and

20 (2) the salaries fixed under section 10 of this chapter.

21 (e) In making levies for the township general fund, the legislative  
22 body may include an amount not more than the amount necessary to  
23 compensate its members for their services during the year for which the  
24 levies are made.

25 (f) After the legislative body has taken action on the executive's  
26 estimates, it shall levy taxes for the township funds on property in the  
27 township and fix rates of taxation sufficient to provide that revenue  
28 during the next year.

29 (g) On the assessment date, as defined by IC 6-1.1-1-2, the rates of  
30 taxation adopted under this section become a levy and a lien on all  
31 taxable property in the township, including property in municipalities  
32 in the township. The levy constitutes an appropriation for the specific  
33 items in the executive's estimates.

34 **(h) The issuance of bonds by a township is subject to**  
35 **IC 5-11-1-4(c).**

36 SECTION 12. IC 36-12-3-9, AS ADDED BY P.L.1-2005,  
37 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
38 JULY 1, 2015]: Sec. 9. (a) **Subject to IC 5-11-1-4(c)**, a library board  
39 may, by resolution, issue bonds for one (1) or more of the following  
40 purposes:

41 (1) The acquisition or improvement of library sites.

42 (2) The acquisition, construction, extension, alteration, or



1 improvement of structures and equipment necessary for the  
2 proper operation of a library.

3 (3) To refund outstanding bonds and matured interest coupons  
4 and to issue and sell refunding bonds for that purpose.

5 (b) The library board shall advertise and sell bonds in compliance  
6 with IC 5-1-11 at any interest rate. The bonds are payable at the time  
7 the board fixes in the authorizing resolution, but all bonds must be  
8 payable within a period of not more than twenty (20) years from the  
9 date the bonds are issued.

10 (c) Bonds issued under this section do not constitute a corporate  
11 obligation or indebtedness of any other political subdivision. Bonds  
12 issued under this section constitute an indebtedness of the library  
13 district only. Bonds issued under this chapter, and the interest, are tax  
14 exempt. The board shall apply the proceeds from the sale of bonds  
15 only:

16 (1) for the purpose for which the bonds were issued; and

17 (2) to the extent necessary.

18 Any remaining balance shall be placed in a sinking fund for the  
19 payment of the bonds and the interest on the bonds.

