

Bond Case Briefs

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LEASES - INDIANA

City of New Albany v. Board of Commissioners of County of Floyd

Supreme Court of Indiana - March 23, 2020 - N.E.3d - 2020 WL 1332950

County brought action against building authority, which had been formed by county and city and from which county had been leasing a criminal justice center, for a declaratory judgment and specific performance as to county's alleged right under turn-over provision in lease to demand that building authority transfer title to the center.

After intervention in the action by city, which had been subleasing space in the center from county, the Superior Court entered a declaratory judgment in county's favor and ordered that title to the center be vested in the county. City appealed. The Court of Appeals affirmed, and adhered to that determination on rehearing. Parties petitioned for transfer, which the Supreme Court granted.

The Supreme Court held that turn-over provision in lease was valid under statute governing transfer of property between governmental entities.

Turn-over provision in lease for criminal justice center between lessor building authority, which had been created by city and county, and lessee county, providing that, upon expiration of term of lease, the authority would convey title to the center to the county upon the county's request, was valid under statute providing that governmental agencies could "transfer or exchange...property," though authority asserted that turn-over provision was inconsistent with statute granting authority power to "acquire real or personal property by gift, devise, or bequest and hold, use or dispose of that property," as property had not been gifted, devised, or bequeathed; transfer statute applied to governmental agencies, including but not limited to municipal corporations like building authority, and the statutes were not in conflict.

There was no conflict between the statute granting building authorities power to acquire property by "gift, devise, or bequest and hold, use, or dispose of that property," and statute providing that governmental agencies, including a building authority, could "transfer or exchange...property"; there was nothing to suggest that statute regarding powers of building authorities provided the sole manner for disposing of property belonging to an authority, fact that there were multiple statutes that gave authorities ability to transfer property did not mean statutes were inconsistent, absent some language indicating as much, statutes could operate under their separate requirements, and statutes were adopted during same legislative session, such that neither was supplemental to or overwritten by the other.