

REGIONAL CONVENTION FACILITY AUTHORITY ACT (EXCERPT)
Act 554 of 2008

141.1377 Evidences of indebtedness or liability as contract; assumption and performance of obligations.

Sec. 27. (1) Notwithstanding any other provisions of this act or any other law, the provisions of all ordinances, resolutions, and other proceedings of the local government in respect to any outstanding bonds, notes, or any and all evidences of indebtedness or liability assumed by an authority pursuant to this act, if any, shall constitute a contract between the authority and the holders of the bonds, notes, or evidences of indebtedness or liability and are enforceable against the authority or any or all of its successors or assigns, by mandamus or any other appropriate suit, action, or proceeding in law or in equity in any court of competent jurisdiction in accordance with law.

(2) Bonds, notes, or any and all evidences of indebtedness or liability that are assumed by an authority under this act shall be payable from and secured by the sources of revenue that were pledged to those bonds, notes, or evidences of indebtedness or liability under the ordinance, resolution, or other proceedings of the local government and shall not constitute a full faith and credit obligation of the authority or of this state.

(3) Nothing in this act or in any other law shall be held to relieve the local government from which a convention facility has been transferred from any bonded or other debt or liability lawfully contracted by the local government, to which the full faith and credit of the local government has been pledged and that remains outstanding as of the transfer date, notwithstanding that the proceeds of the debt or liability have been used by the local government in support of the convention facility.

(4) Upon the transfer of a convention facility to an authority, trustees, paying agents, and registrars for any obligation of the local government that has been expressly assumed by the authority under section 19 shall perform all of their duties and obligations and provide all notices related to the obligations as if the authority were the issuer of the obligations. The trustees, paying agents, and registrars shall care for and consider all revenues and funds pledged to secure obligations of the local government that have been assumed by the authority under section 19 as revenues and funds of the authority. The authority shall indemnify and hold harmless these trustees, paying agents, and registrars from liability incurred in compliance with this subsection.

History: 2008, Act 554, Eff. Jan. 20, 2009.