

REVISED MUNICIPAL FINANCE ACT (EXCERPT)
Act 34 of 2001

141.2509 Reserve fund; establishment.

Sec. 509. A municipality may pay interest that accrues on a municipal security during the first 3 years after the date of issuance of the municipal security from the proceeds of the sale of the municipal security. In addition, a municipality may establish a reserve fund, in an amount not exceeding 15% of the principal amount of the municipal security issued from the proceeds of the sale of the municipal security which shall be held solely for the payment of principal and interest on the municipal security.

History: 2001, Act 34, Eff. Mar. 1, 2002.