

HOSPITAL FINANCE AUTHORITY ACT (EXCERPT)

Act 38 of 1969

331.73e Refunding bonds issued by local authority; payment of principal, interest, and redemption premiums; sources; loan agreement; bond, coupon, or indebtedness not general obligation or debt.

Sec. 43e. (1) The principal of, and interest and redemption premiums, if any, on refunding bonds issued by a local authority pursuant to section 32 shall be payable from 1 or more of the following sources:

(a) The net revenues derived from the hospital facilities financed or refinanced from the proceeds of the bonds to be refunded and any investment earnings or profits on those revenues.

(b) Proceeds of the repayment of the loan described in subsection (2) and any investment earnings or profits on those proceeds.

(c) Proceeds of the refunding bonds.

(d) Investment earnings or profits on the proceeds of the refunding bonds.

(e) Gifts or grants, or amounts derived from disposition of hospital facilities, mortgaged or otherwise pledged as security for the payment of the refunding bonds, or investment earnings or profits on those gifts, grants, or amounts.

(2) If there arises from the issuance of the refunding bonds a loan from the local authority to the hospital whose facilities were financed or refinanced by the proceeds of the bonds to be refunded, or its successors, the local authority shall enter into a loan agreement, or a supplement or amendment to an existing loan agreement, with the hospital with respect to the loan. A bond or coupon issued pursuant to this section shall not be a general obligation of, nor constitute a debt of, the local authority or any of the incorporating units within the meaning of any constitutional, charter, or statutory limitation. An indebtedness evidenced by the bonds or notes to be refunded shall not be or become, as a result of the issuance of the refunding bonds, a general obligation of, nor constitute a debt of, the local authority or any of the incorporating units within the meaning of any constitutional, charter, or statutory limitation.

History: Add. 1978, Act 277, Imd. Eff. July 3, 1978.