

**HOSPITAL AUTHORITY (EXCERPT)**  
**Act 47 of 1945**

**331.8e Bonds; creation of lien in authorizing resolution; nature and effect of lien; default; receiver.**

Sec. 8e. (1) There shall be created in the authorizing resolution a lien, by this act made a statutory lien upon all net revenues, including as a part thereof, the assessments against a member city, township, or village as provided in this act pledged to the payment of the principal of and interest on the bonds, to and in favor of the holders of the bonds and the interest coupons pertaining thereto. This lien shall be a first lien upon the revenues and amounts pledged, except where a prior lien exists, then the new lien shall be subject thereto.

(2) The revenues and amounts so pledged shall be and remain subject to the statutory lien until the payment in full of the principal of and interest upon the bonds. The holder or holders of bonds representing in the aggregate not less than 20% of the entire issue then outstanding may by suit, action, or other proceeding protect and enforce the statutory lien and enforce and compel the performance of all duties of the officials of the hospital authority, including the fixing of sufficient rates, the collection of revenues, the proper segregation of revenues, the proper application thereof, and the imposition and collection of assessments against a member city, township, or village assessed in accordance with this act. However, the statutory lien shall not be construed to give the holders or owners of a bond or coupon authority to compel the sale of any of the hospitals the revenues of which are pledged.

(3) If a payment of principal or interest on the bonds is in default, a court having jurisdiction in any proper action may appoint a receiver to administer and operate on behalf of the hospital authority, under direction of the court, any hospital the revenues of which are pledged to the payment of principal and interest. With the approval of the court the receiver may fix and charge rates and collect revenues sufficient to provide for the payment of bonds or other obligations outstanding against the revenues of the hospital, and for the payment of operating and maintenance expenses, and to apply the income and revenues of the hospital in conformity with this act, the resolution providing for the issuance of the bonds, and in accordance with orders of the court.

**History:** Add. 1973, Act 161, Imd. Eff. Dec. 14, 1973.

**Popular name:** Municipal Hospital Authority Act