

STATE BUILDING AUTHORITY (EXCERPT)
Act 183 of 1964

830.418a Reserve fund; creation; purpose; use of income and interest.

Sec. 8a. The building authority may create and establish a special fund or funds to secure any issue of obligations, referred to as a reserve fund, and shall pay into the reserve fund any proceeds of sale of any issue of obligations to the extent provided in the resolution of the building authority authorizing the issuance thereof and any other money derived from true rental, investment income, or any lease or facility which may be available to the authority for the purpose of the fund. All money held in any reserve fund, except as provided in this section or section 8, shall be used solely for the payment of the principal of the obligations for which the fund was established, the payment of interest on the obligations for which the fund was established, or the payment of any redemption premium required to be paid when the obligations are redeemed before maturity. Money in the reserve fund shall not be withdrawn except for the purpose of paying principal of and interest on the obligations for which the fund was established maturing and becoming due and for the payment of which other money of the authority is not available or as otherwise provided in this act. Except as provided in section 8, any income or interest earned by, or increment to, the reserve fund due to the investment or reinvestment of the reserve fund may only be withdrawn and used for any purposes for which obligations may be issued and to pay interest and to pay at maturity, purchase, or call for redemption obligations of the building authority for which the fund was established, as the building authority determines in the resolution authorizing the obligations.

History: Add. 1980, Act 240, Imd. Eff. July 24, 1980;—Am. 1981, Act 183, Imd. Eff. Dec. 23, 1981;—Am. 1983, Act 156, Imd. Eff. July 24, 1983.

Compiler's note: For transfer of state building authority from department of technology, management, and budget to department of treasury, see E.R.O. No. 2013-3, compiled at MCL 125.1393.