

HOSPITAL AUTHORITY (EXCERPT)
Act 47 of 1945

331.8h Bonds; deposit or investment of sale proceeds; use of moneys received from sale; cancellation of bonds acquired by purchase; payment of capitalized interest.

Sec. 8h.

(1) The hospital authority shall require the proceeds of the sale of bonds issued under this act to be deposited in an account separate from other moneys of the hospital authority in 1 or more banks or savings and loan associations each having unimpaired capital and surplus amounting to at least \$2,000,000.00 or which is insured by the federal deposit insurance corporation or the federal savings and loan insurance corporation. However, the proceeds may be invested in whole or in part in the manner provided in this act if the investment is authorized in the resolution authorizing the bonds or approved by the department of treasury.

(2) All moneys received from the sale of bonds shall be used solely for the purpose for which the bonds were authorized including any engineering, legal, and other expenses incidental thereto, and including the payment of interest on the bonds during a period not to exceed the first 3 years following the date of the bonds and the amount required for operation and maintenance prior to the receipt of the first revenues. An unexpended balance of the proceeds from the sale of the bonds remaining after completion of the project for which issued, may, to the extent of 15% of the amount of the issue, be used for the improvement or enlargement of hospitals of the hospital authority or may be used to defray the cost of additional hospitals of the hospital authority, if approved by the department of treasury. A remaining balance shall be paid immediately into the bond and interest redemption fund and used only for the redemption or purchase, at no more than the fair market value, of outstanding bonds the issue from which the proceeds were derived. Any bonds so acquired by purchase shall be canceled and shall not be reissued. A resolution authorizing bonds shall state the period for which interest is to be capitalized, and upon receipt of the proceeds of the bonds there shall be set aside therefrom in the bond and interest redemption fund the amount of interest which will accrue during such period at the interest rate or rates specified in the bonds. Moneys so set aside, except for the temporary investment thereof, shall be used solely for the payment of such capitalized interest.

History: Add. 1973, Act 161, Imd. Eff. Dec. 14, 1973 ;-- Am. 1983, Act 78, Imd. Eff. June 6, 1983

Popular Name: Municipal Hospital Authority Act