

JOINT WATER AND SEWAGE DISPOSAL SYSTEM (EXCERPT)
Act 235 of 1947

123.336 Disposal system; retirement of bonds; noncallable bonds; bond and interest redemption fund; payment priority; bonds subject to revenue bond act of 1933.

Sec. 6.

(1) If there are outstanding revenue bonds issued for the acquisition, construction, extension, or improvement of the system, the bonds may be retired either by the issue of joint refunding bonds on behalf of all the public corporations by concurrent ordinances of their respective legislative or governing bodies, or by the apportionment of the outstanding indebtedness among the several public corporations and assumption by each of its proportion of indebtedness, or the issue by each of revenue refunding bonds or other obligations for its proportion. Unless otherwise provided by contract, the outstanding indebtedness, if the plan of refunding or assumption is adopted by either public corporation, and if there are noncallable bonds the owners of which do not consent to surrender for redemption, exchange, or indorsement, the plan may nevertheless be made effective if provision is made for the subordination of the refunding or assumed bonds to those not consenting and for a separate bond and interest redemption fund for the non-consenting bonds and the deposit of all money required by the ordinance under which the bonds were originally issued for the payment of the non-consenting bonds and reserves before any provision is made for the payment of the refunding or assumed bonds or reserves.

(2) Bonds issued under this section are subject to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

History: 1947, Act 235, Eff. Oct. 11, 1947 ;-- CL 1948, 123.336 ;-- Am. 2002, Act 415, Imd. Eff. June 3, 2002