

HOSPITAL FINANCE AUTHORITY ACT (EXCERPT)
Act 38 of 1969

331.73a Refunding bonds; issuance; purposes.

Sec. 43a.

(1) Refunding bonds of an authority created or incorporated under this act, issued pursuant to section 14(2) or 32, may be issued in 1 or more series, to refund any series of bonds or notes, in whole or in part, issued by that authority, issued by any other authority created or incorporated under this act, or issued for the benefit of a hospital by an economic development corporation incorporated pursuant to the economic development corporations act, Act No. 338 of the Public Acts of 1974, being sections 125.1601 to 125.1636, or in the case of the state authority by an entity for the benefit of a hospital, whether the bonds to be refunded have or have not matured, are or are not redeemable on the date of the issuance of the refunding bonds, or are or are not subject to redemption prior to maturity. The bonds may be issued partly to refund bonds and partly for any other purpose authorized by this act. Refunding bonds shall not be issued to refund bonds that do not mature or will not be redeemed pursuant to the plan of refunding within 40 years after the date of issuance of the refunding bonds. The refunding bonds may be issued in a principal amount greater than the principal amount of the bonds to be refunded, as may be necessary to effect the refunding pursuant to the plan of refunding. Refunding bonds shall not be issued unless the authority issuing the bonds is reasonably satisfied that the hospital facility and other revenues pledged will produce sufficient revenues to meet the principal and interest on the refunding bonds, other costs, expenses, and charges in connection with the issuance of the refunding bonds, and the charges or obligations of the hospital which may be prior to or equal to the refunding bonds promptly as they become due; and that the hospital is otherwise soundly financed.

(2) Refunding bonds may be issued for any 1 or more of the following purposes:

(a) To reduce debt service costs on the basis of the total amount of debt service to be paid on the refunding bonds as compared with the total amount of debt service that would be required to be paid on the bonds to be refunded should the refunding not occur.

(b) To reduce debt service costs on the basis of the present value of debt service to be paid on the refunding bonds as compared with the present value of debt service that would be required to be paid on the bonds to be refunded should the refunding not occur.

(c) To produce a repayment schedule on the refunding bonds more favorable to the hospital than the repayment schedule on the bonds to be refunded.

(d) To eliminate restrictions or requirements determined by the authority to be excessively burdensome to the hospital.

History: Add. 1978, Act 277, Imd. Eff. July 3, 1978 ;-- Am. 1992, Act 302, Imd. Eff. Dec. 21, 1992 ;-- Am. 1994, Act 428, Imd. Eff. Jan. 6, 1995