

HOSPITAL AUTHORITY (EXCERPT)
Act 47 of 1945

331.8m Funds to which hospital revenues pledged in authorizing resolution.

Sec. 8m.

In the authorizing resolution the hospital authority board shall pledge the revenues of the hospital or hospitals for the purpose of the following funds and shall provide that the revenues as collected, except amounts assessed by a hospital authority against a member city, township, or village, where the amounts are pledged for the payment of bonds, shall be set aside in a receiving fund and transferred or credited periodically as provided in the resolution into separate and special funds as follows:

(a) Out of the revenues in the receiving fund a sum sufficient shall be set aside to provide for the payment for the next succeeding period of all current expenses of administration, operation, and maintenance as may be necessary to preserve the hospitals, the revenues of which are pledged for the payment of bonds in good repair and working order. This fund shall be designated "operation and maintenance fund".

(b) Out of the revenues remaining in the receiving fund a sum sufficient shall next be set aside to provide for the payment of the principal and interest on the bonds payable therefrom, as, and when the same become due and payable and the amounts assessed against a member city, township, or village, and where said amounts are pledged in accordance with this act for the payment of bonds and interest thereon, and to the extent that the amounts so assessed are set aside, the sum required to be set aside from the receiving fund may be reduced, if so provided in the resolution authorizing the bonds. This fund shall be designated "bond and interest redemption fund".

If the revenues of an operating year over and above those necessary for the operation and maintenance fund are insufficient to pay the principal of and interest on the bonds maturing in the operating year, then an additional amount to pay the principal and interest shall be set aside out of the revenues of the next succeeding operating year, after the setting aside for the operation and maintenance fund. In respect to the allocation and use of moneys in the bond and interest redemption fund, due recognition shall be given as to priority rights, if any, between different issues or series of outstanding bonds. The hospital authority may provide by resolution that a reasonable excess amount shall be set aside in the bond and interest redemption fund to produce and provide a reserve to meet any possible future deficiencies therein.

(c) Out of the remaining revenues in the receiving fund there shall next be set aside, in the manner and priority provided in the resolution, the sum or sums necessary for such additional funds as the resolution may establish.

(d) Moneys remaining in the receiving fund at the end of an operating year shall be deemed to be surplus and may be transferred to other funds of the hospital authority or may be used as the hospital authority board determines to be for the best interest of the hospital authority, unless some other disposition is made therefor in the resolution authorizing the issuance of the bonds. If moneys in the receiving fund are insufficient to provide for the current requirements of the operation and maintenance fund or the bond and interest redemption fund, any moneys or securities in other funds established by the resolution authorizing the bonds shall be transferred first to the operation and maintenance fund and second to the bond and interest redemption fund to the extent of any deficits therein.

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

Popular Name: Municipal Hospital Authority Act