

INDUSTRIAL DEVELOPMENT REVENUE BOND ACT OF 1963 (EXCERPT)
Act 62 of 1963

125.1259 Additional bonds; refunding bonds.

Sec. 9.

(1) If the governing body finds that the bonds originally authorized will be insufficient to accomplish the purpose desired, additional bonds, only in the amount necessary to complete the project as originally approved, may be authorized and issued in the same manner as the original bonds. Additional bonds may be issued to defray the cost of 1 or more of the following:

(a) An item of cost contained in section 10.

(b) Interest that has accrued, may accrue, or has been paid during the construction period of the project and for 6 months after the construction period on money borrowed or that is estimated to be borrowed pursuant to this act.

(c) Interest on previously issued bonds.

(2) At the time of issuing additional bonds, the governing body may provide that the additional bonds for additions, extensions, and permanent improvements, be placed in escrow and negotiated from time to time as the proceeds for those purposes are necessary. When negotiated, bonds placed in escrow shall have equal standing with bonds of the same issue.

(3) The municipality may issue bonds at any time to refund, in whole or in part, outstanding bonds issued pursuant to this act, including the payment of interest accrued, or to accrue, to the earliest or any subsequent date of redemption, purchase, or maturity of the bonds, redemption premium, if any, and any commission, service fees, and other expenses necessary to be paid in connection therewith, whether the bonds to be refunded have matured or are redeemable or shall thereafter mature or become redeemable. If considered advisable by the municipality, the municipality may issue bonds partly to refund outstanding bonds and partly for any other purpose contemplated by this act. Bonds issued to refund outstanding bonds may be issued in a principal amount greater than, the same as, or lesser than the principal amount of the bonds to be refunded, and may bear interest rates that are higher than, the same as, or lower than the interest rates of the bonds to be refunded. The interest rates, however, shall not exceed the maximum rate of interest permitted by the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(4) The principal, interest, and redemption premiums, if any, on bonds issued by a municipality pursuant to this section to refund outstanding bonds shall be payable from 1 or more of the following:

(a) The net revenues derived from the facilities constructed, acquired, reconstructed, remodeled, or repaired with the proceeds of the bonds to be refunded.

(b) The proceeds of the refunding bonds.

(c) Investment earnings on the proceeds of the refunding bonds.

History: 1963, Act 62, Imd. Eff. May 8, 1963 ;-- Am. 1966, Act 340, Imd. Eff. Sept. 21, 1966 ;-- Am. 1978, Act 229, Imd. Eff. June 14, 1978 ;-- Am. 1980, Act 90, Imd. Eff. Apr. 16, 1980 ;-- Am. 2002, Act 297, Imd. Eff. May 9, 2002