

BORROWING FROM MOTOR VEHICLE HIGHWAY FUND (EXCERPT)
Act 175 of 1952

247.703 Bonds; principal and interest; payment; additional security; existing contract rights; priority.

Sec. 3.

(1) The principal of and interest upon the bonds shall be payable primarily from the proceeds of revenues derived from state collected taxes returned to the city or village for road purposes pursuant to law. As additional security for the payment of the bonds, a city or village, upon proper resolution of its governing body, is authorized to pledge its full faith and credit for the payment of the bonds. If a pledge of its full faith and credit is made and the revenues pledged to the payment of the bonds are at any time insufficient for the payment, the city or village shall be obligated to pay the bonds and coupons to the same extent as other general obligation bonds of the city or village, and shall be reimbursed from subsequent revenues received by the city or village from the state collected taxes returned to the city or village for road purposes pursuant to law.

(2) Nothing contained in this act shall be construed to violate or impair contract rights existing in the holders of outstanding bonds issued under the provisions of 1941 PA 205, MCL 252.51 to 252.64, but pledges of the revenues or taxes made by a city or village under the provisions of that act shall retain their priority of lien or charge against the revenues as contemplated by the provisions of that act and as provided in the contract or resolution authorizing the issuance of bonds under that act.

History: 1952, Act 175, Imd. Eff. Apr. 25, 1952 ;-- Am. 1960, Act 16, Eff. Aug. 17, 1960 ;-- Am. 1964, Act 37, Eff. Aug. 28, 1964 ;-- Am. 1968, Act 70, Imd. Eff. May 28, 1968 ;-- Am. 1973, Act 71, Imd. Eff. July 23, 1973 ;-- Am. 1988, Act 152, Imd. Eff. June 14, 1988 ;-- Am. 2002, Act 330, Imd. Eff. May 23, 2002