

THE REVENUE BOND ACT OF 1933 (EXCERPT)
Act 94 of 1933

141.116 Bonds; use of sale proceeds; cancellation of bonds acquired by purchase; payment of capitalized interest.

Sec. 16.

Money received from the sale of bonds shall be used solely for the payment of project costs. An unexpended balance of the proceeds of the sale of any bonds remaining after the completion of the project for which issued, may be used for the improvement, enlargement, or extension of the public improvement, if the use is approved by the department of treasury. Any remaining balance shall be paid immediately into the bond and interest redemption deposit account for the bonds, and the money shall be used only for meeting bond reserve requirements or for the redemption or purchase, at not more than the fair market value, of outstanding bonds of the issue from which the proceeds were derived. Bonds acquired by purchase shall be canceled and shall not be reissued. Each ordinance shall state the period for which interest is to be capitalized, and the amount of reserves to be funded from the bonds. Upon receipt of the proceeds of the bonds, there shall be set aside, in the bond and interest redemption deposit account, the amount of interest that will accrue during the period at the interest rate specified in the bonds and the amount required to be set aside in the bond and interest redemption account. Money set aside shall be used solely for the payment of the capitalized interest or to satisfy bond reserve requirements.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- Am. 1947, Act 204, Imd. Eff. June 13, 1947 ;-- CL 1948, 141.116 ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978 ;-- Am. 1983, Act 76, Imd. Eff. June 6, 1983 ;-- Am. 2002, Act 465, Imd. Eff. June 21, 2002