

REVISED MUNICIPAL FINANCE ACT (EXCERPT)
Act 34 of 2001

141.2315 Issuance of municipal security; determination; payment on demand; contrary ordinance or charter provision.

Sec. 315.

(1) In determining to issue a municipal security, a municipality may do 1 or more of the following:

(a) Authorize and enter into insurance contracts, agreements for lines of credit, letters of credit, commitments to purchase municipal securities, remarketing agreements, reimbursement agreements, and any other transactions to enhance timely payment of any municipal security.

(b) Authorize payment from the proceeds of the municipal security, or from other funds available, of the cost of issuance, including, but not limited to, fees for placement, fees or charges for insurance, letters of credit, lines of credit, remarketing agreements, reimbursement agreements, or purchase or sales agreements or commitments, or agreements to enhance timely payment of municipal securities.

(c) Authorize principal and interest to be payable from 1 or more of the following:

(i) Taxes or other revenues of the municipality.

(ii) Proceeds of the municipal security.

(iii) Earnings on proceeds of the municipal security or other funds held for payment of the municipal security.

(iv) Proceeds of any other transaction described in subdivision (a).

(d) Authorize or provide for an officer of the municipality, but only within limitations that shall be contained in the authorizing resolution of the governing body, to do 1 or more of the following:

(i) Sell, deliver, and receive payment for the municipal securities.

(ii) Refund the municipal securities in accordance with part VI of this act.

(iii) Deliver a municipal security partly to refund another security and partly for any other authorized purposes.

(iv) Buy the municipal security so issued at not more than the face value of the municipal security.

(v) Approve fixed interest rates, variable interest rates, or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment date, redemption rights at the option of the municipality or the holder, the place of delivery and payment, and other matters and procedures necessary to complete the transactions authorized.

(2) A municipality may provide that a municipal security additionally secured as provided in subsection (1) may be payable on demand or before maturity at the option of the holder only at the time and in the manner determined by the governing body as provided in the resolution authorizing the municipal security.

(3) The authority granted by this section may be exercised notwithstanding any ordinance or charter provision to the contrary.

History: 2001, Act 34, Eff. Mar. 1, 2002