

HOSPITAL FINANCE AUTHORITY ACT (EXCERPT)
Act 38 of 1969

331.44 Bonds and notes; renewal notes; refunding bonds; notes or bonds as general obligations of authority; contents of resolution authorizing notes or bonds; authority of member, officer, or other employee.

Sec. 14.

(1) The state authority periodically may issue its negotiable bonds and notes, including, but not limited to, commercial paper in a principal amount that, in the opinion of the state authority, is necessary to provide sufficient funds for the making of hospital loans, including temporary loans during the construction of hospital facilities, and for the payment of interest on bonds and notes of the state authority during construction of hospital facilities for which the hospital loan was made and for a reasonable time after the loan was made and for the establishment of reserves to secure those bonds and notes.

(2) The state authority periodically may issue renewal notes, may issue bonds to pay notes, and if the state authority considers refunding expedient, to refund or to refund in advance bonds or notes issued by an entity for the benefit of a hospital, pursuant to the requirements of sections 43a to 43g.

(3) Except as may otherwise be expressly provided by the state authority, every issue of its notes or bonds shall be general obligations of the authority payable out of any properties, revenues, or money of the state authority, subject only to any agreements with the holders of particular notes or bonds pledging any particular properties, revenues, or money.

(4) A resolution authorizing notes or bonds or an issue of notes or bonds under this chapter may contain provisions, which are a part of the contract with the holders of the bonds or notes, regarding 1 or more of the following:

(a) Pledging and creating a lien on all or any part of the fees and charges made or received or to be received by the state authority, all or any part of the money received in payment of hospital loans and interest on hospital loans, and other money received or to be received, to secure the payment of the notes or bonds or of any issue of notes or bonds, subject to those agreements with bondholders or noteholders that then exist.

(b) Pledging and creating a lien on all or any part of the assets of the state authority, including notes, mortgages, and obligations securing the assets, to secure the payment of the notes or bonds or of any issue of notes or bonds, subject to those agreements with noteholders or bondholders that then exist.

(c) Pledging and creating a lien on any loan, grant, or contribution to be received from the federal, state, or local government or other source.

(d) The use and disposition of the income from hospital loans and mortgages owned by the state authority and payment of principal and interest of mortgages and loans owned by the state authority.

(e) The setting aside of reserves or sinking funds and the regulation and disposition of those reserves or sinking funds.

(f) Limitations on the purpose to which the proceeds of the sale of notes or bonds may be applied and pledging the proceeds to secure the payment of the notes or bonds or of any issue of the notes or bonds.

(g) Limitations on the issuance of additional notes or bonds and the terms upon which additional notes or bonds may be issued and secured.

(h) The procedure by which the terms of a contract with noteholders or bondholders may be amended or abrogated, the amount of notes or bonds the holders of which must consent to the amendment or abrogation, and the manner in which the consent may be given.

(i) Vesting in a trustee or trustees the property, rights, powers, remedies, and duties that the state authority considers necessary or convenient.

(5) Within limitations stated in the issuance or authorization resolution of the state authority, the state authority may authorize a member of the state authority or an officer or other employee of the state authority to do 1 or more of the following:

(a) Sell, deliver, and receive payment for notes or bonds.

(b) Refund notes or bonds by the delivery of new notes or bonds whether or not the notes or bonds to be refunded have matured or are subject to redemption.

(c) Deliver notes or bonds, to refund notes or bonds or for any other authorized purpose.

(d) Purchase notes or bonds issued by the state authority and resell those notes or bonds.

(e) Approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, mandatory or optional redemption provisions, the place of delivery and payment, and other matters and procedures necessary to complete the transactions authorized by the state authority.

History: 1969, Act 38, Imd. Eff. July 14, 1969 ;-- Am. 1970, Act 142, Imd. Eff. Aug. 1, 1970 ;-- Am. 1978, Act 277, Imd. Eff. July 3, 1978

-- Am. 1992, Act 302, Imd. Eff. Dec. 21, 1992 -- Am. 1994, Act 428, Imd. Eff. Jan. 6, 1995