

THE GARBAGE DISPOSAL ACT (EXCERPT)
Act 266 of 1951

123.370 Retirement of outstanding bonds; new bonds, issuance, refunding bonds, premium; sale, exchange of refunding bonds, surrender and cancellation.

Sec. 10.

Where a borrower has outstanding any bonds issued under the provisions of this act, it may thereafter issue and negotiate new bonds under this act for the purpose of providing for the retirement of such outstanding bonds, in whole or in part. Such new bonds may only be issued in accordance with and subject to the statutory provisions governing the issuance of the bonds so refunded, and except as in the refunding ordinance otherwise provided shall be secured to the same extent and shall have the same source of payment as the bonds which have been thereby refunded. Such refunding bonds may be issued to include the amount of any premium to be paid upon the calling of the bonds to be refunded, or if such bonds are not callable, any premium necessary to be paid in order to secure the surrender of the bonds to be refunded: Provided, That the amount of premium so included shall not in either case exceed 5 per centum of the principal amount of the bonds to be refunded. Nothing in this section shall be construed as providing for the refunding of noncallable unmatured bonds without the consent of the holder or holders thereof. Any such refunding bonds may be sold or may be exchanged for the obligations to be refunded thereby, and if sold, the proceeds shall be deposited in a bank or trust company in a special trust account to be used only for the redemption or purchase of such outstanding bonds. Where refunding bonds are to be issued and sold for the purpose of refunding unmatured noncallable bonds, the latter must be surrendered and cancelled at the time of the delivery to the purchaser of such refunding bonds.

History: 1951, Act 266, Eff. Sept. 28, 1951