DEFAULTED MUNICIPAL BONDS

Act 204 of 1933

AN ACT to authorize municipalities to call for and accept tenders of defaulted bonds.

History: 1933, Act 204, Imd. Eff. June 28, 1933

The People of the State of Michigan enact:

141.211 Defaulted municipal bonds.

Sec. 1.

Any county, city, township, village, or school district in this state is hereby authorized to call for tenders of, and accept defaulted bonds of such municipality by complying with the following terms and conditions.

History: 1933, Act 204, Imd. Eff. June 28, 1933 ;-- CL 1948, 141.211

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141.212 Defaulted municipal bonds; call for tenders.

Sec. 2.

Whenever any bonds of any special assessment district or improvement district of any county, city, township, village, or school district of the state of Michigan shall have been or have remained in default as to principal or interest for a period of longer than 6 months and there shall not be, or have been within said period of default, sufficient sums of money on hand belonging to said special assessment district or improvement district to pay the principal and interest of said bonds so in default, the governing body of such municipality may by resolution call for tenders of such defaulted bonds and advertise such call for tenders of bonds at least once, in a newspaper having general circulation in such municipality. Such advertisement shall be published at least 10 days prior to the time for presentation of such tenders of bonds.

History: 1933, Act 204, Imd. Eff. June 28, 1933 ;-- CL 1948, 141.212

141.213 Defaulted municipal bonds; tenders, acceptance or rejection.

Sec. 3.

Upon the giving of such call for tenders of such bonds, the holder or holders thereof may submit his tender to the governing body of such municipality, sealed and in writing, stipulating the lowest price at which the owner of such bond or bonds will sell such bonds to said municipality. At the time set for the opening and examining of such tenders the governing body of such municipality shall examine and list such tenders as shall have been made and may accept the lowest tender thereof, but not to exceed the amount of funds available of such special assessment district or improvement project: Provided, That such municipality shall first accept the tender or tenders which are the lowest in price and next accept such additional tenders at the next lowest price, the total of said tenders so accepted not to be in excess of the available balance of funds of said special assessment district or project: Provided further, That in all such advertisements of calls for tenders, the municipality shall reserve the right to reject all tenders, and such municipality may upon the opening of such tenders, reject all of the same.

History: 1933, Act 204, Imd. Eff. June 28, 1933 ;-- CL 1948, 141.213

141.214 Defaulted municipal bonds; payment of accepted tenders.

Sec. 4.

Upon the acceptance of any of such tenders, said bonds shall be paid at the price requested by such tenders, out of the funds available therefor of such special assessment district or improvement project, and such bonds as shall have been accepted in pursuance to such tenders shall be immediately cancelled.

History: 1933, Act 204, Imd. Eff. June 28, 1933 ;-- CL 1948, 141.214

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