447.48 SECURITY FOR BONDS; PLEDGE OF CREDIT FOR BONDS.

In the issuance of bonds the revenues or rentals must be pledged and appropriated by resolution for the use and benefit of bondholders generally, or may be pledged by the execution of an indenture or other appropriate instrument to a trustee for the bondholders. The site and facilities, or any part of them, may be mortgaged to the trustee. The governing body may enter into any covenants with the bondholders or trustee that it finds necessary and proper to assure the marketability of the bonds, the completion of the facilities, the segregation of the revenues or rentals and other funds pledged, and the sufficiency of funds for prompt and full payment of bonds and interest. The bonds shall be deemed to be payable wholly from the income of a revenue-producing convenience within the meaning of section 475.58, unless the governing body also pledges to their payment the full faith and credit of the county, city, or hospital district. In this event, unless otherwise provided by law, the bonds may not be issued unless approved by a majority of the electors voting on the question at a legal election.

History: *1971 c 844 s 4; 1973 c 123 art 5 s 7; 1987 c 229 art 10 s 1*