

HOUSING FACILITIES (EXCERPT)
Act 18 of 1933 (Ex. Sess.)

125.667 Revenue bonds generally.

Sec. 17.

(1) For the purpose of defraying the cost of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing any housing project or combined projects, any borrower may borrow money and issue revenue bonds. The bonds may be awarded before an authorizing ordinance or resolution is adopted; however, the bonds shall not be issued unless and until authorized by an ordinance or resolution setting forth a brief description of the contemplated housing project or combined projects and the site or sites of the project or projects, time and place of payment, and other details in connection with the issuance and sale of the bonds.

(2) Except as otherwise provided by this act, the bonds issued under this act are subject to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140. If less than all of the bonds authorized in connection with a project or combined projects are sold to the United States housing authority or a successor agency, the balance of the bonds may also be sold at private sale at an interest cost to the borrower of not more than the interest cost to the borrower of the portion of the bonds sold to the United States of America or any agency or instrumentality of the United States of America.

(3) Notes issued in connection with a housing project or combined projects prior to the issuance of bonds may be accepted in payment of bonds sold in connection with the housing project or combined projects if the notes provide. In a contract for the purchase, acquisition, or construction of any housing facility or for the improvement, enlargement, extension, or repair of the project or projects, provision may be made that payment shall be made in the bonds.

(4) The bonds may be made payable in funds that are on the respective dates of payment of interest and principal upon the bonds, legal tender for debts due the United States of America. All bonds and notes issued under this act, the interest on the bonds and notes, and their transfer are exempt from all taxation by this state or any political subdivisions of this state.

(5) The principal of and interest upon the bonds shall be payable, except as provided in this act, solely from the revenue derived from the operation of the housing project or combined projects, for the purchase, acquisition, construction, improvement, enlargement, extension, or repair of which the bonds are issued, and from contributions received for or in aid of the project or combined projects, from whatever source derived. The contributions may be pledged to the payment of any or all bonds issued in connection with the project or combined projects, as the borrower may provide. Bonds issued pursuant to this act shall not constitute an indebtedness of a borrower within the meaning of state constitutional provisions or statutory limitations. There shall be plainly stated on the face of each bond substantially as follows:

"This bond is a revenue bond and the principal of and interest on this bond are exempt from any and all state, county, city, village, or other taxation under the laws of this state and are secured by the statutory lien created by 1933 (Ex Sess) PA 18, MCL 125.651 to 125.709c, and payable solely from contributions received for or in aid of the project or combined projects in connection with which the bonds are issued or from the revenues of the project or combined projects or from both the revenues and contributions, as the case may be, and are not a general obligation of the borrower."

(6) The bonds shall have all the qualities of negotiable instruments under the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.11102. The authorizing ordinance or resolution may provide that the bonds shall be issued under a trust indenture, the authorized form of which shall be set forth in the ordinance or resolution, and any provision required or permitted by this act to appear in the authorizing ordinance or resolution shall be considered to be included in the ordinance or resolution if set forth in the trust indenture.

History: 1933, Ex. Sess., Act 18, Imd. Eff. Jan. 9, 1934 ;-- Am. 1938, Ex. Sess., Act 5, Imd. Eff. Sept. 8, 1938 ;-- CL 1948, 125.667 ;-- Am. 1974, Act 66, Imd. Eff. Apr. 1, 1974 ;-- Am. 1996, Act 338, Imd. Eff. June 27, 1996 ;-- Am. 2002, Act 268, Imd. Eff. May 9, 2002