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

125.697 Promissory notes; issuance; authorization; principal and interest as indebtedness.

Sec. 47.

(1) For the purpose of providing funds for expenses and costs involved in the development of a housing project or combined projects prior to the issuance of bonds for the project or projects, or in funding the annual operations of a commission, a borrower may, in addition to all other powers granted in this act, borrow money and issue its negotiable promissory notes. The notes may be authorized by ordinance or by resolution of the borrower. Bonds and notes issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) The notes shall be made payable solely out of property or funds held or to be acquired by or for the commission, including the proceeds of the notes and property acquired, or to be acquired, which is not pledged for the payment of other obligations issued in connection with a housing project of the commission, funds received under section 27(2), or the proceeds of the sale of bonds issued to finance the development of the project or combined projects in connection with which the notes were issued. The notes shall in no event be payable out of any other funds of the borrower or from taxes.

(3) The principal of and interest upon notes issued in accordance with this act do not constitute an indebtedness of the borrower within the meaning of any state constitutional provisions or statutory limitation, and the notes shall state that fact on their face.

History: Add. 1938, Ex. Sess., Act 5, Imd. Eff. Sept. 8, 1938 ;-- CL 1948, 125.697 ;-- Am. 1974, Act 202, Imd. Eff. July 11, 1974 ;-- Am. 1996, Act 338, Imd. Eff. June 27, 1996 ;-- Am. 2002, Act 268, Imd. Eff. May 9, 2002