

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

125.709 Special obligation notes or revenue bonds; authorization; issuance.

Sec. 59.

(1) For the purpose of defraying the cost of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing a housing project for any cooperating borrower in a cooperative financing arrangement, the agent borrower may borrow money and issue its special obligation notes or revenue bonds from time to time on behalf of the agent borrower and all cooperating borrowers in accordance with the financing agreement between the agent borrower and cooperating borrowers.

(2) If bonds are to be issued for the purpose of cooperative financing, the bonds shall not be issued until authorized by an ordinance or resolution adopted by the agent borrower which shall set forth a brief description of all housing projects contemplated by the agent borrower and cooperating borrowers and the sites of the projects, time and place of payment, the rights and conditions upon the issuance of additional bonds of equal standing, any power of a borrower authorized under section 23, and other details in connection with the issuance and sale of the bonds. The bonds shall be issued in accordance with section 17. On the face of each bond shall be plainly stated substantially as follows:

"This bond is a revenue bond and the principal of and interest on this bond are exempt from all state, county, city, village, or other taxation under the laws of Michigan and are a special obligation of the borrower and are secured by statutory lien created by Act No. 18 of the Public Acts of the Extra Session of 1933 and payable solely from contractual obligations specified by a certain financing agreement dated and entered into by and between".

(3) If notes are to be issued for the purpose of cooperative financing, they may be authorized by a resolution adopted by the agent borrower that sets forth the time and place of payment and other details relating to the form, content, issuance, and sale of the notes.

(4) The bond ordinance or note resolution shall also make all other necessary statements that are appropriate to and suitable for the issuance of the revenue bonds or special obligation notes.

(5) The notes or bonds may be issued as provided in this act notwithstanding the provisions of any other law or charter of the incorporating units who are parties to or whose commissions are parties to a financing agreement, which provisions are now in existence or hereinafter enacted with respect to notes, bonds, or other obligations of the agent borrower.

(6) A housing project for a cooperating borrower in a cooperative financing agreement for which obligations may be issued under this section includes a housing project to be purchased or developed by a nonprofit entity with the proceeds of a loan from the cooperating borrower or agent borrower.

History: Add. 1970, Act 249, Imd. Eff. Dec. 30, 1970 ;-- Am. 1996, Act 338, Imd. Eff. June 27, 1996