

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

125.677 Rent schedule; policy of state; basis; limitation.

Sec. 27.

(1) It is hereby declared to be the policy of this state that each commission shall manage and operate, or cause to be managed and operated, its housing projects in an efficient manner so as to enable it to fix the rentals for dwelling accommodations at the lowest possible rates consistent with its providing decent, safe, and sanitary dwelling accommodations, and that no commission shall construct or operate any project for profit. To this end, the commission shall fix the rentals for dwellings in projects at no higher rates than it finds to be necessary in order to produce revenues which, together with all other money, revenues, income, and receipts from whatever sources derived available for such purposes, will be sufficient to do the following:

(a) Pay, as they become due, the principal of, premium, if any, and interest on the bonds or notes issued for such project.

(b) Meet the cost of and provide for administration, operation, and maintenance of the projects, including the cost of any insurance on the projects or on bonds issued for the projects, and for the creation and funding of a reserve for replacements and capital improvements related to the projects.

(c) Create, during not less than the 6 years immediately succeeding its issuance of any bonds, a reserve sufficient to meet the largest principal and interest payments which will be due on the bonds in any 1 year thereafter and to maintain such reserve.

(d) Make payments in lieu of taxes of an amount as may be imposed pursuant to section 11a by the incorporating unit, which sum, if any, shall be paid to the incorporating unit and other taxing units in proportion to the amount of taxes levied by that incorporating unit and the other taxing units in the year in which the payment in lieu of taxes is imposed.

(2) After bonds issued for a project have been retired, the rentals fixed by the commission pursuant to subsection (1) may include an amount not greater than the maximum annual principal and interest that had been due on bonds issued for the project. The rental receipts attributable to this subsection may be used by the commission for any purpose for which bonds or notes may be issued under this act or to secure bonds or notes issued by the borrower pursuant to this act for other projects of the commission.

History: 1933, Ex. Sess., Act 18, Imd. Eff. Jan. 9, 1934 ;-- Am. 1937, Act 265, Imd. Eff. July 22, 1937 ;-- Am. 1938, Ex. Sess., Act 5, Imd. Eff. Sept. 8, 1938 ;-- Am. 1947, Act 51, Eff. Oct. 11, 1947 ;-- CL 1948, 125.677 ;-- Am. 1996, Act 338, Imd. Eff. June 27, 1996