

STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966 (EXCERPT)
Act 346 of 1966

CHAPTER 6

125.1481 Limited dividend housing corporations; incorporation.

Sec. 81. Limited dividend housing corporations shall be incorporated or qualified pursuant to the provisions of the general corporation act and this chapter.

History: Add. 1970, Act 129, Imd. Eff. July 29, 1970.

Compiler's note: For transfer of Michigan state housing development authority from Michigan strategic fund to department of talent and economic development, see E.R.O. No. 2014-6, compiled at MCL 125.1995.

125.1482 Corporate name.

Sec. 82. The term "limited dividend housing corporation" shall be included as a part of the corporate name as set forth in the certificate of incorporation or certificate of authority.

History: Add. 1970, Act 129, Imd. Eff. July 29, 1970.

Compiler's note: The phrase "certificate of incorporation" in this section should evidently read "articles of incorporation."

125.1483 Limited dividend housing corporation; articles of incorporation.

Sec. 83. In addition to other requirements of law, the articles of incorporation of any limited dividend housing corporation shall provide all of the following:

(a) That the limited dividend housing corporation has been organized exclusively to provide housing facilities for persons of low and moderate income, or for persons whose income does not exceed limits established in this act, and for social, recreational, commercial, and communal facilities as may be necessary to serve and improve a residential area in which authority-aided or federally-aided housing is located or is planned to be located, thereby enhancing the viability of the housing.

(b) That every stockholder of the limited dividend housing corporation shall be deemed, by the subscription to or receipt of stock in the corporation, to have agreed that he or she at no time shall receive from the corporation in repayment of his or her investment any sums in excess of the face value of the investment plus cumulative dividends at a rate which the authority determines to be reasonable and proper, computed from the initial date on which money was paid or property delivered in consideration for the proprietary interest of the stockholder; and that upon the dissolution of the limited dividend housing corporation, any surplus in excess of those amounts shall be paid to the authority or to any other regulating governmental body as the authority directs.

(c) That the operations of the limited dividend housing corporation may be supervised by the authority or by any other governmental body as the authority directs, and that the limited dividend housing corporation shall enter into agreements with the authority or with the governmental body as the authority from time to time requires. These agreements shall provide for regulation by the authority or the governmental body of the planning, development, and management of any housing project undertaken by the limited housing corporation and the disposition of the property and franchises of the corporation.

History: Add. 1970, Act 129, Imd. Eff. July 29, 1970;—Am. 1976, Act 410, Imd. Eff. Jan. 9, 1977;—Am. 1979, Act 49, Imd. Eff. July 7, 1979;—Am. 1984, Act 215, Imd. Eff. July 10, 1984.

Compiler's note: In the last sentence of subdivision (c), the phrase "limited housing corporation" should evidently read "limited dividend housing corporation."

125.1484 Surplus; definition.

Sec. 84. As used in this chapter, the term "surplus" shall not be deemed to include any increase in assets of any limited dividend housing corporation organized in accordance with the provisions of this chapter, by reason of reduction of mortgage, by amortization or similar payments or realized from the sale or disposition of any assets of a limited dividend housing corporation to the extent such surplus can be attributed to any increase in market value of any real property or tangible personal property accruing during the period the assets were owned and held by the limited dividend housing corporation.

History: Add. 1970, Act 129, Imd. Eff. July 29, 1970.

125.1485 Directors, additional, power of authority.

Sec. 85. The articles shall provide that the authority shall have the power to appoint to the board of directors of the limited dividend housing corporation a number of new directors, which number shall be sufficient to constitute a majority of the board, notwithstanding any other provisions of the articles or any other provisions of law, if:

(a) The limited dividend housing corporation has received a loan or advance as provided for in this act and the authority determines that the loan or advance is in jeopardy of not being repaid.

(b) The limited dividend housing corporation has received a loan or advance as provided for in this act and the authority determines that the proposed housing project for which the loan or advance was made is in jeopardy of not being constructed.

(c) The authority determines that some part of the net income or net earnings of the limited dividend housing corporation, in excess of that permitted by other provisions of this act, shall inure to the benefit of any private individual, firm, corporation, partnership or association.

(d) The authority determines that the limited dividend housing corporation is in violation of the rules promulgated under section 22.

(e) The authority determines that the limited dividend housing corporation is in violation of any agreements entered into with the authority providing for regulation by the authority of the planning, development and management of any housing project undertaken by the limited dividend housing corporation or the disposition of the property and franchises of such corporation.

History: Add. 1970, Act 129, Imd. Eff. July 29, 1970.

Administrative rules: R 125.101 et seq. of the Michigan Administrative Code.

125.1486 Articles of incorporation; filing, approval.

Sec. 86. The department of the treasury, corporation division, shall not accept the articles of incorporation of the limited dividend housing corporation unless the consent or approval of the authority is attached or affixed thereto.

History: Add. 1970, Act 129, Imd. Eff. July 29, 1970.