

MUNICIPAL HEALTH FACILITIES CORPORATIONS ACT (EXCERPT)
Act 230 of 1987

331.1404 Corporation obligations as general obligations of issuing corporation or subsidiary corporation; corporation obligations neither local governmental unit nor state debt.

Sec. 404. (1) Except as expressly provided by the corporation or subsidiary corporation or as otherwise provided in this act, every issue of its corporation obligations shall be general obligations of the issuing corporation or subsidiary corporation payable out of any properties, revenues, or money available to the corporation or subsidiary corporation, including, without limitation, revenues derived from the operation of health services, from the operation, lease, or disposition of health care facilities and other properties, from gifts or grants available for these purposes, from amounts borrowed, including refinancings or refundings, from the proceeds of health care facilities and other assets and from investment earnings from any of those sources, subject only to agreements with holders of particular corporation obligations or holders of other notes and obligations mortgaging, pledging, or granting security interests or other liens in particular properties, revenues, or money.

(2) A corporation obligation shall not be an obligation of nor constitute a debt of the local governmental unit for purposes of any constitutional, charter or statutory limitation unless the local governmental unit has pledged its full faith and credit to the guaranty of such corporation obligation pursuant to section 305. A corporation obligation shall not constitute a debt of or in any way obligate the state.

History: 1987, Act 230, Eff. Feb. 27, 1988;—Am. 1988, Act 502, Eff. Jan. 1, 1989.