

12-5228. Payment of bonds; bonded debt limitations inapplicable. All bonds issued under and pursuant to this act shall be limited obligations of the city or county issuing the same, payable solely from the revenues and receipts derived from the home mortgage loans or from any notes or other obligations of persons with respect to which such bonds are issued and secured by a mortgage, pledge, security interest, insurance agreement or indenture of trust of or with respect to such home mortgage loans. No city or county shall have any right or authority to levy taxes to pay any of the principal of, redemption premium, if any, or interest on any bonds issued pursuant to this act or any judgment against a city or county on account thereof. No holder of any bonds issued under this act shall have the right to compel any exercise of the taxing power of a city or county to pay the bonds, the interest or redemption premium, if any, thereon, and the bonds shall not constitute an indebtedness of such city or county, or a loan of the faith and credit thereof, within the meaning of any constitutional or statutory provision, nor shall the bonds be construed to create any moral obligation on the part of such city or county to provide for the payment of such bonds. It shall be plainly stated on the face of each bond that it has been issued under the provisions of this act and that it does not constitute an indebtedness of the city or county, or a loan of the faith and credit thereof, within the meaning of any constitutional or statutory provisions. Bonds may be issued pursuant to this act without regard to any statutory limitations of bonded indebtedness and shall not be included in computing the total bonded indebtedness of any city or county within the meaning of other statutes limiting such bonded indebtedness.

History: L. 1982, ch. 60, § 10; April 22.