§ 150.00. Two per centum limitation on housing or urban renewal indebtedness. a. To effectuate any of the purposes of article eighteen of the state constitution as implemented by the public housing law and any other laws, any city, town or village may contract indebtedness to an amount which shall not exceed two per centum of the average assessed valuation of such city, town or village.

b. The power of a town or a village of less than five thousand population as determined by the last federal census to contract indebtedness pursuant to this section shall be subject to the limitations on the power to contract indebtedness set forth in section 104.00 of this chapter.

c. A city or a village having a population of five thousand or more as determined by the last federal census shall have the power to contract indebtedness, for the purposes set forth in paragraph a of this section, in excess of the debt limitations prescribed in section 104.00 of this chapter. If the indebtedness is charged to the debt limit provided in paragraph a of this section, such city or village shall annually levy one or more of the taxes enumerated in article six of the public housing law, to an extent sufficient to provide for the payment of the principal of and interest on any such indebtedness.

d. This section shall not apply to housing or urban renewal purposes (i) to the extent that the legislative power to authorize the contracting of indebtedness therefor is derived from sections two and four of article eight of the constitution or from any other provision of the constitution outside of article eighteen or (ii) to the extent that there is a sufficient margin of debt contracting power to cover indebtedness for housing or urban renewal purposes contracted pursuant to article eighteen of the constitution within the debt limit established by section four of article eight of the constitution unless the finance board shall elect to charge such outstanding indebtedness or any part thereof against the debt limit provided in this section.