§ 51. Liability of state or municipality. 1. The bonds or other obligations of an authority shall not be a debt of the state or the municipality and neither the state nor the municipality shall be liable thereon nor shall an authority have power in any way to pledge the credit of the state or the municipality, nor shall the transfer from the authority to the municipality or the vesting in the municipality of property theretofore belonging to an authority impose upon the municipality any obligations except such as it may expressly assume. The foregoing provisions shall not apply in the event of a guaranty by a municipality of the bonds or obligations of an authority.

2. Notwithstanding the provisions of the foregoing paragraph, a municipality shall be liable for the repayment of any loans and interest thereon made by the state to an authority, acting as an instrumentality of such municipality.