MICHIGAN VETERANS' FACILITY AUTHORITY ACT

Act 560 of 2016

AN ACT to create the Michigan veterans' facility authority; to develop and operate certain veterans' facilities; to create funds and accounts; to authorize the issuing of bonds and notes; to prescribe the powers and duties of the authority and certain state departments and other state officials and employees; to require the promulgation of rules; and to make appropriations and prescribe certain conditions for the appropriations.

History: 2016, Act 560, Imd. Eff. Jan. 11, 2017 ;-- Am. 2020, Act 351, Eff. Mar. 24, 2021

The People of the State of Michigan enact:

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36.101 Short title.

Sec. 1.

This act shall be known and may be cited as the "Michigan veterans' facility authority act".

History: 2016, Act 560, Imd. Eff. Jan. 11, 2017

36.102 Definitions.

Sec. 2.

As used in this act:

(a) "Authority" means the Michigan veterans' facility authority created under section 3.

(b) "Authority board" or "board" means the board of directors of the authority.

(c) "Bond" means a bond, note, or other obligation issued by the authority under this act.

(d) "Department" means the department of military and veterans affairs.

(e) "Develop" means to plan, acquire, construct, improve, enlarge, maintain, renew, renovate, repair, replace, lease, equip, furnish, market, promote, manage, or operate.

(f) "Michigan veteran homes" means the administrative entity that centrally manages and operates veterans' facilities in this state.

(g) "Veteran" means an individual who meets both of the following:

(i) Is a veteran as defined in section 1 of 1965 PA 190, MCL 35.61.

(ii) Was honorably discharged.

(h) "Veterans' facility" means a long-term care facility and ancillary facilities for veterans and their dependents as determined by the authority.

History: 2016, Act 560, Imd. Eff. Jan. 11, 2017 ;-- Am. 2020, Act 351, Eff. Mar. 24, 2021

36.103 Michigan veterans' facility authority; creation; promulgation of rules; exercise of powers and duties; powers as essential governmental function; separate legal entity; operation and staffing.

Sec. 3.

(1) The Michigan veterans' facility authority is created as a public body corporate and politic within the department. The authority shall be administered under the supervision of the department but shall exercise its prescribed statutory powers, duties, and functions independently of the department as an autonomous entity within the department. The exercise by the authority of the powers conferred by this act is an essential governmental function of this state.

(2) The authority shall provide general oversight and governance of Michigan veteran homes and veterans' facilities in this state. The authority shall promulgate rules to implement this act under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. Rules promulgated by the prior board of managers under former 1885 PA 152 and in effect on the effective date of the amendatory act that added this subsection continue in effect to the extent that the rules do not conflict with this act and may be amended or rescinded by the authority.

(3) Notwithstanding the existence of common management, the authority must be treated and accounted for as a separate legal entity with its separate corporate purposes as set forth in this act. The assets, liabilities, and funds of the authority must not be consolidated or commingled with those of this state.

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History: 2016, Act 560, Imd. Eff. Jan. 11, 2017 ;-- Am. 2018, Act 630, Imd. Eff. Dec. 28, 2018 ;-- Am. 2020, Act 351, Eff. Mar. 24, 2021

36.104 Repealed. 2018, Act 630, Eff. Dec. 28, 2018.

Compiler's Notes: The repealed section pertained to the exercise of duties of the authority.

36.105 Board of directors; duties; membership; terms; designated representative; compensation; expenses; chairperson; director of department as nonvoting member; appointment of veteran; quorum; actions by majority vote; appointment of executive director; employment and contract for legal, financial, and technical experts and certain other employees; board and authority subject to MCL 15.321 to 15.330 and MCL 15.301 to 15.310; discharge of duties; manner; business conducted at public meeting; availability of nonprivileged information.

Sec. 5.

(1) The authority shall exercise its duties through a board of directors.

(2) The board shall be made up of the following members:

(a) Subject to subsection (7), the director of the department.

(b) Three members with professional knowledge, skill, or experience in long-term care, health care licensure or finance, or medicine who represent the interests of 1 or more congressionally chartered veterans' organizations appointed by the governor with the advice and consent of the senate.

(c) Three members with professional knowledge, skill, or experience in long-term care, health care licensure or finance, or medicine appointed by the governor with the advice and consent of the senate. One of the members appointed under this subdivision must be a resident of the Upper Peninsula of this state.

(d) One member appointed by the governor from a list of 2 or more individuals selected by the majority leader of the senate, with professional knowledge, skill, or experience in long-term care, health care licensure or finance, or medicine.

(e) One member appointed by the governor from a list of 2 or more individuals selected by the speaker of the house of representatives, with professional knowledge, skill, or experience in long-term care, health care licensure or finance, or medicine.

(3) The appointed members shall serve for terms of 4 years. Of the 5 members first appointed, the governor shall appoint 1 for an initial term of 1 year, 2 for an initial term of 2 years, and 2 for an initial term of 3 years. The appointed members shall serve until a successor is appointed. A vacancy must be filled for the balance of the unexpired term in the same manner as the original appointment.

(4) A director of a state department who is a designated member of the board may appoint a representative to serve in his or her absence.

(5) Members of the board shall serve without compensation but may receive reasonable reimbursement for necessary travel and expenses incurred in the discharge of their duties.

(6) The director of the department shall serve as chairperson of the board until January 1, 2019. At that time, the board members shall elect a chairperson who is not the director of the department or his or her designee.

(7) One year after the second facility operated by the authority is open and housing veterans, the director of the department shall then serve as a nonvoting member of the board. A new member who is a veteran who has professional knowledge, skill, or experience in long-term care, health care licensure or finance, or medicine shall be appointed by the governor with the advice and consent of the senate.

(8) A majority of the appointed and serving members of the board constitute a quorum of the board for the transaction of business. Actions of the board must be approved by a majority vote of the members present at a meeting.

(9) The members of the board shall recommend by name the appointment of an executive director of the Michigan veterans' facility authority, to be appointed by the governor. The executive director is exempt from the classified state civil service and serves at the pleasure of the governor. The executive director shall administer the business operations of Michigan veteran homes, veterans' facilities developed and operated under this act, and the authority. The executive director shall receive compensation determined annually by the authority.

(10) The authority may employ or contract for legal, financial, and technical experts, and other officers, agents, and employees, permanent and temporary, as the authority requires, and shall determine their qualifications, duties, and compensation. The board may delegate to 1 or more agents or employees any powers or duties, and any limitations on those powers or duties, that the board considers proper.

(11) The members of the board and officers and employees of the authority are subject to 1968 PA 317, MCL 15.321 to 15.330, and 1968 PA 318, MCL 15.301 to 15.310.

(12) A member of the board or officer, employee, or agent of the authority shall discharge the duties of his or her position in a nonpartisan manner, with good faith, and with that degree of diligence, care, and skill that an ordinarily prudent individual would exercise under similar circumstances in a like position. In discharging his or her duties, a member of the board or an officer, employee, or agent, when acting in good faith, may rely upon the opinion of the authority's counsel, upon the report of an independent appraiser selected with reasonable care by the board, or upon the financial statements of the authority represented to him or her by the executive director, or an officer of the authority having charge of its books or account, to be

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correct, or stated in a written report by a certified public accountant, or firm of certified public accountants, to fairly reflect the financial condition of the authority.

(13) The board shall organize and make its own policies and procedures. The board shall conduct all business at public meetings held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of each meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(14) Upon request by a member of the legislature, the board shall make nonprivileged information regarding the operations and accounts of the authority and nonprivileged information regarding the care provided to veterans at a veterans' facility available to members of the legislature.

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History: 2016, Act 560, Imd. Eff. Jan. 11, 2017 ;-- Am. 2018, Act 630, Imd. Eff. Dec. 28, 2018 ;-- Am. 2020, Act 351, Eff. Mar. 24, 2021

36.106 Authority; powers; employees; factors when determining operation and staffing of veterans' facility; duties.

Sec. 6.

(1) The authority has all of the following powers:

(a) To review and revise a system of oversight and governance for Michigan veteran homes, that must include all rules, regulations, and laws necessary for effective management and preserving the health and welfare of veterans and dependents residing at veterans' facilities in this state.

(b) To solicit and accept gifts, grants, and loans from any person.

(c) To invest any money of the authority at the authority's discretion, in any obligations determined proper by the authority, and name and use depositories for its money.

(d) To procure insurance against any loss in connection with the property, assets, or activities of the authority.

(e) To sue and be sued, to have a seal, and to make, execute, and deliver contracts, conveyances, and other instruments necessary to the exercise of the authority's powers.

(f) To make and amend bylaws.

(g) To employ and contract with individuals necessary for the operation of the authority and 1 or more veterans' facilities.

(h) To make and execute contracts including without limitation sale agreements, trust agreements, trust indentures, bond purchase agreements, tax regulatory agreements, continuing disclosure agreements, ancillary facilities, and all other instruments necessary or convenient for the exercise of its powers and functions, and commence any action to protect or enforce any right conferred upon it by law, or by any contract or other agreement.

(i) To engage the services of financial advisors and experts, legal counsel, placement agents, underwriters, appraisers, and other advisors, consultants, and fiduciaries as may be necessary to effectuate the purposes of this act.

(j) To pay its operating expenses and financing costs.

(k) To pledge revenues or other assets as security for the payment of the principal of and interest on any bonds.

(l) To procure insurance, letters of credit, or other credit enhancement with respect to any bonds for the payment of tenders of bonds, or for the payment upon maturity of short-term bonds.

(m) To develop or operate 1 or more veterans' facilities.

(n) To solicit federal funds and other funding sources to develop veterans' facilities.

(o) To establish or permit to be established on its behalf 1 or more separate nonprofit corporations organized under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, to assist the authority in the furtherance of its public purposes.

(p) To do any and all things necessary or convenient to carry out its purposes and exercise the powers expressly given and granted in this act.

(2) All employees of the authority are state employees, except for those positions that the authority fills using alternative methods of service delivery in accordance with established civil service rules and regulations. The authority is subject to all established civil service rules and regulations pertaining to employment and hiring practices. On the effective date of the amendatory act that added section 6a, employees of a veterans' facility established under former 1885 PA 152 shall continue in their current employment status. Any changes or modifications to these and future employees' compensation, benefits, or employment status must be made in accordance with established civil service rules and regulations.

(3) In determining the operation and staffing of a veterans' facility, the authority shall do both of the following:

(a) Consider nationally recognized models and guidelines for the delivery of health care in veterans' facilities.

(b) Follow the rules and regulations of the civil service commission.

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History: 2016, Act 560, Imd. Eff. Jan. 11, 2017 ;-- Am. 2018, Act 630, Imd. Eff. Dec. 28, 2018 ;-- Am. 2020, Act 351, Eff. Mar. 24, 2021

36.106a Eligibility for admission to veterans' facility; per diem rates; deposit into veterans' facility operation fund; deduction upon death of veteran or dependent; remittance; dismissal for failure to remit payment; definitions.

Sec. 6a.

(1) The following individuals are eligible for admission to a veterans' facility in this state:

(a) A veteran eligible for the United States Department of Veterans Affairs' health care or financial assistance for long-term nursing or day care.

(b) A dependent of a veteran who meets 1 of the following criteria:

(i) The veteran is eligible for admission under subdivision (a).

(ii) The veteran was eligible for admission under subdivision (a) at the time of the veteran's death.

(2) As a condition of admission, each veteran and dependent must agree to pay to Michigan veteran homes, for the use by and benefit of this state, a sum based on his or her income and assets to support the care and services he or she receives at the veterans' facility.

(3) Michigan veteran homes shall annually determine the per diem maintenance rate and present the rate to the board for approval. The per diem maintenance rate charges must be paid in a manner and timeline determined by Michigan veteran homes.

(4) Money collected under this section and from the United States Department of Veterans' Affairs administration in direct payment for services to veterans at the veterans' facilities must be deposited in the veterans' facility operation fund created in section 6c.

(5) Michigan veteran homes may deduct either of the following amounts from money Michigan veteran homes holds on behalf of a veteran or dependent residing at a veterans' facility after the death of the veteran or dependent:

(a) Money the veteran or dependent owes to Michigan veteran homes or the veterans' facility at the time of his or her death.

(b) Funeral or burial-related expenses incurred by Michigan veteran homes or the veterans' facility due to the death of the veteran or dependent.

(6) Michigan veteran homes shall, after all necessary payments are made under subsection (5), remit any remaining money to the next of kin of the deceased veteran or dependent.

(7) If, after 2 years following the death of a veteran or dependent residing at a veterans' facility, Michigan veteran homes is unable to find a surviving relative or next of kin of the veteran or dependent, Michigan veteran homes shall deposit any money held on behalf of the veteran or dependent into the charitable support fund created in section 6c.

(8) A veteran's or dependent's failure to remit a payment agreed to under subsection (2) is cause for dismissal from a veterans' facility.

(9) As used in this section:

(a) "Dependent" means a widow, widower, former spouse, or spouse of a veteran, or a gold star parent.

(b) "Gold star parent" means an individual who has had a son or daughter die while serving in the United States Armed Forces or in forces incorporated as part of the United States Armed Forces if the son or daughter meets any of the eligibility criteria specified in 10 USC 1126(a)(1) to (3) for a gold star lapel button.

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History: Add. 2020, Act 351, Eff. Mar. 24, 2021

36.106b Appeals board; creation; membership; duties.

Sec. 6b.

(1) An appeals board is created within the authority. The appeals board is responsible for hearing all appeals regarding admissions decisions, involuntary dismissals, and requests for interment at a cemetery maintained and managed by Michigan veteran homes, and any other responsibilities delegated to the appeals board by the authority board.

(2) The appeals board shall consist of 5 members. Members of the appeals board must be appointed by the authority board as follows:

(a) One member selected by the authority board from a list of 3 individuals submitted by the American Legion, to represent the interests of the American Legion.

(b) One member selected by the authority board from a list of 3 individuals submitted by the Veterans of Foreign Wars of the United States, to represent the interests of the Veterans of Foreign Wars of the United States.

(c) One member selected by the authority board from a list of 3 individuals submitted by the Disabled American Veterans, to represent the interests of the Disabled American Veterans.

(d) Two members who are veterans and have had interactions or involvement at 1 or more veterans' facilities within the last 2 years.

(3) If the authority board determines that none of the 3 individuals on a list submitted under subsection (2)(a), (b), or (c) are qualified or appropriate to serve on the appeals board, the authority board shall notify the organization that submitted the list of the determination and allow the organization to submit a new list of 3 individuals. If the organization that submitted the list does not submit a new list of 3 individuals within 14 days after the notification by the authority board, the authority board shall fill the vacancy with an individual who meets the requirements of subsection (2)(d).

(4) When making the initial appointments to the appeals board, the authority board shall first consider the most recent former members of the prior board of managers created by section 2a of former 1885 PA 152. If an insufficient number of former members of the prior board of managers express an interest in serving, the authority board shall consider all eligible applicants.

(5) Appointments to the appeals board must be made in a manner and for terms established by the authority board.

(6) The authority shall adopt necessary policies that the appeals board must follow when considering appeals as authorized by the authority board. Rules established in R 32.71 to 32.89 of the Michigan Administrative Code, promulgated by the prior board of managers under former 1885 PA 152 and in effect on the effective date of the amendatory act that added this section, continue in effect to the extent that the rules do not conflict with this act as provided in section 31 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.231. The rules may be amended or rescinded by the authority.

(7) Except as otherwise provided in this subsection, a decision of the appeals board is considered to be the decision of the authority and may be appealed to the circuit court as provided by law. The authority board may review and alter any decision of the appeals board.

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History: Add. 2020, Act 350, Eff. Mar. 24, 2021

36.106c Authority; fiduciary oversight; duties related to funds.

Sec. 6c.

(1) The authority shall provide fiduciary oversight, in coordination with the state treasury, for all funds held by Michigan veteran homes on behalf of members residing at each veterans' facility.

(2) The authority may receive money held in the post fund and posthumous fund created by former 1905 PA 313, and the veterans' facility operation fund created in section 11 of former 1885 PA 152.

(3) The authority and Michigan veteran homes shall do all of the following:

(a) Create and maintain a charitable support fund into which the post fund and posthumous fund must be deposited. Gifts received by the authority and Michigan veteran homes that are not specifically directed for the use and benefit of this state must be deposited into the charitable support fund.

(b) Expend money in the charitable support fund, upon approval by the board, to benefit the members of Michigan veteran homes and support the operations of veterans' facilities.

(c) Create and maintain a separate, segregated account for the veterans' facility operation fund. Money in the veterans' facility operation fund must be expended only to support the operations and services provided at a veterans' facility established under this act.

History: Add. 2020, Act 351, Eff. Mar. 24, 2021

36.107 Determination of public and governmental purpose; exercise of powers as essential governmental function; tax exemption; restrictions on use of bond proceeds.

Sec. 7.

(1) It is determined that the creation of the authority and the carrying out of its authorized duties is in all respects a public and governmental purpose for the benefit of the people of this state and for the improvement of their health, safety, welfare, comfort, and security, and that these purposes are public purposes and that the authority performs an essential governmental function in the exercise of the powers conferred upon it by this act.

(2) The property, income, and operations of the authority, or those of any nonprofit corporation established by or on behalf of the authority, are exempt from taxation by this state and any political subdivision of this state.

(3) The authority shall prescribe restrictions on the use of the proceeds of any bond for which the interest is intended to be exempt from federal income tax and any related matters that are necessary to assure that exemption. The recipients of the proceeds of a bond described in this subsection shall be bound by those restrictions to the extent the restrictions are made applicable to them. A recipient of the proceeds of a bond bearing interest intended to be exempt from federal income tax, including, without limitation, this state or any political subdivision of this state, is authorized to execute a tax regulatory agreement with the authority and, as to any political subdivision that is a recipient of the proceeds of a bond bearing interest intended to be exempt from federal income, this state. The execution of a tax regulatory agreement may be treated as a condition to receiving any proceeds of a bond issued under this act.

History: 2016, Act 560, Imd. Eff. Jan. 11, 2017 ;-- Am. 2018, Act 630, Imd. Eff. Dec. 28, 2018

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36.108 Issuance of bonds.

Sec. 8.

(1) The authority shall have power and is hereby authorized from time to time to issue bonds in the principal amount or amounts and with the maturities as the authority shall determine to be necessary to provide sufficient funds for achieving its authorized purposes. The department of treasury shall provide technical expertise as necessary for the authority to issue bonds under this act.

(2) The board of the authority shall authorize the issuance of bonds by resolution. Except as otherwise provided in this subsection, the authority may issue bonds, including refunding bonds, without obtaining the consent of any department, division, commission, board, bureau, or agency of this state and without any other proceedings or the occurrence of any other conditions other than those proceedings, conditions, or things that are specifically required by this act. Every issue of bonds shall be special revenue obligations payable from and secured by a pledge of revenues and other assets, including without limitation the proceeds of the bonds deposited in a reserve fund for the benefit of the owners of the bonds, earnings on funds of the authority and other funds as may become available, upon the terms and conditions as specified by the authority in the authority resolution under which the bonds are issued or in a related trust agreement or trust indenture. The authority shall provide notice to the speaker of the

house and majority leader of the senate of their intent to issue bonds under this section. The notice shall include estimated principal amount or amounts and authorized purpose of issuing the bond or bonds.

(3) The authority may issue bonds to refund any bonds by the issuance of new bonds, whenever it considers the refunding expedient, whether the bonds to be refunded have or have not matured, and to issue bonds partly to refund bonds then outstanding and partly for restructuring or any of its other authorized purposes.

(4) For each issue of bonds, the authority shall determine all of the following:

(a) The date of issuance.

(b) Whether the bonds shall bear no interest, appreciate as to principal amount, bear interest at fixed or variable rates, or any combination of these.

(c) Whether the bonds shall be payable at or prior to maturity.

(d) When the bonds shall mature.

(e) Whether the authority may redeem the bonds prior to maturity, at what price, and under what conditions.

(f) The method of payment of principal of and interest on the bonds.

(g) The form, denominations, and places of payment of principal of and interest on the bonds.

(h) If any officer whose signature or the facsimile of whose signature appears on any bond shall cease to be that officer before the delivery of the bond, that signature or facsimile shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until delivery of the bond.

(i) Any other terms and conditions necessary to issue the bonds in fully marketable form.

(5) The authority may sell the bonds in the manner determined by the authority board, at public or private sale, and on either a competitive or negotiated basis.

(6) This act shall govern the creation, perfection, priority, and enforcement of any pledge of revenues or other security made by the authority. Each pledge made by the authority shall be valid and binding at the time the pledge is made. The encumbered revenues, reserves, or earnings pledged or earnings on the investment of the encumbered revenues, reserves, or earnings pledged shall immediately be subject to the lien of the pledge without any physical delivery or further act and the lien on that pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether the parties have notice of the lien or pledge, and without filing or recording the pledge. The resolution or other instrument by which a pledge is created does not have to be recorded.

(7) This act shall also govern the negotiability of bonds issued under this act. Any bonds issued under this act shall be fully negotiable within the meaning and for all purposes of the uniform commercial code. By accepting the bond or obligation, each owner of a bond or other obligation of the authority shall be conclusively considered to have agreed that the bond is and shall be fully negotiable within the meaning and for all purposes of the uniform commercial code.

(8) In the discretion of the authority, any bonds may be secured by a trust agreement or trust indenture by and between the authority and a trustee, which may be any trust company or bank having the powers of a trust company, whether located within or without this state. A trust agreement or trust indenture authorized under this subsection, or an authority resolution providing for the issuance of bonds may provide for the creation and maintenance of reserves as the authority shall determine to be proper and may include covenants setting forth the duties of the authority in relation to the bonds, the income to the authority, and the sale agreement. A

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trust agreement or trust indenture authorized under this subsection or an authority resolution may contain provisions respecting the custody, safeguarding, and application of all money and bonds and may contain provisions for protecting and enforcing the rights and remedies under the sale agreement of the owners of the bonds and benefited parties as may be reasonable and proper and not in violation of law. It shall be lawful for any bank or trust company incorporated under the laws of this state that may act as depository of the proceeds of bonds or of any other funds or obligations received on behalf of the authority to furnish indemnifying bonds or to pledge obligations as may be required by the authority. Any trust agreement or trust indenture authorized under this subsection or an authority resolution may contain other provisions as the authority may consider reasonable and proper for priorities and subordination among the owners of bonds and benefited parties.

(9) A member of the board or an officer, appointee, or employee of the authority shall not be subject to personal liability when acting in good faith within the scope of his or her authority or on account of liability of the authority. The board may defend and indemnify a member of the board or an officer, appointee, or employee of the authority against liability arising out of the discharge of his or her official duties. The authority may indemnify and procure insurance indemnifying members of the board and other officers and employees of the authority from personal loss or accountability for liability asserted by a person with regard to bonds or other obligations of the authority, or from any personal liability or accountability by reason of the issuance of the bonds or other obligations or by reason of any other action taken or the failure to act by the authority. The authority may also purchase and maintain insurance on behalf of any person against the liability asserted against the person and incurred by the person in any capacity or arising out of the status of the person as a member of the board or an officer or employee of the authority, whether or not the authority would have the power to indemnify the person against that liability under this subsection.

(10) A member, officer, employee or agent of the authority shall not have an interest, either directly or indirectly, in any business organization engaged in any business, contract or transaction with the authority or in any contract of any other person engaged in any business with the authority, or in the purchase, sale, lease or transfer of any property to or from the authority.

(11) Bonds issued under this act are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(12) The issuance of bonds under this act is subject to the agency financing reporting act, 2002 PA 470, MCL 129.171 to 129.177.

(13) A resolution of the authority authorizing bonds, or the provisions of a trust agreement or trust indenture authorized by resolution of the authority, may delegate to an officer or other employee of the authority, or an agent designated by the authority, for the period of time as the authority determines, the power to cause the issue, sale, and delivery of the bonds within limits on those bonds established by the authority as to any of the following:

(a) The form.

(b) The maximum interest rate or rates.

(c) The maturity date or dates.

(d) The purchase price.

(e) The denominations.

(f) The redemption premiums.

(g) The nature of the security.

(h) The selection of an applicable interest rate index.

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(i) Other terms and conditions with respect to the issuance of the bonds as the authority shall prescribe.

(14) The authority shall not issue bonds under this act for any of the following:

(a) Qualified residential rental projects as defined in section 142 of the internal revenue code of 1986, 26 USC 142.

(b) Qualified mortgage bonds as defined in section 143 of the internal revenue code of 1986, 26 USC 143.

(c) Mortgage credit certificates as defined in section 25 of the internal revenue code of 1986, 26 USC 25.

(15) The authority shall not issue bonds under this act for the purpose of paying operating costs or other recurring costs.

(16) The authority shall not issue bonds under this act that in total exceed $150,000,000.00.

History: 2016, Act 560, Imd. Eff. Jan. 11, 2017

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36.109 Investment in bonds.

Sec. 9.

Notwithstanding any restriction contained in any other law, rule, regulation, or order to the contrary, this state and all political subdivisions of this state, their officers, boards, commissioners, departments or other agencies, governmental pension funds, all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking or investment business, and all executors, administrators, guardians, trustees and other fiduciaries, and all other persons whatsoever who now are or may hereafter be authorized to invest in bonds or other obligations of the state, may properly and legally invest any sinking funds, money or other funds, including capital, belonging to them or within their control, in any bond. Bonds issued by the authority under this act are hereby made bonds that may properly and legally be deposited with, and received by, any state municipal officers or agency of this state, for any purpose for which the deposit of bonds or other obligations of this state is now, or may be, authorized by law.

History: 2016, Act 560, Imd. Eff. Jan. 11, 2017

36.110 Dissolution of authority; conditions; disposition of property, funds, and assets.

Sec. 10.

The authority may be dissolved by act of the legislature on condition that the authority has no debts or obligations outstanding or that provision has been made for the payment or retirement of all debts or obligations. Upon any such dissolution of the authority, all property, funds, and assets of the authority shall be vested in this state.

History: 2016, Act 560, Imd. Eff. Jan. 11, 2017

36.111 Construction of act.

Sec. 11.

This act and all powers granted hereby shall be liberally construed to effectuate its intent and their purposes, without implied limitations on the powers of the authority, the state budget

director, and the state treasurer. This act shall constitute full, complete, and additional authority for all things that are contemplated in this act to be done. All rights and powers granted in this act shall be cumulative with those derived from other sources and shall not, except as expressly stated in this act, be construed in limitation of those rights and powers. Insofar as the provisions of this act are inconsistent with the provisions of any other act, general or special, the provisions of this act shall be controlling. If any clause, paragraph, section, or part of this act is adjudged by any court of competent jurisdiction to be invalid, that judgment shall not affect, impair, or invalidate the remainder of the clause, paragraph, section, or part but shall be applied in its operation to the clause, sentence, paragraph, section, or part directly involved in the controversy in which the judgment shall have been rendered.

History: 2016, Act 560, Imd. Eff. Jan. 11, 2017

36.112 Report; supplemental report; audits.

Sec. 12.

(1) The authority shall annually file a written report on its activities of the immediately preceding year with the governor, each house of the legislature, and the chairperson of the appropriations subcommittee of each house of the legislature that has jurisdiction over military and veterans' affairs. This report shall be submitted not later than 90 days following the end of the fiscal year. This report shall specify all of the following:

(a) The status of development of each veterans' facility.

(b) A statement whether a veterans' facility will likely be opening in the next fiscal year.

(c) The census of each veterans' facility.

(d) Accounting of all revenues received and expended.

(e) Statistics on veterans who resided in each veterans' facility.

(f) Recommendations for improvements at each veterans' facility.

(g) Salaries and benefits costs of all staff positions within the authority and at all veterans' facilities.

(h) Any other matters the board considers pertinent.

(2) If the authority indicates that a veterans' facility will likely be opening in the next fiscal year under subsection (1)(a), then the authority shall file a supplemental report on its activities every 90 days until the veterans' facility is open and operational. The supplemental report shall be filed with the governor, each house of the legislature, and the chairperson of the appropriations subcommittee of each house of the legislature that has jurisdiction over military and veterans' affairs not later than 60 days following the 90-day period covered in the supplemental report. The supplemental report shall specify all the items described in subsection (1)(a) to (g).

(3) The accounts of the authority shall be subject to annual audits by the state auditor general or a certified public accountant appointed by the auditor general. However, for the first 4 years of the authority's existence, the auditor general shall conduct a financial audit for the first year and biennially thereafter and shall conduct a performance audit for the second year and biennially thereafter. After the initial 4-year period of the authority's existence, the auditor general shall perform a performance audit if a veterans' facility receives a Centers for Medicare and Medicaid Services survey finding that indicates a substandard quality of care as defined in 42 CFR 488.301, upon request by either house of the legislature, or as otherwise determined by the auditor general. Records shall be maintained according to generally accepted auditing principles.

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History: 2016, Act 560, Imd. Eff. Jan. 11, 2017

36.112a Quarterly reports.

Sec. 12a.

(1) No later than January 1, April 1, July 1, and October 1 of each year, the Michigan veteran homes on behalf of the authority, or a successor entity, shall submit a quarterly report in writing to the governor, the senate and house committees on veterans affairs, and the senate and house appropriations subcommittees for the department that contains all of the following information for each state veterans' facility:

(a) Staffing levels and the extent that staffing levels do or do not meet industry standards.

(b) Number of patient complaints, average time to review a complaint and respond, and the response to each complaint.

(c) Timeliness of the distribution of pharmaceutical drugs.

(d) Security provided for pharmaceutical drugs in the facility, including the title of the individuals providing the security.

(e) How patient money is accounted for, including the name and title of the individual who supervises patient spending accounts.

(f) Number of facility resident deaths that occurred after the most recent report.

(2) The Michigan veteran homes, on behalf of the authority, shall post the reports required under subsection (1) on its public website in a prominent and conspicuous manner.

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History: Add. 2020, Act 351, Eff. Mar. 24, 2021