

MICHIGAN TOBACCO SETTLEMENT FINANCE AUTHORITY ACT (EXCERPT)
Act 226 of 2005

129.270 Creation of authority; purpose as public and governmental; property and income exempt from tax; interest.

Sec. 10.

(1) It is determined that the creation of the authority and the carrying out of its authorized purposes 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 will be performing an essential governmental function in the exercise of the powers conferred upon it by this act.

(2) The property of the authority and its income and operations shall be exempt from taxation by this state and any political subdivision of this state.

(3) In the case of any bonds, the interest on which is intended to be exempt from federal income tax, the authority shall prescribe restrictions on the use of the proceeds of those bonds and related matters as are necessary to assure the exemption, and the recipients of proceeds of those bonds shall be bound thereby to the extent the restrictions shall be made applicable to them. Any recipient of the proceeds of bonds bearing interest that is 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 bonds bearing interest that is 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: 2005, Act 226, Imd. Eff. Nov. 21, 2005