

MICHIGAN VETERANS' FACILITY AUTHORITY ACT (EXCERPT)
Act 560 of 2016

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