

Act No. 630
Public Acts of 2018
Approved by the Governor
December 28, 2018
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**STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018**

Introduced by Senator Hildenbrand

ENROLLED SENATE BILL No. 1180

AN ACT to amend 2016 PA 560, entitled “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; and to make appropriations and prescribe certain conditions for the appropriations,” by amending sections 3, 5, 6, and 7 (MCL 36.103, 36.105, 36.106, and 36.107); and to repeal acts and parts of acts.

The People of the State of Michigan enact:

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) Notwithstanding the existence of common management, the authority shall 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 shall not be consolidated or commingled with those of this state.

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 shall 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, 1 shall be appointed for an initial term of 1 year, 2 shall be appointed for an initial term of 2 years, and 2 shall be appointed for an initial term

of 3 years. The appointed members shall serve until a successor is appointed. A vacancy shall 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 shall constitute a quorum of the board for the transaction of business. Actions of the board shall 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 veterans' facilities, as that term is defined under section 2a of 1885 PA 152, MCL 36.2a, 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 person 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 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.

Sec. 6. (1) The authority shall have all of the following powers:

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

(b) 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.

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

(d) 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.

(e) To make and amend bylaws.

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

(g) 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.

(h) 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.

- (i) To pay its operating expenses and financing costs.
- (j) To pledge revenues or other assets as security for the payment of the principal of and interest on any bonds.
- (k) 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.
- (l) To develop or operate 1 or more veterans' facilities.
- (m) To solicit federal funds and other funding sources to develop veterans' facilities.
- (n) 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.
- (o) 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) When hiring employees for a veterans' facility, the authority shall give preference to employees currently employed by a Michigan veterans' facility under 1885 PA 152, MCL 36.1 to 36.12.
- (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.

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.

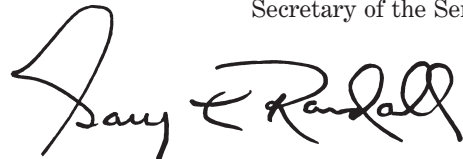
(3) The authority shall prescribe restrictions on the use of the proceeds of any bond for which the interest is intended to be exempt from federal income tax and any related matters that are necessary to assure that exemption. The recipients of the proceeds of a bond described in this subsection shall 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.

Enacting section 1. Section 4 of the Michigan veterans' facility authority act, 2016 PA 560, MCL 36.104, is repealed.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

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Governor