§ 2676-o. Exemption from taxes, assessments and certain fees. 1. The authority shall not be required to pay any fees, taxes, special ad valorem levies, or assessments, whether state or local, including but not limited to fees, taxes, special ad valorem levies, or assessments on real property, franchise taxes, sales taxes, or other excise taxes, upon any property owned by it or under its jurisdiction, control or supervision, or upon the uses thereof, or upon its activities in the operation and maintenance of its facilities or any rentals, rates, charges, fees, revenues, or other income received by the authority. Notwithstanding the previous sentence, the authority shall be required to pay water and pure water fees or charges as may be negotiated by any public corporation. The authority shall at all times be exempt from any filing, mortgage recording, or transfer fees or taxes in relation to instruments filed, recorded, or transferred by it or on its behalf. The construction, use, occupation, or possession of any property owned by the authority or the county, including improvements thereon, by any person or public corporation under a lease, lease and sublease, or any other agreement shall not operate to abrogate or limit the foregoing exemption, notwithstanding that the lessee, user, occupant, or person in possession shall claim ownership for federal income tax purposes.

2. Any bonds issued pursuant to this title together with the income therefrom as well as the property of the authority shall at all times be exempt from taxes, except for transfer and estate taxes. The state hereby covenants with the purchasers and with all subsequent holders and transferees of bonds issued by the authority pursuant to this title, in consideration of the acceptance of and payment for the bonds, that the bonds of the authority issued pursuant to this title and the income therefrom and all revenues, monies, and other property pledged to secure the payment of such bonds shall at all times be free from taxation, except for transfer and estate taxes.