

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 801

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 7o (MCL 211.7o), as amended by 1998 PA 536.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1       Sec. 7o. (1) ~~Property~~ REAL OR PERSONAL PROPERTY owned and  
2 occupied by a nonprofit charitable institution while occupied by  
3 that nonprofit charitable institution solely for the purposes for  
4 which it was incorporated is exempt from the collection of taxes  
5 under this act.
- 6       (2) ~~Property~~ REAL OR PERSONAL PROPERTY owned and occupied  
7 by a charitable trust while occupied by that charitable trust  
8 solely for the charitable purposes for which that charitable  
9 trust was established is exempt from the collection of taxes  
10 under this act.

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1           (3) ~~Property~~ REAL OR PERSONAL PROPERTY owned by a  
2 nonprofit charitable institution or charitable trust that is  
3 leased, loaned, or otherwise made available to another nonprofit  
4 charitable institution or charitable trust or to a nonprofit hos-  
5 pital or a nonprofit educational institution that is occupied by  
6 that nonprofit charitable institution, charitable trust, non-  
7 profit hospital, or nonprofit educational institution solely for  
8 the purposes for which that nonprofit charitable institution,  
9 charitable trust, nonprofit hospital, or nonprofit educational  
10 institution was organized or established and that would be exempt  
11 from taxes collected under this act if the REAL OR PERSONAL prop-  
12 erty were occupied by the lessor nonprofit charitable institution  
13 or charitable trust solely for the purposes for which the lessor  
14 charitable nonprofit institution was organized or the charitable  
15 trust was established is exempt from the collection of taxes  
16 under this act.

17           (4) FOR TAXES LEVIED AFTER DECEMBER 31, 1997, REAL OR PER-  
18 SONAL PROPERTY OWNED BY A NONPROFIT CHARITABLE INSTITUTION OR  
19 CHARITABLE TRUST THAT IS LEASED, LOANED, OR OTHERWISE MADE AVAIL-  
20 ABLE TO A GOVERNMENTAL ENTITY IS EXEMPT FROM THE COLLECTION OF  
21 TAXES UNDER THIS ACT IF ALL OF THE FOLLOWING CONDITIONS ARE  
22 SATISFIED:

23           (A) THE REAL OR PERSONAL PROPERTY WOULD BE EXEMPT FROM THE  
24 COLLECTION OF TAXES UNDER THIS ACT UNDER SECTION 7M IF THE REAL  
25 OR PERSONAL PROPERTY WERE OWNED OR WERE BEING ACQUIRED PURSUANT  
26 TO AN INSTALLMENT PURCHASE AGREEMENT BY THE LESSEE GOVERNMENTAL  
27 ENTITY.

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1 (B) THE REAL OR PERSONAL PROPERTY WOULD BE EXEMPT FROM THE  
2 COLLECTION OF TAXES UNDER THIS ACT IF OCCUPIED BY THE LESSOR NON-  
3 PROFIT CHARITABLE INSTITUTION OR CHARITABLE TRUST SOLELY FOR THE  
4 PURPOSES FOR WHICH THE LESSOR CHARITABLE NONPROFIT INSTITUTION  
5 WAS ORGANIZED OR THE CHARITABLE TRUST WAS ESTABLISHED.

6 (5) IF AUTHORIZED BY A RESOLUTION OF THE LOCAL TAX COLLECT-  
7 ING UNIT IN WHICH THE REAL OR PERSONAL PROPERTY IS LOCATED, REAL  
8 OR PERSONAL PROPERTY OWNED BY A NONPROFIT CHARITABLE INSTITUTION  
9 THAT IS OCCUPIED AND USED BY THE NONPROFIT CHARITABLE  
10 INSTITUTION'S CHIEF EXECUTIVE OFFICER AS HIS OR HER PRINCIPAL  
11 RESIDENCE AS A CONDITION OF HIS OR HER EMPLOYMENT AND THAT IS  
12 CONTIGUOUS TO REAL PROPERTY THAT CONTAINS THE NONPROFIT CHARITA-  
13 BLE INSTITUTION'S PRINCIPAL PLACE OF BUSINESS IS EXEMPT FROM THE  
14 COLLECTION OF TAXES UNDER THIS ACT.

15 (6) ~~(4)~~ A charitable home of a fraternal or secret soci-  
16 ety, or a nonprofit corporation whose stock is wholly owned by a  
17 religious or fraternal society that owns and operates facilities  
18 for the aged and chronically ill and in which the net income from  
19 the operation of the corporation does not inure to the benefit of  
20 any person other than the residents, is exempt from the collec-  
21 tion of taxes under this act.

22 (7) ~~(5)~~ As used in this section:  ~~, "charitable trust"~~

23 (A) "CHARITABLE TRUST" means a charitable trust registered  
24 under the supervision of trustees for charitable purposes act,  
25 1961 PA 101, MCL 14.251 to 14.266.

26 (B) "GOVERNMENTAL ENTITY" MEANS 1 OR MORE OF THE FOLLOWING:

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1           (i) THE FEDERAL GOVERNMENT OR AN AGENCY, DEPARTMENT,  
2 DIVISION, BUREAU, BOARD, COMMISSION, COUNCIL, OR AUTHORITY OF THE  
3 FEDERAL GOVERNMENT.

4           (ii) THIS STATE OR AN AGENCY, DEPARTMENT, DIVISION, BUREAU,  
5 BOARD, COMMISSION, COUNCIL, OR AUTHORITY OF THIS STATE.

6           (iii) A COUNTY, CITY, TOWNSHIP, VILLAGE, LOCAL OR INTERMEDI-  
7 ATE SCHOOL DISTRICT, OR MUNICIPAL CORPORATION.

8           (iv) A PUBLIC EDUCATIONAL INSTITUTION, INCLUDING, BUT NOT  
9 LIMITED TO, A LOCAL OR INTERMEDIATE SCHOOL DISTRICT, A PUBLIC  
10 SCHOOL ACADEMY, A COMMUNITY COLLEGE OR JUNIOR COLLEGE ESTABLISHED  
11 PURSUANT TO SECTION 7 OF ARTICLE VIII OF THE STATE CONSTITUTION  
12 OF 1963, OR A STATE 4-YEAR INSTITUTION OF HIGHER EDUCATION  
13 LOCATED IN THIS STATE.

14           (v) ANY OTHER AUTHORITY OR PUBLIC BODY CREATED UNDER STATE  
15 LAW.

16           (c) "PUBLIC SCHOOL ACADEMY" MEANS A PUBLIC SCHOOL ACADEMY  
17 ORGANIZED UNDER THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1  
18 TO 380.1852.