

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 6036**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7o (MCL 211.7o), as amended by 2000 PA 309.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7o. (1) Real or personal property owned and occupied
2 by a nonprofit charitable institution while occupied by that
3 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) Real or personal property owned and occupied by a
7 charitable trust while occupied by that charitable trust solely
8 for the charitable purposes for which that charitable trust was
9 established is exempt from the collection of taxes under this
10 act.

11 (3) Real or personal property owned by a nonprofit charitable

1 institution or charitable trust that is leased, loaned, or
2 otherwise made available to another nonprofit charitable
3 institution or charitable trust or to a nonprofit hospital or a
4 nonprofit educational institution that is occupied by that
5 nonprofit charitable institution, charitable trust, nonprofit
6 hospital, or nonprofit educational institution solely for the
7 purposes for which that nonprofit charitable institution,
8 charitable trust, nonprofit hospital, or nonprofit educational
9 institution was organized or established and that would be exempt
10 from taxes collected under this act if the real or personal
11 property were occupied by the lessor nonprofit charitable
12 institution or charitable trust solely for the purposes for which
13 the lessor charitable nonprofit institution was organized or the
14 charitable trust was established is exempt from the collection of
15 taxes under this act.

16 (4) For taxes levied after December 31, 1997, real or
17 personal property owned by a nonprofit charitable institution or
18 charitable trust that is leased, loaned, or otherwise made
19 available to a governmental entity is exempt from the collection
20 of taxes under this act if all of the following conditions are
21 satisfied:

22 (a) The real or personal property would be exempt from the
23 collection of taxes under this act under section 7m if the real
24 or personal property were owned or were being acquired pursuant
25 to an installment purchase agreement by the lessee governmental
26 entity.

27 (b) The real or personal property would be exempt from the

1 collection of taxes under this act if occupied by the lessor
2 nonprofit charitable institution or charitable trust solely for
3 the purposes for which the lessor charitable nonprofit
4 institution was organized or the charitable trust was
5 established.

6 (5) Real property owned by a qualified conservation
7 organization that is held for conservation purposes and that is
8 open to all residents of this state for educational or
9 recreational use, including, but not limited to, low-impact,
10 nondestructive activities such as hiking, bird watching,
11 cross-country skiing, or snowshoeing is exempt from the
12 collection of taxes under this act. As used in this subsection,
13 "qualified conservation organization" means a nonprofit
14 charitable institution or a charitable trust that meets all of
15 the following conditions:

16 (a) Is organized or established, as reflected in its articles
17 of incorporation or trust documents, for the purpose of
18 acquiring, maintaining, and protecting nature sanctuaries, nature
19 preserves, and natural areas in this state, that predominantly
20 contain natural habitat for fish, wildlife, and plants.

21 (b) Is required under its articles of incorporation, bylaws,
22 or trust documents to hold in perpetuity property acquired for
23 the purposes described in subdivision (a) unless both of the
24 following conditions are satisfied:

25 (i) That property is no longer suitable for the purposes
26 described in subdivision (a).

27 (ii) The sale of the property is approved by a majority vote

1 of the members or trustees.

2 (c) Its articles of incorporation, bylaws, or trust documents
3 prohibit any officer, shareholder, board member, employee, or
4 trustee or the family member of an officer, shareholder, board
5 member, employee, or trustee from benefiting from the sale of
6 property acquired for the purposes described in subdivision (a).

7 (6) ~~(5)~~ If authorized by a resolution of the local tax
8 collecting unit in which the real or personal property is
9 located, real or personal property owned by a nonprofit
10 charitable institution that is occupied and used by the nonprofit
11 charitable institution's chief executive officer as his or her
12 principal residence as a condition of his or her employment and
13 that is contiguous to real property that contains the nonprofit
14 charitable institution's principal place of business is exempt
15 from the collection of taxes under this act.

16 (7) ~~(6)~~ A charitable home of a fraternal or secret society,
17 or a nonprofit corporation whose stock is wholly owned by a
18 religious or fraternal society that owns and operates facilities
19 for the aged and chronically ill and in which the net income from
20 the operation of the corporation does not inure to the benefit of
21 any person other than the residents, is exempt from the
22 collection of taxes under this act.

23 (8) ~~(7)~~ As used in this section:

24 (a) "Charitable trust" means a charitable trust registered
25 under the supervision of trustees for charitable purposes act,
26 1961 PA 101, MCL 14.251 to 14.266.

27 (b) "Governmental entity" means 1 or more of the following:

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
7 intermediate 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.