

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 6209

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7o (MCL 211.7o), as amended by 2004 PA 576.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7o. (1) Real or personal property owned and occupied by a
2 nonprofit charitable institution while occupied by that nonprofit
3 charitable institution solely for the purposes for which ~~it~~ **THAT**
4 **NONPROFIT CHARITABLE INSTITUTION** was incorporated is exempt from
5 the collection of taxes under this act.

6 (2) Real or personal property owned and occupied by a
7 charitable trust while occupied by that charitable trust solely for
8 the charitable purposes for which that charitable trust was

1 established is exempt from the collection of taxes under this act.

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

18 (4) For taxes levied after December 31, 1997, real or personal
19 property owned by a nonprofit charitable institution or charitable
20 trust that is leased, loaned, or otherwise made available to a
21 governmental entity is exempt from the collection of taxes under
22 this act if all of the following conditions are 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 or
25 personal property were owned or were being acquired pursuant to an
26 installment purchase agreement by the lessee governmental 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 the
3 purposes for which the lessor charitable nonprofit institution was
4 organized or the charitable trust was established.

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

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

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

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

25 (ii) The sale of the property is approved by a majority vote of
26 the members or trustees.

27 (c) Its articles of incorporation, bylaws, or trust documents

1 prohibit any officer, shareholder, board member, employee, or
2 trustee or the family member of an officer, shareholder, board
3 member, employee, or trustee from benefiting from the sale of
4 property acquired for the purposes described in subdivision (a).

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

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

21 (8) REAL AND PERSONAL PROPERTY OWNED AND OCCUPIED BY A
22 NONPROFIT CORPORATION THAT MEETS ALL OF THE FOLLOWING CONDITIONS IS
23 EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT:

24 (A) THE NONPROFIT CORPORATION IS EXEMPT FROM TAXATION UNDER
25 SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, 26 USC 501.

26 (B) THE NONPROFIT CORPORATION MEETS 1 OF THE FOLLOWING
27 CONDITIONS:

1 (i) IS A SKILLED NURSING FACILITY OR HOME FOR THE AGED,
2 LICENSED UNDER THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.1101 TO
3 333.25211, OR IS AN ADULT FOSTER CARE FACILITY LICENSED UNDER THE
4 ADULT FOSTER CARE FACILITY LICENSING ACT, 1979 PA 218, MCL 400.701
5 TO 400.737. AS USED IN THIS SUBPARAGRAPH:

6 (A) "ADULT FOSTER CARE FACILITY" MEANS THAT TERM AS DEFINED IN
7 SECTION 3 OF THE ADULT FOSTER CARE FACILITY LICENSING ACT, 1979 PA
8 218, MCL 400.703.

9 (B) "HOME FOR THE AGED" MEANS THAT TERM AS DEFINED IN SECTION
10 20106 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.20106.

11 (C) "SKILLED NURSING FACILITY" MEANS THAT TERM AS DEFINED IN
12 SECTION 20109 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL
13 333.20109.

14 (ii) PROVIDES HOUSING, REHABILITATION SERVICES, DIAGNOSTIC
15 SERVICES, MEDICAL SERVICES, OR THERAPEUTIC SERVICES TO 1 OR MORE
16 DISABLED PERSONS. AS USED IN THIS SUBPARAGRAPH, "DISABLED PERSON"
17 MEANS THAT TERM AS DEFINED IN SECTION 7D.

18 (C) THE NONPROFIT CORPORATION MEETS EITHER OF THE FOLLOWING
19 CONDITIONS:

20 (i) THE REAL AND PERSONAL PROPERTY OF THE NONPROFIT CORPORATION
21 WAS BEING TREATED AS EXEMPT FROM THE COLLECTION OF ALL TAXES UNDER
22 THIS ACT ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED
23 THIS SUBSECTION.

24 (ii) THE REAL AND PERSONAL PROPERTY OF THE NONPROFIT
25 CORPORATION HAD BEEN TREATED AS EXEMPT FROM THE COLLECTION OF ALL
26 TAXES UNDER THIS ACT ON DECEMBER 31, 2004 AND THERE HAS BEEN NO
27 TRANSFER OF OWNERSHIP OF THAT PROPERTY DURING THE PERIOD OF TIME

1 BEGINNING THE LAST DAY THE PROPERTY WAS TREATED AS EXEMPT UNTIL THE
2 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.
3 AS USED IN THIS SUB-SUBPARAGRAPH, "TRANSFER OF OWNERSHIP" MEANS
4 THAT TERM AS DEFINED IN SECTION 27A.

5 (9) IF REAL OR PERSONAL PROPERTY OWNED AND OCCUPIED BY A
6 NONPROFIT CORPORATION IS NOT ELIGIBLE FOR AN EXEMPTION UNDER
7 SUBSECTION (8), THAT NONPROFIT CORPORATION IS NOT PRECLUDED FROM
8 APPLYING FOR EXEMPTION UNDER SUBSECTION (1).

9 (10) ~~—(8)—~~ As used in this section:

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

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

14 (i) The federal government or an agency, department, division,
15 bureau, board, commission, council, or authority of the federal
16 government.

17 (ii) This state or an agency, department, division, bureau,
18 board, commission, council, or authority of this state.

19 (iii) A county, city, township, village, local or intermediate
20 school district, or municipal corporation.

21 (iv) A public educational institution, including, but not
22 limited to, a local or intermediate school district, a public
23 school academy, a community college or junior college established
24 pursuant to section 7 of article VIII of the state constitution of
25 1963, or a state 4-year institution of higher education located in
26 this state.

27 (v) Any other authority or public body created under state

1 law.

2 (c) "Public school academy" means a public school academy
3 organized under the revised school code, 1976 PA 451, MCL 380.1 to
4 380.1852.