

SENATE BILL No. 376

March 27, 2007, Introduced by Senators ALLEN, RICHARDVILLE, PAPPAGEORGE, KAHN, JELINEK, BIRKHOLZ and GEORGE and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7o (MCL 211.7o), as amended by 2006 PA 681.

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

1 (3) REAL PROPERTY THAT IS THE PRIMARY MEETING PLACE FOR A
2 FRATERNAL OR VETERANS ORGANIZATION THAT IS OWNED AND OCCUPIED BY
3 THAT FRATERNAL OR VETERANS ORGANIZATION SOLELY FOR THE PURPOSES FOR
4 WHICH THAT FRATERNAL OR VETERANS ORGANIZATION WAS ESTABLISHED AND
5 PERSONAL PROPERTY LOCATED IN THE PRIMARY MEETING PLACE FOR THAT
6 FRATERNAL OR VETERANS ORGANIZATION THAT IS OWNED AND OCCUPIED BY
7 THAT FRATERNAL OR VETERANS ORGANIZATION SOLELY FOR THE PURPOSES FOR
8 WHICH THAT FRATERNAL OR VETERANS ORGANIZATION WAS ESTABLISHED IS
9 EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT.

10 (4) ~~(3)~~—Real or personal property owned by a nonprofit
11 charitable institution or charitable trust that is leased, loaned,
12 or otherwise made available to another nonprofit charitable
13 institution or charitable trust or to a nonprofit hospital or a
14 nonprofit educational institution that is occupied by that
15 nonprofit charitable institution, charitable trust, nonprofit
16 hospital, or nonprofit educational institution solely for the
17 purposes for which that nonprofit charitable institution,
18 charitable trust, nonprofit hospital, or nonprofit educational
19 institution was organized or established and that would be exempt
20 from taxes collected under this act if the real or personal
21 property were occupied by the lessor nonprofit charitable
22 institution or charitable trust solely for the purposes for which
23 the lessor charitable nonprofit institution was organized or the
24 charitable trust was established is exempt from the collection of
25 taxes under this act.

26 (5) ~~(4)~~—For taxes levied after December 31, 1997, real or
27 personal property owned by a nonprofit charitable institution or

1 charitable trust that is leased, loaned, or otherwise made
2 available to a governmental entity is exempt from the collection of
3 taxes under this act if all of the following conditions are
4 satisfied:

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

9 (b) The real or personal property would be exempt from the
10 collection of taxes under this act if occupied by the lessor
11 nonprofit charitable institution or charitable trust solely for the
12 purposes for which the lessor charitable nonprofit institution was
13 organized or the charitable trust was established.

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

23 (a) Is organized or established, as reflected in its articles
24 of incorporation or trust documents, for the purpose of acquiring,
25 maintaining, and protecting nature sanctuaries, nature preserves,
26 and natural areas in this state, that predominantly contain natural
27 habitat for fish, wildlife, and plants.

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

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

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

9 (c) Its articles of incorporation, bylaws, or trust documents
10 prohibit any officer, shareholder, board member, employee, or
11 trustee or the family member of an officer, shareholder, board
12 member, employee, or trustee from benefiting from the sale of
13 property acquired for the purposes described in subdivision (a).

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

23 (8) ~~(7)~~—A charitable home of a fraternal or secret society, or
24 a nonprofit corporation whose stock is wholly owned by a religious
25 or fraternal society that owns and operates facilities for the aged
26 and chronically ill and in which the net income from the operation
27 of the corporation does not inure to the benefit of any person

1 other than the residents, is exempt from the collection of taxes
2 under this act.

3 (9) ~~(8)~~—Real and personal property owned and occupied by a
4 nonprofit corporation that meets all of the following conditions is
5 exempt from the collection of taxes under this act:

6 (a) The nonprofit corporation is exempt from taxation under
7 section 501(c)(3) of the internal revenue code, 26 USC 501.

8 (b) The nonprofit corporation meets 1 of the following
9 conditions:

10 (i) Is a skilled nursing facility or home for the aged,
11 licensed under the public health code, 1978 PA 368, MCL 333.1101 to
12 333.25211, or is an adult foster care facility licensed under the
13 adult foster care facility licensing act, 1979 PA 218, MCL 400.701
14 to 400.737. As used in this subparagraph:

15 (A) "Adult foster care facility" means that term as defined in
16 section 3 of the adult foster care facility licensing act, 1979 PA
17 218, MCL 400.703.

18 (B) "Home for the aged" means that term as defined in section
19 20106 of the public health code, 1978 PA 368, MCL 333.20106.

20 (C) "Skilled nursing facility" means that term as defined in
21 section 20109 of the public health code, 1978 PA 368, MCL
22 333.20109.

23 (ii) Provides housing, rehabilitation services, diagnostic
24 services, medical services, or therapeutic services to 1 or more
25 disabled persons. As used in this subparagraph, "disabled person"
26 means that term as defined in section 7d.

27 (c) The nonprofit corporation meets either of the following

1 conditions:

2 (i) The real and personal property of the nonprofit corporation
3 was being treated as exempt from the collection of all taxes under
4 this act on the effective date of the amendatory act that added
5 this subsection.

6 (ii) The real and personal property of the nonprofit
7 corporation had been treated as exempt from the collection of all
8 taxes under this act on December 31, 2004 and there has been no
9 transfer of ownership of that property during the period of time
10 beginning the last day the property was treated as exempt until the
11 effective date of the amendatory act that added this subsection. As
12 used in this ~~sub-subparagraph~~ **SUBPARAGRAPH**, "transfer of ownership"
13 means that term as defined in section 27a.

14 (10) ~~(9)~~—If real or personal property owned and occupied by a
15 nonprofit corporation is not eligible for an exemption under
16 subsection ~~(8)~~ **(9)**, that nonprofit corporation is not precluded
17 from applying for exemption under subsection (1).

18 (11) ~~(10)~~—As used in this section:

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

22 **(B) "FRATERNAL OR VETERANS ORGANIZATION" MEANS AN ORGANIZATION**
23 **WITHIN THIS STATE, EXCEPT A COLLEGE FRATERNITY OR SORORITY, THAT**
24 **MEETS ALL OF THE FOLLOWING REQUIREMENTS:**

25 **(i) IS NOT ORGANIZED FOR PECUNIARY PROFIT.**

26 **(ii) IS A BRANCH, LODGE, OR CHAPTER OF A NATIONAL OR STATE**
27 **FRATERNAL OR VETERANS ORGANIZATION.**

1 **(iii) EXISTS FOR THE COMMON PURPOSE, BROTHERHOOD, OR OTHER**
2 **INTERESTS OF ITS MEMBERS.**

3 **(C) ~~(b)~~**—"Governmental entity" means 1 or more of the
4 following:

5 **(i)** The federal government or an agency, department, division,
6 bureau, board, commission, council, or authority of the federal
7 government.

8 **(ii)** This state or an agency, department, division, bureau,
9 board, commission, council, or authority of this state.

10 **(iii)** A county, city, township, village, local or intermediate
11 school district, or municipal corporation.

12 **(iv)** A public educational institution, including, but not
13 limited to, a local or intermediate school district, a public
14 school academy, a community college or junior college established
15 pursuant to section 7 of article VIII of the state constitution of
16 1963, or a state 4-year institution of higher education located in
17 this state.

18 **(v)** Any other authority or public body created under state
19 law.

20 **(D) ~~(e)~~**—"Public school academy" means a public school academy
21 organized under the revised school code, 1976 PA 451, MCL 380.1 to
22 380.1852.