

# HOUSE BILL No. 5838

September 23, 2014, Introduced by Reps. MacGregor and VerHeulen and referred to the Committee on Tax Policy.

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.

10           (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 personal  
17 property owned by a nonprofit charitable institution or charitable  
18 trust that is leased, loaned, or otherwise made available to a  
19 governmental entity is exempt from the collection of taxes under  
20 this act if all of the following conditions are satisfied:

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

25 (b) The real or personal property would be exempt from the  
26 collection of taxes under this act if occupied by the lessor  
27 nonprofit charitable institution or charitable trust solely for the

1 purposes for which the lessor charitable nonprofit institution was  
2 organized or the charitable trust was established.

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

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

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

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

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

25 (c) Its articles of incorporation, bylaws, or trust documents  
26 prohibit any officer, shareholder, board member, employee, or  
27 trustee or the family member of an officer, shareholder, board

1 member, employee, or trustee from benefiting from the sale of  
2 property acquired for the purposes described in subdivision (a).

3 (6) REAL PROPERTY OWNED BY A QUALIFIED SPORTSMENS'  
4 ORGANIZATION, THE PRIMARY PURPOSE OF WHICH IS TO EDUCATE THE PUBLIC  
5 IN CONSERVATION, HUNTING AND FISHING, AND FIREARMS SAFETY, AND THE  
6 FACILITIES OF WHICH ARE AVAILABLE TO THE PUBLIC FOR CHARITABLE,  
7 NONPROFIT PURPOSES NOT LESS THAN 55 DAYS IN EACH CALENDAR YEAR, IS  
8 EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT. AS USED IN THIS  
9 SUBSECTION, "QUALIFIED SPORTSMENS' ORGANIZATION" INCLUDES, BUT IS  
10 NOT LIMITED TO, ANY SPORTSMENS' CLUB, GUN CLUB, CONSERVATION CLUB,  
11 OR ROD AND GUN CLUB THAT MEETS THE REQUIREMENTS IN THIS SUBSECTION.

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

21 (8) ~~(7)~~—A charitable home of a fraternal or secret society, or  
22 a nonprofit corporation whose stock is wholly owned by a religious  
23 or fraternal society that owns and operates facilities for the aged  
24 and chronically ill and in which the net income from the operation  
25 of the corporation does not inure to the benefit of any person  
26 other than the residents, is exempt from the collection of taxes  
27 under this act.

1           (9) ~~(8)~~—Real and personal property owned and occupied by a  
2 nonprofit corporation that meets all of the following conditions is  
3 exempt from the collection of taxes under this act:

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

6           (b) The nonprofit corporation meets 1 of the following  
7 conditions:

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

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

16           (B) "Home for the aged" means that term as defined in section  
17 20106 of the public health code, 1978 PA 368, MCL 333.20106.

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

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

25           (c) The nonprofit corporation meets either of the following  
26 conditions:

27           (i) The real and personal property of the nonprofit corporation

1 was being treated as exempt from the collection of all taxes under  
2 this act on the effective date of the amendatory act that added  
3 this subsection.

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

12 (10) ~~(9)~~—If real or personal property owned and occupied by a  
13 nonprofit corporation is not eligible for an exemption under  
14 subsection ~~(8)~~, ~~(9)~~, that nonprofit corporation is not precluded  
15 from applying for exemption under subsection (1).

16 (11) ~~(10)~~—As used in this section:

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

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

21 (i) The federal government or an agency, department, division,  
22 bureau, board, commission, council, or authority of the federal  
23 government.

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

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

1           (iv) A public educational institution, including, but not  
2 limited to, a local or intermediate school district, a public  
3 school academy, a community college or junior college established  
4 pursuant to section 7 of article VIII of the state constitution of  
5 1963, or a state 4-year institution of higher education located in  
6 this state.

7           (v) Any other authority or public body created under state  
8 law.

9           (c) "Public school academy" means a public school academy  
10 organized under the revised school code, 1976 PA 451, MCL 380.1 to  
11 380.1852.