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:

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

(2) Real or personal property owned and occupied by a
charitable trust while occupied by that charitable trust solely for
the charitable purposes for which that charitable trust was
established is exempt from the collection of taxes under this act.

(3) Real or personal property owned by a nonprofit charitable
institution or charitable trust that is leased, loaned, or otherwise made available to another nonprofit charitable institution or charitable trust or to a nonprofit hospital or a nonprofit educational institution that is occupied by that nonprofit charitable institution, charitable trust, nonprofit hospital, or nonprofit educational institution solely for the CHARITABLE purposes for which that nonprofit charitable institution, charitable trust, nonprofit hospital, or nonprofit educational institution was organized or established and that would be exempt from taxes collected under this act if the real or personal property were occupied by the lessor nonprofit charitable institution or charitable trust solely for the CHARITABLE purposes for which the lessor charitable nonprofit institution was organized or the charitable trust was established is exempt from the collection of taxes under this act.

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

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

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

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

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

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

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

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

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

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

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

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

(a) The nonprofit corporation is exempt from taxation under
section 501(c)(3) of the internal revenue code of 1986, 26 USC 501.

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

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

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

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

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

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

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

(i) The real and personal property of the nonprofit corporation was being treated as exempt from the collection of all taxes under this act on the effective date of the amendatory act that added this subsection, JANUARY 10, 2007.

(ii) The real and personal property of the nonprofit corporation had been treated as exempt from the collection of all taxes under this act on December 31, 2004 and there has been no transfer of ownership of that property during the period of time beginning the last day the property was treated as exempt until the effective date of the amendatory act that added this subsection.
JANUARY 10, 2007. As used in this sub-subparagraph, "transfer of
ownership" means that term as defined in section 27a.

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

Each of subsections (1) through (8) provides an independent basis for exempting property
from the collection of taxes under this act. The unavailability of
an exemption under 1 subsection does not preclude the availability
of an exemption under any other subsection. All of the following
conditions apply to each of the exemptions provided for in
subsections (1) through (8):

(A) The assessor of the local tax collecting unit in which the
property is located or the department of treasury may require an
exemption applicant or recipient to complete an application and to
provide other documentation and information that is reasonably
necessary for the assessor or the department to make an eligibility
determination.

(B) The exempt status of the property continues until the
basis for the exemption ceases to exist. If the basis for the
exemption ceases to exist, the owner of the property shall notify
the assessor of the local tax collecting unit in which the property
is located of that change by not later than the immediately
succeeding tax day. If a property owner fails to provide the
notification required by this subdivision and as a result no annual
assessment notice or tax bill is issued indicating that the
property is receiving an assessment for property tax purposes, that
PROPERTY OWNER SHALL BE CONSIDERED TO HAVE CLAIMED THE EXEMPTION.

(10) As used in this section:

(A) "CHARITABLE PURPOSE" MEANS 1 OR MORE OF THE FOLLOWING:

(i) THE ADVANCEMENT OF EDUCATION.

(ii) THE ADVANCEMENT OF RELIGION.

(iii) THE PROMOTION OF HEALTH AND WELLNESS.

(iv) THE RELIEF OF POVERTY.

(v) THE ERECTION OF PUBLIC BUILDINGS OR OTHER PUBLIC WORKS.

(vi) THE PROMOTION OF A GOVERNMENTAL PURPOSE OR THE

ALLEVIATION OF BURDENS OR RESPONSIBILITIES THAT WOULD OTHERWISE BE

BORNE BY THE GOVERNMENT.

(B) (a) "Charitable trust" means a charitable trust registered

under the supervision of trustees for charitable purposes act, 1961

PA 101, MCL 14.251 to 14.266.

(C) (b) "Governmental entity" means 1 or more of the

following:

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

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

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

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

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

(D) "NONPROFIT CHARITABLE INSTITUTION" MEANS AN ORGANIZATION THAT IS A NONPROFIT ORGANIZATION EXEMPT FROM TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986, 26 USC 501, AND MEETS AT LEAST 2 OF THE FOLLOWING:

(i) OFFERS CHARITABLE SERVICES TO A PARTICULAR CLASS OF INDIVIDUALS, AND DOES NOT CONDITION THE RECEIPT OF THOSE SERVICES WITHIN THAT CLASS BASED UPON AN INDIVIDUAL'S HEALTH, ABILITY TO PAY, OR OTHER CHARACTERISTICS.

(ii) SERVES A CHARITABLE PURPOSE OR A PURPOSE SET FORTH IN SUBSECTION (5)(A).

(iii) CHARGES NO MORE FOR ITS CHARITABLE SERVICES THAN IS REASONABLY NECESSARY TO MAINTAIN THE OPERATION OF THE ORGANIZATION AND ITS SERVICES AND HAS A SPECIFIC POLICY ESTABLISHED TO ASSURE THAT ITS SERVICES ARE AVAILABLE TO THOSE IN NEED OF ITS CHARITY WHO CANNOT PAY OR HAVE A LIMITED ABILITY TO PAY FOR THOSE SERVICES.

(iv) HAS AN OVERALL NATURE THAT PROMOTES CHARITY, REGARDLESS OF THE AMOUNT OF MONEY THAT THE ORGANIZATION DEVOTES TO CHARITABLE ACTIVITIES ON AN ANNUAL BASIS.

(E) (e) "Public school academy" means a public school academy organized under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

(11) THE STATE TAX COMMISSION SHALL WORK WITH AN ORGANIZATION THAT REPRESENTS NONPROFIT ORGANIZATIONS IN THIS STATE TO PROVIDE
EDUCATIONAL MATERIALS AND PROGRAMS TO ASSESSORS OF LOCAL TAX COLLECTING UNITS ON THE CHANGES TO THIS SECTION MADE BY THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.