

HOUSE BILL No. 5457

March 6, 2012, Introduced by Reps. Heise, Price, Hughes, MacGregor, Damrow, Kurtz and Tyler 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 PROPERTY THAT IS THE PRIMARY MEETING PLACE FOR A
11 VETERANS ORGANIZATION THAT IS OWNED AND OCCUPIED BY THAT VETERANS

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

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

23 (5) ~~(4)~~—For taxes levied after December 31, 1997, real or
24 personal property owned by a nonprofit charitable institution or
25 charitable trust that is leased, loaned, or otherwise made
26 available to a governmental entity is exempt from the collection of
27 taxes under this act if all of the following conditions are

1 satisfied:

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

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

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

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

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

1 conditions are satisfied:

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

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

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

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

20 (8) ~~(7)~~—A charitable home of a fraternal or secret society, or
21 a nonprofit corporation whose stock is wholly owned by a religious
22 or fraternal society that owns and operates facilities for the aged
23 and chronically ill and in which the net income from the operation
24 of the corporation does not inure to the benefit of any person
25 other than the residents, is exempt from the collection of taxes
26 under this act.

27 (9) ~~(8)~~—Real and personal property owned and occupied by a

1 nonprofit corporation that meets all of the following conditions is
2 exempt from the collection of taxes under this act:

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

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

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

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

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

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

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

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

26 (i) The real and personal property of the nonprofit corporation
27 was being treated as exempt from the collection of all taxes under

1 this act on ~~the effective date of the amendatory act that added~~
 2 ~~this subsection.~~ **JANUARY 10, 2007.**

3 (ii) The real and personal property of the nonprofit
 4 corporation had been treated as exempt from the collection of all
 5 taxes under this act on December 31, 2004 and there has been no
 6 transfer of ownership of that property during the period of time
 7 beginning the last day the property was treated as exempt until ~~the~~
 8 ~~effective date of the amendatory act that added this subsection.~~
 9 **JANUARY 10, 2007.** As used in this ~~sub-subparagraph~~ **SUBPARAGRAPH,**

10 "transfer of ownership" means that term as defined in section 27a.

11 (10) ~~(9)~~ If real or personal property owned and occupied by a
 12 nonprofit corporation is not eligible for an exemption under
 13 subsection ~~(8)~~ **(9)**, that nonprofit corporation is not precluded
 14 from applying for exemption under subsection (1).

15 (11) ~~(10)~~ As used in this section:

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

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

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

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

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

27 (iv) A public educational institution, including, but not

1 limited to, a local or intermediate school district, a public
2 school academy, a community college or junior college established
3 pursuant to section 7 of article VIII of the state constitution of
4 1963, or a state 4-year institution of higher education located in
5 this state.

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

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

11 (D) "VETERANS ORGANIZATION" MEANS AN ORGANIZATION WITHIN THIS
12 STATE THAT MEETS ALL OF THE FOLLOWING REQUIREMENTS:

13 (i) IS NOT ORGANIZED FOR PECUNIARY PROFIT.

14 (ii) IS A BRANCH, LODGE, OR CHAPTER OF A NATIONAL OR STATE
15 VETERANS ORGANIZATION.

16 (iii) EXISTS FOR THE COMMON PURPOSE, BROTHERHOOD, OR OTHER
17 INTERESTS OF ITS MEMBERS.