

# HOUSE BILL No. 5729

August 27, 2014, Introduced by Rep. Callton and referred to the Committee on Tax Policy.

A bill to amend 1895 PA 1, entitled

"An act to provide for the incorporation of Masonic Associations; and to impose certain duties upon the department of commerce,"

(MCL 457.221 to 457.227) by adding section 4a.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           SEC. 4A. (1) EXCEPT AS LIMITED BY SUBSECTIONS (4) AND (5),  
2   PERSONAL PROPERTY OWNED BY A CORPORATION INCORPORATED UNDER THIS  
3   ACT WHOSE MEMBERSHIP POLICIES DO NOT VIOLATE THE ELLIOTT-LARSEN  
4   CIVIL RIGHTS ACT, 1976 PA 453, MCL 37.2101 TO 37.2804, AND USED BY  
5   THAT CORPORATION FOR NONPROFIT CHARITABLE PURPOSES IS EXEMPT FROM  
6   THE COLLECTION OF TAXES UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA  
7   206, MCL 211.1 TO 211.155, IF THE CORPORATION APPLIES FOR AN  
8   EXEMPTION UNDER THIS SUBSECTION ON A FORM PRESCRIBED BY THE  
9   DEPARTMENT OF TREASURY AND THE GOVERNING BODY OF THE LOCAL TAX

1 COLLECTING UNIT IN WHICH THE CORPORATION IS LOCATED ADOPTS A  
2 RESOLUTION TO EXEMPT THAT PERSONAL PROPERTY FROM THE COLLECTION OF  
3 TAXES UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO  
4 211.155. BEFORE ADOPTING A RESOLUTION UNDER THIS SUBSECTION, THE  
5 CLERK OF THE LOCAL TAX COLLECTING UNIT SHALL NOTIFY IN WRITING THE  
6 ASSESSOR OF THE LOCAL TAX COLLECTING UNIT IN WHICH THE CORPORATION  
7 IS LOCATED AND THE LEGISLATIVE BODY OF EACH TAXING UNIT THAT LEVIES  
8 AD VALOREM PROPERTY TAXES IN THE LOCAL TAX COLLECTING UNIT IN WHICH  
9 THE CORPORATION IS LOCATED AND THE GOVERNING BODY OF THE LOCAL TAX  
10 COLLECTING UNIT SHALL PROVIDE THE ASSESSOR AND A REPRESENTATIVE OF  
11 THE AFFECTED TAXING UNITS AN OPPORTUNITY FOR A HEARING. IF THE  
12 GOVERNING BODY OF THE LOCAL TAX COLLECTING UNIT DOES NOT APPROVE OR  
13 REJECT AN APPLICATION FOR AN EXEMPTION UNDER THIS SUBSECTION WITHIN  
14 120 DAYS AFTER THE APPLICATION IS SUBMITTED, THE APPLICATION IS  
15 CONSIDERED APPROVED.

16 (2) EXCEPT AS LIMITED BY SUBSECTIONS (4) AND (5), REAL  
17 PROPERTY OWNED AND OCCUPIED BY A CORPORATION INCORPORATED UNDER  
18 THIS ACT AND USED BY THAT CORPORATION FOR NONPROFIT CHARITABLE  
19 PURPOSES IS EXEMPT FROM THE COLLECTION OF TAXES UNDER THE GENERAL  
20 PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO 211.155, IF THE  
21 CORPORATION APPLIES FOR AN EXEMPTION UNDER THIS SUBSECTION ON A  
22 FORM PRESCRIBED BY THE DEPARTMENT OF TREASURY AND THE GOVERNING  
23 BODY OF THE LOCAL TAX COLLECTING UNIT IN WHICH THE CORPORATION IS  
24 LOCATED ADOPTS A RESOLUTION TO EXEMPT THAT PERSONAL PROPERTY FROM  
25 THE COLLECTION OF TAXES UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA  
26 206, MCL 211.1 TO 211.155. BEFORE ADOPTING A RESOLUTION UNDER THIS  
27 SUBSECTION, THE CLERK OF THE LOCAL TAX COLLECTING UNIT SHALL NOTIFY

1 IN WRITING THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT IN WHICH  
2 THE CORPORATION IS LOCATED AND THE LEGISLATIVE BODY OF EACH TAXING  
3 UNIT THAT LEVIES AD VALOREM PROPERTY TAXES IN THE LOCAL TAX  
4 COLLECTING UNIT IN WHICH THE CORPORATION IS LOCATED AND THE  
5 GOVERNING BODY OF THE LOCAL TAX COLLECTING UNIT SHALL PROVIDE THE  
6 ASSESSOR AND A REPRESENTATIVE OF THE AFFECTED TAXING UNITS AN  
7 OPPORTUNITY FOR A HEARING. IF THE GOVERNING BODY OF THE LOCAL TAX  
8 COLLECTING UNIT DOES NOT APPROVE OR REJECT AN APPLICATION FOR AN  
9 EXEMPTION UNDER THIS SUBSECTION WITHIN 120 DAYS AFTER THE  
10 APPLICATION IS SUBMITTED, THE APPLICATION IS CONSIDERED APPROVED.

11 (3) AN EXEMPTION UNDER SUBSECTION (1) OR (2) IS EFFECTIVE ON  
12 THE DECEMBER 31 IMMEDIATELY SUCCEEDING THE SUBMISSION OF THE  
13 APPLICATION FOR EXEMPTION BY THE CORPORATION UNDER SUBSECTION (1)  
14 OR (2) IF THE GOVERNING BODY OF THE LOCAL TAX COLLECTING UNIT DOES  
15 NOT APPROVE OR REJECT THAT APPLICATION FOR EXEMPTION OR ON THE  
16 DECEMBER 31 IMMEDIATELY SUCCEEDING THE ADOPTION OF THE RESOLUTION  
17 BY THE GOVERNING BODY OF THE LOCAL TAX COLLECTING UNIT. AN  
18 EXEMPTION UNDER SUBSECTION (1) OR (2) SHALL CONTINUE IN EFFECT FOR  
19 A PERIOD OF NOT LESS THAN 5 YEARS AND NOT MORE THAN 12 YEARS IF THE  
20 GOVERNING BODY OF THE LOCAL TAX COLLECTING UNIT DOES NOT APPROVE OR  
21 REJECT THAT APPLICATION FOR EXEMPTION OR FOR THE PERIOD OF TIME  
22 SPECIFIED IN A RESOLUTION APPROVING AN EXEMPTION UNDER SUBSECTION  
23 (1) OR (2). IF THE GOVERNING BODY OF THE LOCAL TAX COLLECTING UNIT  
24 DOES NOT APPROVE OR REJECT AN APPLICATION FOR EXEMPTION UNDER  
25 SUBSECTION (1) OR (2) AND THAT APPLICATION FOR EXEMPTION IS  
26 CONSIDERED APPROVED, ANY SUBSEQUENT APPROVAL OF THAT APPLICATION  
27 FOR EXEMPTION BY THE GOVERNING BODY OF THAT LOCAL TAX COLLECTING

1 UNIT SHALL BE FOR A PERIOD OF NOT LESS THAN 5 YEARS. A COPY OF THE  
2 RESOLUTION SHALL BE FILED WITH THE STATE TAX COMMISSION.

3 (4) PROPERTY USED FOR COMMERCIAL OR FOR-PROFIT PURPOSES IS  
4 PRESUMED NOT TO BE USED FOR NONPROFIT CHARITABLE PURPOSES.

5 (5) PROPERTY EXEMPT UNDER SUBSECTION (1) OR (2) IS NOT EXEMPT  
6 FROM THE FOLLOWING TAXES:

7 (A) TAXES LEVIED FOR SCHOOL OPERATING PURPOSES UNDER SECTION  
8 1211 OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211.

9 (B) TAXES LEVIED UNDER SECTION 3 OF THE STATE EDUCATION TAX  
10 ACT, 1993 PA 331, MCL 211.903.