

SENATE BILL No. 1035

May 29, 2018, Introduced by Senator MACGREGOR 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.

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
24 of 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 AND OCCUPIED BY A QUALIFIED
4 SPORTSMEN'S CLUB AND USED FOR THE PRIMARY PURPOSE FOR WHICH THAT
5 QUALIFIED SPORTSMEN'S CLUB IS INCORPORATED IS EXEMPT FROM THE
6 COLLECTION OF TAXES UNDER THIS ACT. AS USED IN THIS SUBSECTION,
7 "QUALIFIED SPORTSMEN'S CLUB" MEANS AN ENTITY THAT MEETS ALL OF THE
8 FOLLOWING CONDITIONS:

9 (A) EITHER OF THE FOLLOWING:

10 (i) IS EXEMPT FROM TAXATION UNDER SECTION 501(C)(3) OF THE
11 INTERNAL REVENUE CODE, 26 USC 501.

12 (ii) IS ORGANIZED NOT FOR PECUNIARY PROFIT, IS AN AFFILIATE OF
13 A STATEWIDE CONSERVATION ORGANIZATION THAT IS EXEMPT FROM TAXATION
14 UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, 26 USC 501,
15 AND CAN DEMONSTRATE THAT ALL OF ITS INDIVIDUAL MEMBERS ARE FORMALLY
16 AFFILIATED WITH THAT STATEWIDE CONSERVATION ORGANIZATION. AS USED
17 IN THIS SUBPARAGRAPH, "STATEWIDE CONSERVATION ORGANIZATION" MEANS A
18 NONPROFIT CORPORATION THAT IS EXEMPT FROM TAXATION UNDER SECTION
19 501(C)(3) OF THE INTERNAL REVENUE CODE, 26 USC 501, AND WHOSE
20 PRIMARY PURPOSE IS TO EDUCATE THE PUBLIC THROUGHOUT THIS STATE IN
21 CONSERVATION AND IN HUNTING, FISHING, ARCHERY, OR SHOOTING SPORTS
22 AND FIREARMS SAFETY.

23 (B) IS ORGANIZED OR ESTABLISHED, AS REFLECTED IN ITS ARTICLES
24 OF INCORPORATION OR BYLAWS, FOR THE PRIMARY PURPOSE OF EDUCATING
25 THE PUBLIC IN CONSERVATION AND IN HUNTING, FISHING, ARCHERY, OR
26 SHOOTING SPORTS AND FIREARMS SAFETY.

27 (C) MAKES ITS REAL PROPERTY AVAILABLE TO THE PUBLIC FOR USES

1 CONSISTENT WITH THE PRIMARY PURPOSE FOR WHICH THE ENTITY IS
2 INCORPORATED. THE REQUIREMENT OF THIS SUBDIVISION MAY BE MET BY AN
3 ENTITY THAT CHARGES A REASONABLE MEMBERSHIP FEE FOR USE OF ITS REAL
4 PROPERTY.

5 (D) OFFERS TO THE PUBLIC, WITHOUT CHARGE OR AT REDUCED RATES,
6 EDUCATION CONSISTENT WITH THE PRIMARY PURPOSE FOR WHICH THE ENTITY
7 IS INCORPORATED. THE REGULAR DISTRIBUTION OF FREE EDUCATIONAL
8 LITERATURE TO A LOCAL PUBLIC SCHOOL SHALL BE CONSIDERED TO MEET THE
9 REQUIREMENT OF THIS SUBDIVISION.

10 (E) MAKES ITS REAL PROPERTY AVAILABLE, WITHOUT CHARGE, TO 1 OR
11 MORE GOVERNMENTAL ENTITIES FOR USES CONSISTENT WITH THE PRIMARY
12 PURPOSE FOR WHICH THE ENTITY IS INCORPORATED.

13 (F) OFFERS MEMBERSHIP IN THE ENTITY, WITHOUT CHARGE OR AT
14 REDUCED RATES, BASED ON THE PROSPECTIVE MEMBER'S FINANCIAL ABILITY
15 TO PAY THE REGULAR MEMBERSHIP FEE. THE REQUIREMENT OF THIS
16 SUBDIVISION MAY BE MET BY AN ENTITY THAT ESTABLISHES REASONABLE
17 RULES CONCERNING MEMBERSHIP RATES BASED ON ABILITY TO PAY.

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

27 (8) ~~(7)~~—A charitable home of a fraternal or secret society, or

1 a nonprofit corporation whose stock is wholly owned by a religious
2 or fraternal society that owns and operates facilities for the aged
3 and chronically ill and in which the net income from the operation
4 of the corporation does not inure to the benefit of any person
5 other than the residents, is exempt from the collection of taxes
6 under this act.

7 (9) ~~(8)~~—Real and personal property owned and occupied by a
8 nonprofit corporation that meets all of the following conditions is
9 exempt from the collection of taxes under this act:

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

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

14 (i) Is a skilled nursing facility or home for the aged,
15 licensed under the public health code, 1978 PA 368, MCL 333.1101 to
16 333.25211, or is an adult foster care facility licensed under the
17 adult foster care facility licensing act, 1979 PA 218, MCL 400.701
18 to 400.737. As used in this subparagraph:

19 (A) "Adult foster care facility" means that term as defined in
20 section 3 of the adult foster care facility licensing act, 1979 PA
21 218, MCL 400.703.

22 (B) "Home for the aged" means that term as defined in section
23 20106 of the public health code, 1978 PA 368, MCL 333.20106.

24 (C) "Skilled nursing facility" means that term as defined in
25 section 20109 of the public health code, 1978 PA 368, MCL
26 333.20109.

27 (ii) Provides housing, rehabilitation services, diagnostic

1 services, medical services, or therapeutic services to 1 or more
2 disabled persons. As used in this subparagraph, "disabled person"
3 means that term as defined in section 7d.

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

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

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

18 (10) ~~(9)~~—If real or personal property owned and occupied by a
19 nonprofit corporation is not eligible for an exemption under
20 subsection ~~(8),~~ **(9)**, that nonprofit corporation is not precluded
21 from applying for exemption under subsection (1).

22 (11) ~~(10)~~—As used in this section:

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

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

27 (i) The federal government or an agency, department, division,

1 bureau, board, commission, council, or authority of the federal
2 government.

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

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

7 (iv) A public educational institution, including, but not
8 limited to, a local or intermediate school district, a public
9 school academy, a community college or junior college established
10 pursuant to section 7 of article VIII of the state constitution of
11 1963, or a state 4-year institution of higher education located in
12 this state.

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

15 (c) "Public school academy" means a public school academy
16 organized under the revised school code, 1976 PA 451, MCL 380.1 to
17 380.1852.