

HOUSE BILL No. 5898

April 16, 2002, Introduced by Reps. Shackleton, Raczkowski, Gilbert, Richardville, Kooiman, Palmer, Bovin, Stamas, Neumann, Cameron Brown, Allen, Patterson, Ehardt, Gosselin, Kowall, Plakas, Julian, Tabor, Stewart, Hummel and Howell 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 2000 PA 309.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

6 (2) Real or personal property owned and occupied by a chari-
7 table 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
10 act.

1 (3) REAL OR PERSONAL PROPERTY OWNED AND OCCUPIED BY A
2 FRATERNAL OR VETERANS ORGANIZATION WHILE OCCUPIED BY THAT
3 FRATERNAL OR VETERANS ORGANIZATION SOLELY FOR THE PURPOSES FOR
4 WHICH THAT FRATERNAL OR VETERANS ORGANIZATION WAS ESTABLISHED IS
5 EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT.

6 (4) ~~(3)~~ Real or personal property owned by a nonprofit
7 charitable institution, ~~or~~ charitable trust, OR FRATERNAL OR
8 VETERANS ORGANIZATION that is leased, loaned, or otherwise made
9 available to another nonprofit charitable institution, ~~or~~ char-
10 itable trust, OR FRATERNAL OR VETERANS ORGANIZATION or to a non-
11 profit hospital or a nonprofit educational institution that is
12 occupied by that nonprofit charitable institution, charitable
13 trust, FRATERNAL OR VETERANS ORGANIZATION, nonprofit hospital, or
14 nonprofit educational institution solely for the purposes for
15 which that nonprofit charitable institution, charitable trust,
16 FRATERNAL OR VETERANS ORGANIZATION, nonprofit hospital, or non-
17 profit educational institution was organized or established and
18 that would be exempt from taxes collected under this act if the
19 real or personal property were occupied by the lessor nonprofit
20 charitable institution, ~~or~~ charitable trust, OR FRATERNAL OR
21 VETERANS ORGANIZATION solely for the purposes for which the
22 lessor charitable nonprofit institution was organized or the
23 charitable trust OR FRATERNAL OR VETERANS ORGANIZATION was estab-
24 lished is exempt from the collection of taxes under this act.

25 (5) ~~(4)~~ For taxes levied after December 31, 1997, real or
26 personal property owned by a nonprofit charitable institution,
27 ~~or~~ charitable trust, OR FRATERNAL OR VETERANS ORGANIZATION that

1 is leased, loaned, or otherwise made available to a governmental
2 entity is exempt from the collection of taxes under this act if
3 all of the following conditions are satisfied:

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

9 (b) The real or personal property would be exempt from the
10 collection of taxes under this act if occupied by the lessor non-
11 profit charitable institution, ~~or~~ charitable trust, OR FRATER-
12 NAL OR VETERANS ORGANIZATION solely for the purposes for which
13 the lessor charitable nonprofit institution was organized or the
14 charitable trust OR FRATERNAL OR VETERANS ORGANIZATION was
15 established.

16 (6) ~~(5)~~ If authorized by a resolution of the local tax
17 collecting unit in which the real or personal property is
18 located, real or personal property owned by a nonprofit charita-
19 ble institution that is occupied and used by the nonprofit chari-
20 table institution's chief executive officer as his or her princi-
21 pal residence as a condition of his or her employment and that is
22 contiguous to real property that contains the nonprofit charita-
23 ble institution's principal place of business is exempt from the
24 collection of taxes under this act.

25 (7) ~~(6)~~ A charitable home of a fraternal OR VETERANS
26 ORGANIZATION or secret society, or a nonprofit corporation whose
27 stock is wholly owned by a religious SOCIETY or fraternal

1 ~~society~~ OR VETERANS ORGANIZATION that owns and operates
2 facilities for the aged and chronically ill and in which the net
3 income from the operation of the corporation does not inure to
4 the benefit of any person other than the residents, is exempt
5 from the collection of taxes under this act.

6 (8) ~~(7)~~ As used in this section:

7 (a) "Charitable trust" means a charitable trust registered
8 under the supervision of trustees for charitable purposes act,
9 1961 PA 101, MCL 14.251 to 14.266.

10 (B) "FRATERNAL OR VETERANS ORGANIZATION" MEANS AN ORGANIZA-
11 TION WITHIN THIS STATE, EXCEPT A COLLEGE FRATERNITY OR SORORITY,
12 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 FRATERNAL OR VETERANS ORGANIZATION.

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

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

20 (i) The federal government or an agency, department, divi-
21 sion, bureau, board, commission, council, or authority of the
22 federal 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 intermedi-
26 ate 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
5 of 1963, or a state 4-year institution of higher education
6 located in this state.

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

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