

SENATE BILL No. 872

December 7, 2011, Introduced by Senator HILDENBRAND 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 **OR**
2 **PERSONAL PROPERTY OWNED** by a nonprofit charitable institution while
3 occupied by that nonprofit charitable institution solely for the
4 purposes for which that nonprofit charitable institution was
5 incorporated is exempt from the collection of taxes under this act.

6 (2) Real ~~or personal~~ property owned and occupied **OR PERSONAL**
7 **PROPERTY OWNED** by a charitable trust while occupied by that
8 charitable trust solely for the charitable purposes for which that
9 charitable trust was established is exempt from the collection of

1 taxes under this act.

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

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

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

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

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

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

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

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

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

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

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

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

22 (8) Real ~~and personal~~ property owned and occupied **OR PERSONAL**
23 **PROPERTY OWNED** by a nonprofit corporation that meets all of the
24 following conditions is exempt from the collection of taxes under
25 this act:

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

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

3 (i) Is a skilled nursing facility or home for the aged,
4 licensed under the public health code, 1978 PA 368, MCL 333.1101 to
5 333.25211, or is an adult foster care facility licensed under the
6 adult foster care facility licensing act, 1979 PA 218, MCL 400.701
7 to 400.737. As used in this subparagraph:

8 (A) "Adult foster care facility" means that term as defined in
9 section 3 of the adult foster care facility licensing act, 1979 PA
10 218, MCL 400.703.

11 (B) "Home for the aged" means that term as defined in section
12 20106 of the public health code, 1978 PA 368, MCL 333.20106.

13 (C) "Skilled nursing facility" means that term as defined in
14 section 20109 of the public health code, 1978 PA 368, MCL
15 333.20109.

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

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

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

26 (ii) The real and personal property of the nonprofit
27 corporation had been treated as exempt from the collection of all

1 taxes under this act on December 31, 2004 and there has been no
2 transfer of ownership of that property during the period of time
3 beginning the last day the property was treated as exempt until ~~the~~
4 ~~effective date of the amendatory act that added this subsection.~~
5 **JANUARY 10, 2007.** As used in this sub-subparagraph, "transfer of
6 ownership" means that term as defined in section 27a.

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

11 (10) As used in this section:

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

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

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

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

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

23 (iv) A public educational institution, including, but not
24 limited to, a local or intermediate school district, a public
25 school academy, a community college or junior college established
26 pursuant to section 7 of article VIII of the state constitution of
27 1963, or a state 4-year institution of higher education located in

1 this state.

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

4 (c) "Public school academy" means a public school academy
5 organized under the revised school code, 1976 PA 451, MCL 380.1 to
6 380.1852.