Baruch
Senior Ministries

September 17, 2014

Michigan House of Representatives
Tax Policy Committee
Anderson House Office Building
Lansing, MI 48909

Re: HB 5616

Dear Chairman Farrington and committee members:

Please accept this letter in support of HB 5616, which amends the general property tax act to grant property tax exemption for licensed nonprofit assisted living facilities.

Baruch SLS, Inc. (dba Baruch Senior Ministries) is a faith-based 501(c)(3) Michigan nonprofit corporation that currently operates eighteen (18) licensed assisted living facilities that serve seniors throughout the state of Michigan. Baruch was founded in 1997 when we saw the need for more affordable assisted living and an alternative option for those seniors and families who couldn't afford the more costly housing and services provided by for-profit organizations. Our mission today remains the same – to provide affordable quality housing and assisted living services to seniors in their home community close to friends and family. It is our desire to provide a home that promotes the value and dignity of every person.

To further our nonprofit mission, and to differentiate ourselves from typical for-profit operations, Baruch Senior Ministries provides direct financial support to its residents in the form of an income-based program. This program provides a reduced fee based on a resident's actual monthly income, which will allow them to remain in our home rather than become a burden to the State as a Medicaid recipient in a much more costly skilled nursing home that Medicaid would otherwise be forced to pay. In recognizing the importance and desire of a resident never wanting to move again, the income based program provides peace of mind for a resident and their family concerned about a resident outliving their assets. Our income-based program is confidential and also allows a resident to remain in his/her same room, even after he/she is established in the program.

The granting of property tax exemption is absolutely necessary for us to be able to provide affordable care and our income-based program to the ever-increasing number of seniors in the state of Michigan that need it. Unfortunately, in the past few years we have experienced great frustration

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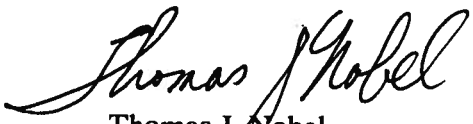
Baruch Senior Ministries is a 501(c)(3) tax-exempt, non-profit organization

with the inconsistent application of the current property tax exemption statutes in the different jurisdictions where our facilities are located. Due to the date restrictions currently in the statute that is the subject of the proposed amendment (HB 5616), we have been forced to apply within the section of the statute that grants exemption for 'charitable institutions'. This provision leaves it up to the subjective interpretation and determination of the individual assessor and local Board of Review to decide whether or not to grant exemption, utilizing the eligibility criteria established by the Michigan Supreme Court. As a result, Baruch has experienced inconsistencies within the various jurisdictions making the determination (11 properties granted exemption and 7 not). We also have properties that had the exemption for a number of years and then the local assessor arbitrarily changed his/her mind and put the property back on the tax rolls. In one of those cases, we appealed the assessor's decision to the local Board of Review, who agreed to grant the exemption despite the assessor's contrary decision. That assessor is now attempting to challenge the decision of her own local Board of Review. Needless to say, this is a very frustrating and costly process for our nonprofit organization.

I urge the committee to support HB 5616 which amends a provision of the general property tax act by eliminating certain date restrictions and granting property tax exemption to 501(c)(3) nonprofit licensed assisted living facilities. The amended provision will eliminate the uncertainty, subjectivity, and inconsistency that we are experiencing under the current system and will provide local assessors with clear objective criteria to make their determination. Most importantly, the amended provision provides Baruch and similar nonprofit organizations with the assurance that we can depend on property tax exemption to plan and help provide the affordable housing and care to those in the state of Michigan that need it.

Thank you for your consideration and support of this important legislation.

Very truly yours,



Thomas J. Nobel
President/Founder
Baruch Senior Ministries