



House Office Building, 9 South  
Lansing, Michigan 48909  
Phone: 517/373-6466

## PROPERTY TAX EXEMPTIONS TO FRATERNAL AND VETS ORGS

House Bill 4177

Sponsor: Rep. Scott Shackleton

Committee: Tax Policy

Complete to 8-27-03

### A SUMMARY OF HOUSE BILL 4177 AS INTRODUCED 2-11-03

The bill would amend the General Property Tax Act to extend certain exemptions from taxation under the act that are currently afforded to nonprofit charitable institutions and charitable trusts to fraternal organizations and veterans organizations.

The bill would exempt real or personal property owned and occupied by a fraternal or veterans organization from taxation under the act, if the property is occupied by that organization solely for the purposes for which the organization was established.

The act, generally speaking, provides that property owned by a nonprofit charitable institution or charitable trust and leased, loan, or otherwise made available to, and occupied by, another nonprofit charitable institution or charitable trust, or a governmental entity or certain other nonprofit organizations, is exempt from taxation under the act if the property is used solely for the purposes for which the lessor organization was organized or established. The bill would amend the act so that these provisions would also include a fraternal or veterans organization.

The act further exempts from taxation under the act a charitable home of a fraternal or secret society or a nonprofit corporation whose stock is entirely owned by a religious society or fraternal organization that, among other requirements, owns and operates facilities for the aged and chronically ill. Again, the bill would extend the above exemption to veterans organizations, so that a charitable home of veterans organization or a nonprofit corporation whose stock is entirely owned by a veterans organization and meets the other requirements stated above.

The bill would define "fraternal or veterans organization" to mean an organization within the state, not including a college fraternity or sorority, that (1) is not organized for pecuniary profit, (2) is a branch, lodge, or chapter or a national or state fraternal or veterans organization, and (3) exists for a common purpose, brotherhood, or other interests of its members.

MCL 211.7o

Analyst: M. Wolf

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.