

# HOUSE BILL No. 4177

February 11, 2003, Introduced by Reps. Shackleton and Rocca 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  
3 nonprofit charitable institution solely for the purposes for  
4 which it was incorporated is exempt from the collection of taxes  
5 under this act.

6       (2) Real or personal property owned and occupied by a  
7 charitable trust while occupied by that charitable trust solely  
8 for the charitable purposes for which that charitable trust was  
9 established is exempt from the collection of taxes under this  
10 act.

11       (3) Real or personal property owned and occupied by a

1 fraternal or veterans organization while occupied by that  
2 fraternal or veterans organization solely for the purposes for  
3 which that fraternal or veterans organization was established is  
4 exempt from the collection of taxes under this act.

5 (4) ~~(3)~~ Real or personal property owned by a nonprofit  
6 charitable institution, ~~or~~ charitable trust, **or fraternal or**  
7 **veterans organization** that is leased, loaned, or otherwise made  
8 available to another nonprofit charitable institution, ~~or~~  
9 charitable trust, **or fraternal or veterans organization** or to a  
10 nonprofit hospital or a nonprofit educational institution that is  
11 occupied by that nonprofit charitable institution, charitable  
12 trust, **fraternal or veterans organization**, nonprofit hospital, or  
13 nonprofit educational institution solely for the purposes for  
14 which that nonprofit charitable institution, charitable trust,  
15 **fraternal or veterans organization**, nonprofit hospital, or  
16 nonprofit educational institution was organized or established  
17 and that would be exempt from taxes collected under this act if  
18 the real or personal property were occupied by the lessor  
19 nonprofit charitable institution, ~~or~~ charitable trust, **or**  
20 **fraternal or veterans organization** solely for the purposes for  
21 which the lessor charitable nonprofit institution was organized  
22 or the charitable trust **or fraternal or veterans organization** was  
23 established is exempt from the collection of taxes under this  
24 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  
11 nonprofit charitable institution, ~~or~~ charitable trust, **or**  
12 **fraternal or veterans organization** solely for the purposes for  
13 which the lessor charitable nonprofit institution was organized  
14 or the 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  
19 charitable institution that is occupied and used by the nonprofit  
20 charitable institution's chief executive officer as his or her  
21 principal residence as a condition of his or her employment and  
22 that is contiguous to real property that contains the nonprofit  
23 charitable institution's principal place of business is exempt  
24 from the 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  
11 organization within this state, except a college fraternity or  
12 sorority, 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,  
21 division, 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  
26 intermediate school district, or municipal corporation.

27 (iv) A public educational institution, including, but not

1 limited to, a local or intermediate school district, a public  
2 school academy, a community college or junior college established  
3 pursuant to section 7 of article VIII of the state constitution  
4 of 1963, or a state 4-year institution of higher education  
5 located in this state.

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

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