

# HOUSE BILL No. 5541

January 11, 2006, Introduced by Reprs. Gosselin and Garfield 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 2004 PA 576.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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

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

9           (3) **REAL OR PERSONAL PROPERTY OWNED AND OCCUPIED BY A**

1 FRATERNAL OR VETERANS ORGANIZATION WHILE OCCUPIED BY THAT FRATERNAL  
2 OR VETERANS ORGANIZATION SOLELY FOR THE PURPOSES FOR WHICH THAT  
3 FRATERNAL OR VETERANS ORGANIZATION WAS ESTABLISHED IS EXEMPT FROM  
4 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 which  
14 that nonprofit charitable institution, charitable trust, **FRATERNAL**  
15 **OR VETERANS ORGANIZATION**, nonprofit hospital, or nonprofit  
16 educational institution was organized or established and that would  
17 be exempt from taxes collected under this act if the real or  
18 personal property were occupied by the lessor nonprofit charitable  
19 institution, ~~or~~ charitable trust, **OR FRATERNAL OR VETERANS**  
20 **ORGANIZATION** solely for the purposes for which the lessor  
21 charitable nonprofit institution was organized or the charitable  
22 trust **OR FRATERNAL OR VETERANS ORGANIZATION** was established is  
23 exempt from the collection of taxes under this act.

24 (5) ~~(4)~~ For taxes levied after December 31, 1997, real or  
25 personal property owned by a nonprofit charitable institution, ~~or~~  
26 charitable trust, **OR FRATERNAL OR VETERANS ORGANIZATION** that is  
27 leased, loaned, or otherwise made available to a governmental

1 entity is exempt from the collection of taxes under this act if all  
2 of the following conditions are satisfied:

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

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

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

23 (a) Is organized or established, as reflected in its articles  
24 of incorporation or trust documents, for the purpose of acquiring,  
25 maintaining, and protecting nature sanctuaries, nature preserves,  
26 and natural areas in this state, that predominantly contain natural  
27 habitat for fish, wildlife, and plants.

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

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

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

9 (c) Its articles of incorporation, bylaws, or trust documents  
10 prohibit any officer, shareholder, board member, employee, or  
11 trustee or the family member of an officer, shareholder, board  
12 member, employee, or trustee from benefiting from the sale of  
13 property acquired for the purposes described in subdivision (a).

14 (7) ~~(6)~~ If authorized by a resolution of the local tax  
15 collecting unit in which the real or personal property is located,  
16 real or personal property owned by a nonprofit charitable  
17 institution that is occupied and used by the nonprofit charitable  
18 institution's chief executive officer as his or her principal  
19 residence as a condition of his or her employment and that is  
20 contiguous to real property that contains the nonprofit charitable  
21 institution's principal place of business is exempt from the  
22 collection of taxes under this act.

23 (8) ~~(7)~~ A charitable home of a fraternal or **VETERANS**  
24 **ORGANIZATION OR** secret society, or a nonprofit corporation whose  
25 stock is wholly owned by a religious **SOCIETY** or fraternal ~~society~~  
26 **OR VETERANS ORGANIZATION** that owns and operates facilities for the  
27 aged and chronically ill and in which the net income from the

1 operation of the corporation does not inure to the benefit of any  
2 person other than the residents, is exempt from the collection of  
3 taxes under this act.

4 **(9) —(8)—** As used in this section:

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

8 **(B) "FRATERNAL OR VETERANS ORGANIZATION" MEANS AN ORGANIZATION**  
9 **WITHIN THIS STATE, EXCEPT A COLLEGE FRATERNITY OR SORORITY, THAT**  
10 **MEETS ALL OF THE FOLLOWING REQUIREMENTS:**

11 (i) IS NOT ORGANIZED FOR PECUNIARY PROFIT.

12 (ii) IS A BRANCH, LODGE, OR CHAPTER OF A NATIONAL OR STATE  
13 FRATERNAL OR VETERANS ORGANIZATION.

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

16 **(C) —(b)—** "Governmental entity" means 1 or more of the  
17 following:

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

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

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

25 (iv) A public educational institution, including, but not  
26 limited to, a local or intermediate school district, a public  
27 school academy, a community college or junior college established

1 pursuant to section 7 of article VIII of the state constitution of  
2 1963, or a state 4-year institution of higher education located in  
3 this state.

4 (v) Any other authority or public body created under state  
5 law.

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