

# HOUSE BILL No. 6217

June 20, 2006, Introduced by Rep. Green 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 OF A RESALE THRIFT SHOP**

1 REGISTERED AS A NONPROFIT CORPORATION THAT IS OWNED AND OPERATED BY  
2 A NONPUBLIC SCHOOL FOR THE CHARITABLE PURPOSE OF BENEFITING THE  
3 STUDENTS ENROLLED IN THAT NONPUBLIC SCHOOL IS EXEMPT FROM THE  
4 COLLECTION OF TAXES UNDER THIS ACT. AS USED IN THIS SUBSECTION,  
5 "NONPUBLIC SCHOOL" MEANS THAT TERM AS DEFINED IN SECTION 5 OF THE  
6 REVISED SCHOOL CODE, 1976 PA 451, MCL 380.5.

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

23 (5) REAL OR PERSONAL PROPERTY OWNED BY A NONPROFIT CHARITABLE  
24 INSTITUTION OR CHARITABLE TRUST THAT IS LEASED, LOANED, OR  
25 OTHERWISE MADE AVAILABLE TO A RESALE THRIFT SHOP THAT IS REGISTERED  
26 AS A NONPROFIT CORPORATION AND IS OWNED AND OPERATED BY A NONPUBLIC  
27 SCHOOL FOR THE PURPOSE OF BENEFITING THE STUDENTS ENROLLED IN THAT

1 NONPUBLIC SCHOOL, THAT IS OCCUPIED OR UTILIZED BY THAT RESALE  
2 THRIFT SHOP SOLELY FOR THE PURPOSES FOR WHICH THAT RESALE THRIFT  
3 SHOP WAS ORGANIZED OR ESTABLISHED, AND THAT WOULD BE EXEMPT FROM  
4 TAXES COLLECTED UNDER ACT IF THE REAL OR PERSONAL PROPERTY WERE  
5 OCCUPIED OR UTILIZED BY THE LESSOR NONPROFIT CHARITABLE INSTITUTION  
6 OR CHARITABLE TRUST SOLELY FOR THE PURPOSES FOR WHICH THE LESSOR  
7 CHARITABLE NONPROFIT INSTITUTION WAS ORGANIZED OR THE CHARITABLE  
8 TRUST WAS ESTABLISHED IS EXEMPT FROM THE COLLECTION OF TAXES UNDER  
9 THIS ACT.

10 (6) ~~—(4)—~~ For taxes levied after December 31, 1997, real or  
11 personal property owned by a nonprofit charitable institution or  
12 charitable trust that is leased, loaned, or otherwise made  
13 available to a governmental entity is exempt from the collection of  
14 taxes under this act if all of the following conditions are  
15 satisfied:

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

20 (b) The real or personal property would be exempt from the  
21 collection of taxes under this act if occupied by the lessor  
22 nonprofit charitable institution or charitable trust solely for the  
23 purposes for which the lessor charitable nonprofit institution was  
24 organized or the charitable trust was established.

25 (7) ~~—(5)—~~ Real property owned by a qualified conservation  
26 organization that is held for conservation purposes and that is  
27 open to all residents of this state for educational or recreational

1 use, including, but not limited to, low-impact, nondestructive  
2 activities such as hiking, bird watching, cross-country skiing, or  
3 snowshoeing is exempt from the collection of taxes under this act.  
4 As used in this subsection, "qualified conservation organization"  
5 means a nonprofit charitable institution or a charitable trust that  
6 meets all of the following conditions:

7 (a) Is organized or established, as reflected in its articles  
8 of incorporation or trust documents, for the purpose of acquiring,  
9 maintaining, and protecting nature sanctuaries, nature preserves,  
10 and natural areas in this state, that predominantly contain natural  
11 habitat for fish, wildlife, and plants.

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

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

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

20 (c) Its articles of incorporation, bylaws, or trust documents  
21 prohibit any officer, shareholder, board member, employee, or  
22 trustee or the family member of an officer, shareholder, board  
23 member, employee, or trustee from benefiting from the sale of  
24 property acquired for the purposes described in subdivision (a).

25 (8) ~~-(6)-~~ If authorized by a resolution of the local tax  
26 collecting unit in which the real or personal property is located,  
27 real or personal property owned by a nonprofit charitable

1 institution that is occupied and used by the nonprofit charitable  
2 institution's chief executive officer as his or her principal  
3 residence as a condition of his or her employment and that is  
4 contiguous to real property that contains the nonprofit charitable  
5 institution's principal place of business is exempt from the  
6 collection of taxes under this act.

7       (9) ~~-(7)-~~ A charitable home of a fraternal or secret society,  
8 or a nonprofit corporation whose stock is wholly owned by a  
9 religious or fraternal society that owns and operates facilities  
10 for the aged and chronically ill and in which the net income from  
11 the operation of the corporation does not inure to the benefit of  
12 any person other than the residents, is exempt from the collection  
13 of taxes under this act.

14       (10) ~~-(8)-~~ As used in this section:

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

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

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

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

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

26       (iv) A public educational institution, including, but not  
27 limited to, a local or intermediate school district, a public

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

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

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