

SENATE BILL No. 1214

April 20, 2006, Introduced by Senators ALLEN, BIRKHOLZ, KUIPERS, GARCIA, JELINEK, BASHAM, VAN WOERKOM, BARCIA, GEORGE, TOY and GOSCHKA and referred to the Committee on Finance.

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 PROPERTY THAT IS THE PRIMARY MEETING PLACE FOR A**
10 **FRATERNAL OR VETERANS ORGANIZATION THAT IS OWNED AND OCCUPIED BY**

1 THAT FRATERNAL OR VETERANS ORGANIZATION SOLELY FOR THE PURPOSES FOR
2 WHICH THAT FRATERNAL OR VETERANS ORGANIZATION WAS ESTABLISHED AND
3 PERSONAL PROPERTY LOCATED IN THE PRIMARY MEETING PLACE FOR THAT
4 FRATERNAL OR VETERANS ORGANIZATION THAT IS OWNED AND OCCUPIED BY
5 THAT FRATERNAL OR VETERANS ORGANIZATION SOLELY FOR THE PURPOSES FOR
6 WHICH THAT FRATERNAL OR VETERANS ORGANIZATION WAS ESTABLISHED IS
7 EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT.

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

1 taxes under this act if all of the following conditions are
2 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 solely for the
10 purposes for which the lessor charitable nonprofit institution was
11 organized or the charitable trust was established.

12 (6) ~~—(5)—~~ Real property owned by a qualified conservation
13 organization that is held for conservation purposes and that is
14 open to all residents of this state for educational or recreational
15 use, including, but not limited to, low-impact, nondestructive
16 activities such as hiking, bird watching, cross-country skiing, or
17 snowshoeing is exempt from the collection of taxes under this act.
18 As used in this subsection, "qualified conservation organization"
19 means a nonprofit charitable institution or a charitable trust that
20 meets all of the following conditions:

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

26 (b) Is required under its articles of incorporation, bylaws,
27 or trust documents to hold in perpetuity property acquired for the

1 purposes described in subdivision (a) unless both of the following
2 conditions are satisfied:

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

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

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

12 (7) ~~—(6)—~~ If authorized by a resolution of the local tax
13 collecting unit in which the real or personal property is located,
14 real or personal property owned by a nonprofit charitable
15 institution that is occupied and used by the nonprofit charitable
16 institution's chief executive officer as his or her principal
17 residence as a condition of his or her employment and that is
18 contiguous to real property that contains the nonprofit charitable
19 institution's principal place of business is exempt from the
20 collection of taxes under this act.

21 (8) ~~—(7)—~~ A charitable home of a fraternal or secret society,
22 or a nonprofit corporation whose stock is wholly owned by a
23 religious or fraternal society that owns and operates facilities
24 for the aged and chronically ill and in which the net income from
25 the operation of the corporation does not inure to the benefit of
26 any person other than the residents, is exempt from the collection
27 of taxes under this act.

1 (9) ~~—(8)—~~ As used in this section:

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

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

8 (i) IS NOT ORGANIZED FOR PECUNIARY PROFIT.

9 (ii) IS A BRANCH, LODGE, OR CHAPTER OF A NATIONAL OR STATE
10 **FRATERNAL OR VETERANS ORGANIZATION.**

11 (iii) EXISTS FOR THE COMMON PURPOSE, BROTHERHOOD, OR OTHER
12 **INTERESTS OF ITS MEMBERS.**

13 (C) ~~—(b)—~~ "Governmental entity" means 1 or more of the
14 following:

15 (i) The federal government or an agency, department, division,
16 bureau, board, commission, council, or authority of the federal
17 government.

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

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

22 (iv) A public educational institution, including, but not
23 limited to, a local or intermediate school district, a public
24 school academy, a community college or junior college established
25 pursuant to section 7 of article VIII of the state constitution of
26 1963, or a state 4-year institution of higher education located in
27 this state.

1 (v) Any other authority or public body created under state
2 law.

3 (D) ~~(e)~~ "Public school academy" means a public school
4 academy organized under the revised school code, 1976 PA 451, MCL
5 380.1 to 380.1852.