

SENATE BILL NO. 941

June 26, 2024, Introduced by Senators BAYER, CHANG and GEISS and referred to the Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7o (MCL 211.7o), as amended by 2006 PA 681.

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 that
4 nonprofit charitable institution was incorporated is exempt from
5 the collection of taxes under this act.

6 (2) Real or personal property owned and occupied by a

1 charitable trust while occupied by that charitable trust solely for
2 the charitable purposes for which that charitable trust was
3 established is exempt from the collection of taxes under this act.

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

20 (4) For taxes levied after December 31, 1997, real or personal
21 property owned by a nonprofit charitable institution or charitable
22 trust that is leased, loaned, or otherwise made available to a
23 governmental entity is exempt from the collection of taxes under
24 this act if all of the following conditions are satisfied:

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

29 (b) The real or personal property would be exempt from the

1 collection of taxes under this act if occupied by the lessor
2 nonprofit charitable institution or charitable trust solely for the
3 purposes for which the lessor ~~charitable~~-nonprofit **charitable**
4 institution was organized or the charitable trust was established.

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

14 (a) Is organized or established, as reflected in its articles
15 of incorporation or trust documents, for the purpose of acquiring,
16 maintaining, and protecting nature sanctuaries, nature preserves,
17 and natural areas in this state, that predominantly contain natural
18 habitat for fish, wildlife, and plants.

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

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

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

27 (c) Its articles of incorporation, bylaws, or trust documents
28 prohibit any officer, shareholder, board member, employee, or
29 trustee or the family member of an officer, shareholder, board

1 member, employee, or trustee from benefiting from the sale of
2 property acquired for the purposes described in subdivision (a).

3 (6) If authorized by a resolution of the local tax collecting
4 unit in which the real or personal property is located, real or
5 personal property owned by a nonprofit charitable institution that
6 is occupied and used by the nonprofit charitable institution's
7 chief executive officer as ~~his or her~~ **the chief executive officer's**
8 principal residence as a condition of ~~his or her~~ employment and
9 that is contiguous to real property that contains the nonprofit
10 charitable institution's principal place of business is exempt from
11 the collection of taxes under this act.

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

19 (8) Real and personal property owned and occupied by a
20 nonprofit corporation that meets all of the following conditions is
21 exempt from the collection of taxes under this act:

22 (a) The nonprofit corporation is exempt from taxation under
23 section 501(c)(3) of the internal revenue code **of 1986**, 26 USC 501.

24 (b) The nonprofit corporation meets 1 of the following
25 conditions:

26 (i) Is a skilled nursing facility or home for the aged,
27 licensed under the public health code, 1978 PA 368, MCL 333.1101 to
28 333.25211, or is an adult foster care facility licensed under the
29 adult foster care facility licensing act, 1979 PA 218, MCL 400.701

1 to 400.737. As used in this subparagraph:

2 (A) "Adult foster care facility" means that term as defined in
3 section 3 of the adult foster care facility licensing act, 1979 PA
4 218, MCL 400.703.

5 (B) "Home for the aged" means that term as defined in section
6 20106 of the public health code, 1978 PA 368, MCL 333.20106.

7 (C) "Skilled nursing facility" means that term as defined in
8 section 20109 of the public health code, 1978 PA 368, MCL
9 333.20109.

10 (ii) Provides housing, rehabilitation services, diagnostic
11 services, medical services, or therapeutic services to 1 or more
12 disabled persons. As used in this subparagraph, "disabled person"
13 means that term as defined in section 7d.

14 (c) The nonprofit corporation meets either of the following
15 conditions:

16 (i) The real and personal property of the nonprofit corporation
17 was being treated as exempt from the collection of all taxes under
18 this act on ~~the effective date of the amendatory act that added~~
19 ~~this subsection.~~ **January 10, 2007.**

20 (ii) The real and personal property of the nonprofit
21 corporation had been treated as exempt from the collection of all
22 taxes under this act on December 31, 2004 and there has been no
23 transfer of ownership of that property during the period of time
24 beginning the last day the property was treated as exempt until ~~the~~
25 ~~effective date of the amendatory act that added this subsection.~~
26 **January 10, 2007.** As used in this sub-subparagraph, "transfer of
27 ownership" means that term as defined in section 27a.

28 (9) If real or personal property owned and occupied by a
29 nonprofit corporation is not eligible for an exemption under

1 subsection (8), that nonprofit corporation is not precluded from
2 applying for exemption under subsection (1).

3 (10) As used in this section:

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

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

8 (i) The federal government or an agency, department, division,
9 bureau, board, commission, council, or authority of the federal
10 government.

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

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

15 (iv) A public educational institution, including, but not
16 limited to, a local or intermediate school district, a public
17 school academy, a community college or junior college established
18 ~~pursuant to~~ **under** section 7 of article VIII of the state
19 constitution of 1963, or a state 4-year institution of higher
20 education located in this state.

21 (v) Any other authority or public body created under state
22 law.

23 (c) **"Nonprofit charitable institution" means a Michigan**
24 **nonprofit corporation that is exempt from taxation under section**
25 **501(c) (3) of the internal revenue code of 1986, 26 USC 501.**

26 (d) ~~(e)~~—"Public school academy" means a public school academy
27 organized under the revised school code, 1976 PA 451, MCL 380.1 to
28 380.1852.