

**SUBSTITUTE FOR
SENATE BILL NO. 570**

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
7 charitable trust while occupied by that charitable trust solely for
8 the charitable purposes for which that charitable trust was
9 established is exempt from the collection of taxes under this act.

10 (3) Real or personal property owned by a nonprofit charitable
11 institution or charitable trust that is leased, loaned, or

1 otherwise made available to another nonprofit charitable
2 institution or charitable trust or to a nonprofit hospital or a
3 nonprofit educational institution that is occupied by that
4 nonprofit charitable institution, charitable trust, nonprofit
5 hospital, or nonprofit educational institution solely for the
6 purposes for which that nonprofit charitable institution,
7 charitable trust, nonprofit hospital, or nonprofit educational
8 institution was organized or established and that would be exempt
9 from taxes collected under this act if the real or personal
10 property were occupied by the lessor nonprofit charitable
11 institution or charitable trust solely for the purposes for which
12 the lessor charitable nonprofit institution was organized or the
13 charitable trust was established is exempt from the collection of
14 taxes under this act.

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

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

24 (b) The real or personal property would be exempt from the
25 collection of taxes under this act if occupied by the lessor
26 nonprofit charitable institution or charitable trust solely for the
27 purposes for which the lessor charitable nonprofit institution was

1 organized or the charitable trust was established.

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

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

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

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

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

24 (c) Its articles of incorporation, bylaws, or trust documents
25 prohibit any officer, shareholder, board member, employee, or
26 trustee or the family member of an officer, shareholder, board
27 member, employee, or trustee from benefiting from the sale of

1 property acquired for the purposes described in subdivision (a).

2 (6) REAL PROPERTY OWNED AND OCCUPIED BY A QUALIFIED
3 SPORTSMEN'S CLUB AND USED FOR THE PRIMARY PURPOSE FOR WHICH THAT
4 QUALIFIED SPORTSMEN'S CLUB IS INCORPORATED IS EXEMPT FROM THE
5 COLLECTION OF TAXES UNDER THIS ACT. AS USED IN THIS SUBSECTION,
6 "QUALIFIED SPORTSMEN'S CLUB" MEANS AN ENTITY THAT MEETS ALL OF THE
7 FOLLOWING CONDITIONS:

8 (A) EITHER OF THE FOLLOWING:

9 (i) IS EXEMPT FROM TAXATION UNDER SECTION 501(C)(3) OF THE
10 INTERNAL REVENUE CODE, 26 USC 501.

11 (ii) IS ORGANIZED NOT FOR PECUNIARY PROFIT, IS AN AFFILIATE OF
12 A STATEWIDE CONSERVATION ORGANIZATION THAT IS EXEMPT FROM TAXATION
13 UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, 26 USC 501,
14 AND CAN DEMONSTRATE THAT ALL OF ITS INDIVIDUAL MEMBERS ARE FORMALLY
15 AFFILIATED WITH THAT STATEWIDE CONSERVATION ORGANIZATION. AS USED
16 IN THIS SUBPARAGRAPH, "STATEWIDE CONSERVATION ORGANIZATION" MEANS A
17 NONPROFIT CORPORATION THAT IS EXEMPT FROM TAXATION UNDER SECTION
18 501(C)(3) OF THE INTERNAL REVENUE CODE, 26 USC 501, AND WHOSE
19 PRIMARY PURPOSE IS TO EDUCATE THE PUBLIC THROUGHOUT THIS STATE IN
20 CONSERVATION AND IN HUNTING, FISHING, ARCHERY, OR SHOOTING SPORTS
21 AND FIREARMS SAFETY.

22 (B) IS ORGANIZED OR ESTABLISHED, AS REFLECTED IN ITS ARTICLES
23 OF INCORPORATION OR BYLAWS, FOR THE PRIMARY PURPOSE OF EDUCATING
24 THE PUBLIC IN CONSERVATION AND IN HUNTING, FISHING, ARCHERY, OR
25 SHOOTING SPORTS AND FIREARMS SAFETY.

26 (C) MAKES ITS REAL PROPERTY AVAILABLE TO THE PUBLIC FOR USES
27 CONSISTENT WITH THE PRIMARY PURPOSE FOR WHICH THE ENTITY IS

1 INCORPORATED. THE REQUIREMENT OF THIS SUBDIVISION MAY BE MET BY AN
2 ENTITY THAT CHARGES A REASONABLE MEMBERSHIP FEE FOR USE OF ITS REAL
3 PROPERTY.

4 (D) OFFERS TO THE PUBLIC, WITHOUT CHARGE OR AT REDUCED RATES,
5 EDUCATION CONSISTENT WITH THE PRIMARY PURPOSE FOR WHICH THE ENTITY
6 IS INCORPORATED. THE REGULAR DISTRIBUTION OF FREE EDUCATIONAL
7 LITERATURE TO A LOCAL PUBLIC SCHOOL SHALL BE CONSIDERED TO MEET THE
8 REQUIREMENT OF THIS SUBDIVISION.

9 (E) MAKES ITS REAL PROPERTY AVAILABLE, WITHOUT CHARGE, TO 1 OR
10 MORE GOVERNMENTAL ENTITIES FOR USES CONSISTENT WITH THE PRIMARY
11 PURPOSE FOR WHICH THE ENTITY IS INCORPORATED.

12 (F) OFFERS MEMBERSHIP IN THE ENTITY, WITHOUT CHARGE OR AT
13 REDUCED RATES, BASED ON THE PROSPECTIVE MEMBER'S FINANCIAL ABILITY
14 TO PAY THE REGULAR MEMBERSHIP FEE. THE REQUIREMENT OF THIS
15 SUBDIVISION MAY BE MET BY AN ENTITY THAT ESTABLISHES REASONABLE
16 RULES CONCERNING MEMBERSHIP RATES BASED ON ABILITY TO PAY.

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

26 (8) ~~(7)~~—A charitable home of a fraternal or secret society, or
27 a nonprofit corporation whose stock is wholly owned by a religious

1 or fraternal society that owns and operates facilities for the aged
2 and chronically ill and in which the net income from the operation
3 of the corporation does not inure to the benefit of any person
4 other than the residents, is exempt from the collection of taxes
5 under this act.

6 (9) ~~(8)~~—Real and personal property owned and occupied by a
7 nonprofit corporation that meets all of the following conditions is
8 exempt from the collection of taxes under this act:

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

11 (b) The nonprofit corporation meets 1 of the following
12 conditions:

13 (i) Is a skilled nursing facility or home for the aged,
14 licensed under the public health code, 1978 PA 368, MCL 333.1101 to
15 333.25211, or is an adult foster care facility licensed under the
16 adult foster care facility licensing act, 1979 PA 218, MCL 400.701
17 to 400.737. As used in this subparagraph:

18 (A) "Adult foster care facility" means that term as defined in
19 section 3 of the adult foster care facility licensing act, 1979 PA
20 218, MCL 400.703.

21 (B) "Home for the aged" means that term as defined in section
22 20106 of the public health code, 1978 PA 368, MCL 333.20106.

23 (C) "Skilled nursing facility" means that term as defined in
24 section 20109 of the public health code, 1978 PA 368, MCL
25 333.20109.

26 (ii) Provides housing, rehabilitation services, diagnostic
27 services, medical services, or therapeutic services to 1 or more

1 disabled persons. As used in this subparagraph, "disabled person"
2 means that term as defined in section 7d.

3 (c) The nonprofit corporation meets either of the following
4 conditions:

5 (i) The real and personal property of the nonprofit
6 corporation was being treated as exempt from the collection of all
7 taxes under this act on ~~the effective date of the amendatory act~~
8 ~~that added this subsection.~~ **JANUARY 10, 2007.**

9 (ii) The real and personal property of the nonprofit
10 corporation had been treated as exempt from the collection of all
11 taxes under this act on December 31, 2004 and there has been no
12 transfer of ownership of that property during the period of time
13 beginning the last day the property was treated as exempt until ~~the~~
14 ~~effective date of the amendatory act that added this subsection.~~

15 **JANUARY 10, 2007.** As used in this sub-subparagraph, "transfer of
16 ownership" means that term as defined in section 27a.

17 (10) ~~(9)~~—If real or personal property owned and occupied by a
18 nonprofit corporation is not eligible for an exemption under
19 subsection ~~(8)~~, **(9)**, that nonprofit corporation is not precluded
20 from applying for exemption under subsection (1).

21 (11) ~~(10)~~—As used in this section:

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

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

26 (i) The federal government or an agency, department, division,
27 bureau, board, commission, council, or authority of the federal

1 government.

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

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

6 (iv) A public educational institution, including, but not
7 limited to, a local or intermediate school district, a public
8 school academy, a community college or junior college established
9 pursuant to section 7 of article VIII of the state constitution of
10 1963, or a state 4-year institution of higher education located in
11 this state.

12 (v) Any other authority or public body created under state
13 law.

14 (c) "Public school academy" means a public school academy
15 organized under the revised school code, 1976 PA 451, MCL 380.1 to
16 380.1852.