

**SUBSTITUTE FOR
HOUSE BILL NO. 5541**

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**

House Bill No. 5541 (H-3) as amended November 30, 2006

FRATERNAL OR VETERANS ORGANIZATION [WHOSE MEMBERSHIP POLICIES DO NOT VIOLATE THE ELLIOTT-LARSEN CIVIL RIGHTS ACT, 1976 PA 453, MCL 37.2101 TO 37.2804] AND USED BY THAT FRATERNAL OR

VETERANS ORGANIZATION [] FOR NONPROFIT CHARITABLE

PURPOSES IS EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT[, EXCEPT TAXES LEVIED FOR SCHOOL OPERATING PURPOSES UNDER SECTION 1211 OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211].

PROPERTY USED FOR COMMERCIAL OR FOR-PROFIT PURPOSES IS PRESUMED NOT TO BE USED FOR NONPROFIT CHARITABLE PURPOSES.

(4) ~~—(3)—~~ Real or personal property owned by a nonprofit charitable institution or charitable trust that is leased, loaned, or otherwise made available to another nonprofit charitable institution or charitable trust or to a nonprofit hospital or a nonprofit educational institution that is occupied by that nonprofit charitable institution, charitable trust, nonprofit hospital, or nonprofit educational institution solely for the purposes for which that nonprofit charitable institution, charitable trust, nonprofit hospital, or nonprofit educational institution was organized or established and that would be exempt from taxes collected under this act if the real or personal property were occupied by the lessor nonprofit charitable institution or charitable trust solely for the purposes for which the lessor charitable nonprofit institution was organized or the charitable trust was established is exempt from the collection of taxes under this act.

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

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

5 (b) The real or personal property would be exempt from the
6 collection of taxes under this act if occupied by the lessor
7 nonprofit charitable institution or charitable trust solely for the
8 purposes for which the lessor charitable nonprofit institution was
9 organized or the charitable trust was established.

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

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

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

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

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

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

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

19 (8) ~~—(7)—~~ A charitable home of a fraternal **OR VETERANS**
20 **ORGANIZATION** or secret society, or a nonprofit corporation whose
21 stock is wholly owned by a religious **SOCIETY** or fraternal ~~society~~
22 **OR VETERANS ORGANIZATION** that owns and operates facilities for the
23 aged and chronically ill and in which the net income from the
24 operation of the corporation does not inure to the benefit of any
25 person other than the residents, is exempt from the collection of
26 taxes under this act.

27 (9) ~~—(8)—~~ As used in this section:

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

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

7 (i) IS NOT ORGANIZED FOR PECUNIARY PROFIT.

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

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

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

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

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

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

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

27 (v) Any other authority or public body created under state

1 law.

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