

SENATE BILL No. 4

January 14, 2009, Introduced by Senator JANSEN 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 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.

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

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

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

26 (b) The real or personal property would be exempt from the
27 collection of taxes under this act if occupied by the lessor

1 nonprofit charitable institution or charitable trust solely for the
2 purposes for which the lessor charitable nonprofit institution was
3 organized or the charitable trust was established.

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

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

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

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

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

26 (c) Its articles of incorporation, bylaws, or trust documents
27 prohibit any officer, shareholder, board member, employee, or

1 trustee or the family member of an officer, shareholder, board
2 member, employee, or trustee from benefiting from the sale of
3 property acquired for the purposes described in subdivision (a).

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

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

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

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

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

27 (i) Is a skilled nursing facility or home for the aged,

1 licensed under the public health code, 1978 PA 368, MCL 333.1101 to
2 333.25211, or is an adult foster care facility licensed under the
3 adult foster care facility licensing act, 1979 PA 218, MCL 400.701
4 to 400.737. As used in this subparagraph:

5 (A) "Adult foster care facility" means that term as defined in
6 section 3 of the adult foster care facility licensing act, 1979 PA
7 218, MCL 400.703.

8 (B) "Home for the aged" means that term as defined in section
9 20106 of the public health code, 1978 PA 368, MCL 333.20106.

10 (C) "Skilled nursing facility" means that term as defined in
11 section 20109 of the public health code, 1978 PA 368, MCL
12 333.20109.

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

17 (c) The nonprofit corporation meets either of the following
18 conditions:

19 (i) The real and personal property of the nonprofit corporation
20 was being treated as exempt from the collection of all taxes under
21 this act on the effective date of the amendatory act that added
22 this subsection.

23 (ii) The real and personal property of the nonprofit
24 corporation had been treated as exempt from the collection of all
25 taxes under this act on December 31, 2004 and there has been no
26 transfer of ownership of that property during the period of time
27 beginning the last day the property was treated as exempt until the

effective date of the amendatory act that added this subsection. As used in this ~~sub-subparagraph~~ **SUBPARAGRAPH**, "transfer of ownership" means that term as defined in section 27a.

(9) If real or personal property owned and occupied by a nonprofit corporation is not eligible for an exemption under subsection (8), that nonprofit corporation is not precluded from applying for exemption under subsection (1).

(10) BEGINNING DECEMBER 31, 2006, REAL AND PERSONAL PROPERTY LOCATED IN A QUALIFIED LOCAL GOVERNMENTAL UNIT THAT IS USED IN HEALTH CARE RELATED ACTIVITIES AND THAT IS LEASED TO A NONPROFIT MEDICAL FACILITY OR A NONPROFIT HOSPITAL IS EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT UNLESS THE LEGISLATIVE BODY OF THE QUALIFIED LOCAL GOVERNMENTAL UNIT IN WHICH THE REAL OR PERSONAL PROPERTY IS LOCATED DENIES THE EXEMPTION BY RESOLUTION. AS USED IN THIS SUBSECTION, "QUALIFIED LOCAL GOVERNMENTAL UNIT" MEANS A CITY WITH A POPULATION OF MORE THAN 68,000 AND LESS THAN 76,000 THAT IS LOCATED IN A COUNTY WITH A POPULATION OF MORE THAN 550,000 AND LESS THAN 750,000.

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

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

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

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

(ii) This state or an agency, department, division, bureau,

1 board, commission, council, or authority of this state.

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

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

10 (v) Any other authority or public body created under state
11 law.

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

15 Enacting section 1. This amendatory act is retroactive and is
16 effective for taxes levied after December 31, 2006.