



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 570 (as introduced 10-20-15)
Sponsor: Senator Peter MacGregor
Committee: Finance

Date Completed: 6-6-16

CONTENT

The bill would amend the General Property Tax Act to exempt real property owned by a qualified sportsmens' organization if the organization's primary purpose were to educate the public in conservation, hunting and fishing, and firearms safety; and the organization's facilities were available to the public for charitable, nonprofit purposes at least 55 days in each calendar year.

Under the Act, all property, real and personal, within the jurisdiction of the State, not expressly exempted, is subject to taxation. Section 7o of the Act states that real or personal property owned and occupied by a nonprofit charitable institution while occupied by that nonprofit charitable institution solely for the purposes for which it was incorporated is exempt from the collection of taxes under the Act.

Section 7o provides additional exemptions for real and personal property owned by charitable and/or nonprofit entities that meet various criteria. These include, for example, real or personal property owned and occupied by a charitable trust; real property owned by a qualified conservation organization; and a charitable home of a fraternal or secret society that owns and operates facilities for the aged and chronically ill.

The bill also would exempt real property owned by a qualified sportsmens' organization if the organization's primary purpose were to educate the public in conservation, hunting and fishing, and firearms safety; and the organization's facilities were available to the public for charitable, nonprofit purposes at least 55 days in each calendar year.

"Qualified sportsmens' organization" would include any sportsmens' club, gun club, conservation club, or rod and gun club that met these criteria.

MCL 211.7o

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would reduce State and local revenue and increase costs to the School Aid Fund. To the extent that sportsmen's organizations are currently subject to property tax, but became eligible for the proposed exemption, local property tax revenue would be reduced, State revenue from the State Education Tax to the School Aid Fund would be reduced, and the State costs of the foundation allowance payable by the School Aid Fund would increase. The amount of the revenue reduction is unknown, but could be significant. The impact would depend on the number of sportsmen's clubs that met the requirements in the bill to have a primary purpose of public education in conservation, hunting and fishing, and firearms safety, and to

make facilities available to the public for charitable, nonprofit purposes at least 55 calendar days per year, as well as the interpretation of those criteria.

Fiscal Analyst: Elizabeth Pratt

S1516\sb570sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.