

MINNESOTA • REVENUE

ASSESSMENT AND CLASSIFICATION PRACTICES REPORT

INSTITUTIONS OF PURELY PUBLIC CHARITY

A report submitted to the Minnesota State Legislature
pursuant to
Minnesota Laws 2008, Chapter 366, Article 6, Section 49

Minnesota Department of Revenue
Property Tax Division
February 2, 2009

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To the members of the Legislature of the State of Minnesota:

I am pleased to present to you this report on the assessment practices of property owned by institutions of purely public charity within the State of Minnesota undertaken by the Department of Revenue in response to Minnesota Laws 2008, Chapter 366, Article 6, Section 49.

This report provides a summary of assessment practices of properties of institutions of purely public charity within the State of Minnesota, as well as recommendations to improve the uniformity with regards to granting or denying exemption to these types of properties.

Sincerely,

Ward Einess
Commissioner of Revenue

Per Minnesota Statutes, section 3.197, any report to the Legislature must contain, at the beginning of the report, the cost of preparing the report, including any costs incurred by another agency or another level of government.

This report cost \$14,500.

INTRODUCTION

Minnesota Laws 2008, Chapter 366, Article 6, Section 49 mandated that the Minnesota Department of Revenue research the assessment practices with regards to the tax status of institutions of purely public charity. Specifically, subdivision 1, paragraph (a) mandates that:

“The commissioner of revenue shall survey all county assessors on:

(1) the tax status of property of institutions of purely public charity located in the state, including detail on the type of organization and the use of the property; and

(2) their practices and policies in determining the tax status of property of institutions of purely public charity, including the extent to which the assessment practices and policies require the institutions to provide goods or services for free or at below market prices and on the treatment of government payments.”

This law was in response to concerns from Minnesota nonprofit organizations and others that a recent Minnesota Supreme Court ruling would affect charitable organizations that had previously been receiving property tax exemption. The Department of Revenue is required by that same law to report its findings to the legislature. After having conducted a survey of counties and reviewing the information gathered, the department presents this report.

BACKGROUND

Minnesota Statutes, section 272.01, subdivision1, holds that

“All real and personal property in this state, and all personal property of persons residing therein, including the property of corporations, banks, banking companies, and bankers, is taxable, except Indian lands and such other property as is by law exempt from taxation.”

In other words, all property is taxable except for that which, by law, is exempt. A number of court cases have stated this requirement even more succinctly by consistently holding that “taxation is the rule and exemption is the exception.” For each property which is granted exemption, the tax burden associated with that property is shifted to others. When a charitable institution seeks property tax exemption, it must meet requirements outlined in Minnesota Statutes. Minnesota Statutes, section 272.02, subdivision 7 provides that institutions of purely public charity may be exempt from property taxes if certain requirements are met. Namely,

“Institutions of purely public charity are exempt. In determining whether rental housing property qualifies for exemption under this subdivision, the following are not gifts or donations to the owner of the rental housing:

(1) rent assistance provided by the government to or on behalf of tenants; and

(2) financing assistance or tax credits provided by the government to the owner on condition that specific units or a specific quantity of units be set aside for persons or families with certain income characteristics.”

As with any other entity seeking exemption from property taxes, three key items are that the property must be owned by an institution of purely public charity, used by the institution for charitable purposes, and must be reasonably necessary to the organization as a means to accomplish its charitable purposes. This is, in fact, a key concept for most property types seeking exemptions. Ownership and use are required, and an organization seeking property tax exemption must find the property reasonably necessary to accomplish its exempt purpose.

Under current practice, most of the requirements for an institution of purely public charity to qualify for property tax exemption are provided by court decisions rather than statute. First and foremost, the definition of what constitutes a “charity” has been considered in many court cases. In the recent decision *Under the Rainbow Child Care Center, Inc. v. County of Goodhue*, 2007, the Minnesota Supreme Court defined that a “core characteristic” of a charitable institution is that the institution must give something away. An organization would meet this criterion by providing a good or service for free or at below-market rates.

In *Junior Achievement of Minneapolis, Inc. v. State*, 1965 (271 Minn. 385, 390, 135 N.W.2d 881, 885), the Minnesota Supreme Court interpreted “lessening the burden of government” as a factor to consider for an institution of purely public charity to qualify for property tax exemption. Since that time, this factor has been discussed at length as to how it pertains to granting exemptions.

In *Assembly Homes, Inc. v. Yellow Medicine County*, 1966 (273 Minn. 197, 140 N.W.2d 336), the Court decided that a nursing home was exempt from property taxes as an institution of purely public charity. At issue in this case was whether the institution served as a charitable organization while charging rates to its clientele that were similar to the rates charged elsewhere in the State of Minnesota by non-exempt nursing homes. Some of the payments received by Assembly Homes, Inc. were made by county welfare boards and federal institutions such as the U.S. Veterans Administration. The court decided that the exemption was allowable based on several factors, not just the rates for its services.

For many years, the courts basically used a two-step analysis in determining exemption: that the organization does something which benefits people, and that the organization does this in a way that does not produce material profits for private interests. These criteria were greatly expanded under the guidelines set forth in the 1975 *North Star Research Institute v. County of Hennepin* case (306 Minn. 1, 6, 236 N. W. 2d 754, 757). These six guidelines have been extensively used in determining tax exempt eligibility of institutions of purely public charity. The *North Star* case held the following six guidelines as useful in deciding tax-exempt claims:

1. whether the stated purpose of the undertaking is to be helpful to others without immediate expectation of material reward;
2. whether the entity involved is supported by donations and gifts in whole or in part;
3. whether the recipients of the “charity” are required to pay for the assistance received in whole or in part;
4. whether the income received from gifts, donations, and charges to users produces a profit to the charitable institution;

5. whether the beneficiaries of the “charity” are restricted or unrestricted, and if restricted, whether the class of persons to whom the charity is made available is one having a reasonable relationship to the charitable objectives; and
6. whether dividends, in form or substance, or assets upon dissolution are available to private interests.

Not all six guidelines need to be met, and none of the six guidelines carries more weight than any other. Further, the “lessening the burden of government” requirement from the aforementioned *Junior Achievement* case has been understood to be a subfactor of the fifth. For institutions seeking property tax exemption, there was a deal of unpredictability in terms of whether the criteria would be met in a way which would qualify that property for exemption. Also, organizations which had exempt property may have felt that, by definition, the six factors had been met. Many counties noted the application of the *North Star* factors when determining property tax exemption eligibility, yet the unpredictability of criteria used in granting exemptions is very clear in the survey results which were conducted pursuant to the 2008 legislation which required this report.

As stated above, in 2007, Minnesota Supreme Court decided in *Under the Rainbow Child Care Center, Inc. v. County of Goodhue* that if a daycare center does not offer its services for free or at a reduced rate compared to the local market, thereby satisfying North Star factor three, the institution would not qualify for property tax exemption. In the past, numerous court cases have cited the North Star factors as a whole while providing that not all six factors needed to be met and that no factor was more determinative of eligibility for exemption. The Supreme Court for the first time held in *Under the Rainbow* that because North Star factor 3 “...is a core characteristic of an institution of public charity, we now clarify that the third factor must be satisfied if an organization is to be deemed an institution of purely public charity [emphasis added].” The required expectation is that to be considered a “charity” for taxation purposes, an institution must offer free or reduced rates on its services. Among other issues, this is problematic if there is no definable local market to compare to, or when rates are pre-set by government entities.

Many nonprofit groups in the state felt that the *Under the Rainbow* decision could drastically change the ability of some organizations to be exempted from property taxes. The Department of Revenue did not feel that the decision represented a change. A memorandum to all county assessors following the decision stated that “For many years, we have held that for an entity to qualify as an institution of purely public charity there must be some sort of ‘gift’ or ‘charity.’” The department did not understand the court’s decision to constitute a change from what had been current assessment practices.

In a response to the legislation requiring a survey of assessment practices and providing a moratorium for granting exemptions to charitable institutions, the Department of Revenue invited various members of Minnesota nonprofit organizations to discuss their concerns about potential changes in exempt status for many institutions. Many charitable organizations felt at risk of losing their tax-exempt status if the third *North Star* factor was not met based upon the court’s interpretation of necessary charitable activities. For example, organizations such as Meals on Wheels felt threatened based on the fact that there were no similar organizations with which to judge a market rate. It soon became clear that

discussions would not be enough to address these concerns, and that clarifying legislation was likely needed.

In the spring of 2008, nonprofit organizations and the department discussed how it might be possible to introduce a bill which would not seek to expand eligibility but to reinstate eligibility in the way it was understood both before and after the *Under the Rainbow* decision. A fear of “selective enforcement” was discussed, which would hinder equalization in the tax process. With the legislative session nearing an end, it was determined that the best course would be to seek a moratorium on assessment practices with regards to institutions of purely public charity. This was granted in Minnesota Laws, Chapter 366, Article 6, Section 49, along with the directive to survey county assessors’ practices. The moratorium has allowed the assessment and nonprofit communities to discuss concerns over how to prevent changes to the landscape of exempt charitable organizations. Many of the points of discussion are contained in this report. While both groups agree that compromise is difficult while remaining assured that exemption guidelines will not change, much progress has been made in determining what criteria are most important to both groups in terms of granting predictability to all charitable institutions seeking property tax exemption.

Over the last six months, the department has met with members of Minnesota charitable organizations and members of the assessment community, including:

- Minnesota Council of Nonprofits
- Care Providers of Minnesota
- Aging Services of Minnesota (formerly Minnesota Health & Housing Alliance)
- Minnesota Association of Assessing Officers
- Minnesota House of Representatives staff
- Minnesota Senate staff
- Minnesota Department of Revenue Property Tax Division
- Minnesota Department of Revenue Appeals and Legal Services Division

Meetings were held on August 8, October 15, November 13, November 25, December 9, January 5, and January 28. Meetings were held in both Minneapolis and Saint Paul. In addition, the groups communicated with each other via email and telephone conversations over these months to discuss both the survey results and what actions may need to be taken in response to our findings. This report contains the survey responses from counties concerning their assessment practices per legislative requirements, as well as information gathered from the various above-mentioned meetings between the groups.

THE SURVEY

On July 21, 2008, all Minnesota Counties and the City of Minneapolis were sent a survey regarding assessment practices of institutions of purely public charity. Of the 87 counties in Minnesota, 84 counties and the City of Minneapolis responded. Crow Wing, Lake, and Sibley counties did not respond to the survey. Each jurisdiction was asked to submit information regarding the following types of exempted institutions:

- Nursing homes
- Daycare centers
- Youth activity centers

- Group homes
- Other institutions

Further, each jurisdiction was asked to submit answers to the following five questions:

1. What are the jurisdictions standard practices and policies used in determining the exempt status of institutions of purely public charity?
2. What criteria might the jurisdictions use to determine that an institution is not eligible for property tax exemption?
3. Do the jurisdictions require an institution to provide goods or services for free or at below-market prices?
4. Do the jurisdictions consider government payments for goods or services as donations?
5. Do the jurisdictions consider government grants as donations?

In general, a review of the survey results has allowed us to identify the following types of institutions commonly reported on the survey as institutions of purely public charity that are exempted from property tax:

- Nursing homes
- Daycare centers
- Group homes
- Youth activity centers (Boy Scouts, Girl Scouts, youth camps, etc.)
- Animal shelters (Humane Society)
- Nature and history preservation sites (museums, Nature Conservancy land, etc.)
- Sobriety-based organizations (AA, Alano, rehabilitation, etc.)
- Senior citizen centers
- Organizations devoted to the training of disabled persons
- YMCA buildings
- Crisis pregnancy centers
- Salvation Army locations
- American Red Cross sites
- Food shelf/food bank locations
- Land owned by Habitat for Humanity (after homes are built on the land, the property becomes taxable)
- Transitional housing facilities
- Housing and services for persons with physical and/or mental disabilities
- Art and cultural institutions

Several of the above property types have separate specific statutory exemptions (such as some senior citizens centers and transitional housing facilities).

The answers given by the jurisdictions concerning what criteria are used in determining the exempt status of an institution of purely public charity varied widely. For example, the not-for-profit 501(c)(3) status of an organization was considered necessary by 22 respondents (26%). Many jurisdictions noted that they would examine the organizations Articles of Incorporation and By-laws, or the IRS form 990. Of the 85 respondents, 43 jurisdictions **specifically** listed the six *North Star* factors as a guideline for granting exemption (representing approximately 51% of respondents). This reflects an understanding and familiarity with the *North Star* case. It is possible that more jurisdictions use the *North Star*

factors as guidelines for exemption, and this number simply reflects those respondents who specifically mentioned the case or its factors as determinative.

Other reasons given for granting exemption vary. For example, Douglas County responded that they determine, via application, whether the applicant competes with a taxable entity and whether the organization provides a service that the government would normally provide, or would otherwise have to provide. Swift County reviews applications with assessors from other counties to see if similar properties owned by the same entity are exempted. Many counties noted that they would seek advice from the Department of Revenue if a question arose. The City of Minneapolis would request funding information if the organization were supported by grants. Winona County would hold a meeting with any newly-applying organization.

Answers were equally varied when asked what criteria are used to determine that an organization is not eligible for exemption. Typically, for-profit status was noted as a reason for denying exemption. Also the exclusion of certain persons, for inability to pay or for other reasons, would be a factor when denying exemption. Further, lack of substantial donations or advice from the Department of Revenue or county attorneys may be used. Beltrami County noted that failure to meet North Star factors 1, 2, 4, and 6 would be cause to deny exemption. Cass County answered that they would question whether the organization lessened the burden of government. Further, Douglas, Hennepin, Hubbard, Itasca, Le Sueur, Marshall, Mower, Olmsted, Ramsey, and Rock counties also noted lessening the burden of government as a consideration. Watonwan County stated that they would deny exemption if the property were not used for the purposes of the organization (for example, if rented to a non-exempt entity). Freeborn County noted that exemption would not be granted if a similar for-profit organization offered the same goods or services for the same price.

It is clear that many of the guidelines used are “feeling-based” as opposed to “fact-based.” Some criteria are possible to verify through documentation: 501(c)(3) statuses, Articles of Incorporation, amount of donations, fees charged, etc. However, some criteria are less obvious in terms of proving: defining “charity,” lessening the burden of government, competition in market, etc.

Of the 85 respondents, 50 said that they did require institutions to provide goods or services for free or at below-market prices (representing approximately 59% of respondents). However, 12 counties do not require this practice. Of the remaining respondents, difficulty ascertaining market prices or lack of similar organizations made this question unanswerable. Other counties said that, while this is a factor that is regarded, it is not the sole determining factor used in whether or not an exemption is granted. The determination of “market rates” was discussed as a problem by members of the nonprofit community as well.

Concerning whether or not government payments for goods or services are considered donations, 19 respondents consider them donations while 49 do not. Some jurisdictions did not respond with a “yes” or a “no” (for example, Anoka County refers all questions to the County Attorney).

As for government grants, 21 respondents consider them a donation while 36 do not. Again, some counties were unable to provide clear answers to the question and stated that “maybe” they would be considered donations.

It is very clear that there are many inconsistencies with regards to assessment practices of institutions of purely public charity. The wide variety of some exempted institutions did not lend itself to being helpful either. For example, the following types of property were inexplicably granted exemption as institutions of purely public charity:

- A Lake Association property which houses weed-removal equipment
- A pet cemetery
- A property used to house the music collection of nonprofit music-lending library and storage for a local Brass Band Wagon and the band’s equipment
- Property used for storage and maintenance of groomer vehicles for state snowmobile trails
- A community garden
- Christian bookstore
- Storage facility for the Land of Lakes Choirboys

SURVEY ANALYSIS

As stated, the Department of Revenue has had the opportunity to meet on a number of occasions with members of the nonprofit sector within the state of Minnesota to analyze the survey’s results and what direction it may have given towards legislation. Based on survey results and analysis, the Department of Revenue presents the following issues and recommended actions pertaining to them.

Issues and Recommendations

1. **Issue** – Lack of predictability with regards to granting of exemption and unequal assessment practices throughout the state.

Recommendation - Clear legislative direction would add transparency and predictability for the nonprofit community in terms of how exemptions are granted. The Department of Revenue and the Minnesota Council of Nonprofits, the Minnesota Association of Assessing Officers, and legislative staff have worked to develop generally agreed-upon language, and have made great progress toward that goal. Importantly, both the Department of Revenue and the Council of Nonprofits agree that any new language should neither restrict nor expand eligibility requirements for property tax exemption for institutions of purely public charity. We believe that the language presented adds a necessary level of predictability.

2. **Issue** – Many currently exempt nursing homes do not have the “substantial” level of donations required for other charities under the *Under the Rainbow* decision.

Recommendation – Separate legislation providing a specific exemption for nonprofit nursing homes that do not discharge patients for inability to pay.

3. **Issue** – With statutory guidelines as-is, there is confusion in the nonprofit community concerning which types of government “payments” are eligible to be considered donations. Further, the definition of “government grants” is continuously debated between both groups.

Recommendation – Statutory guidelines concerning which types of government payments qualify as “donations” would reduce the sense of obscurity in the nonprofit community. While an agreement has been made on this issue for the purpose of having drafted language, the Department of Revenue feels that the definition included might expand current exemptions. Although the nonprofit sector does not share this concern, we feel it is prudent to address the fact that this agreement resulting in this compromise of language is not intended to deviate from our agreed-upon purpose to not expand exemptions.

4. **Issue** – Throughout the meetings, both groups agreed that it would be of utmost importance to have statutory language which neither expands nor contracts current practice. It is understood that the potential exists for one word to cause an expansion or contraction of current practice and it is nearly impossible to have language which does not change the current landscape. Language has been developed which represents the committee’s best efforts to redefine or add statutory clarification that would neither expand nor contract current practices. In spite of everyone’s best efforts and intentions, each group is still concerned about the potential for changes of exempt status of some institutions due to potential interpretation of new language.

Recommendation – To provide a sense of security for both groups in terms of granting exemptions, the Department of Revenue, The Minnesota Association of Assessing Officers, and the Minnesota Council of Nonprofits all recommend the creation of a three-member review board comprised of one member representing each the Minnesota Association of Assessing Officers, the Minnesota Council of Nonprofits, and the nonprofit community. Institutions of purely public charity and county assessors would be able to review the tax status of the property with this board and receive a non-binding recommendation prior to, or in lieu of, an appeal to Tax Court. The panel would establish its own guidelines in consideration of fairness and equality to taxpayers and members of the nonprofit community. A review panel could be in addition to statutory changes defining the process for granting exemptions to these properties. The review board may also help to identify or prevent any unintended consequences which may arise from new legislation, such as the expansion or contraction of current exemptions, and make recommendations as needed for legislative change.

CONCLUSION

It is evident from the survey that there is a lack of uniformity throughout the state in terms of granting or denying exemptions to property owned by institutions of purely public charity.

While the Department of Revenue viewed *Under the Rainbow* as providing some clarification of existing requirements, the nonprofit community representatives stated that many property owners they represented felt that the decision potentially threatened existing exemptions. This difference of opinion seems based on both a genuine difference in opinion about the impacts of the decision as well as how some subject properties may have been treated in the past or in various counties. Based upon survey results, there may be a reasonable reason to believe that in some counties the *Under the Rainbow* decision has affected exemptions, although this is not necessarily true of all counties.

Members of the assessment community and the nonprofit community agree that clear guidelines are needed to prevent inequalities in the tax-status of these institutions. Notably, the consensus is that the *North Star* factors should likely be codified (with possible minor changes), and that eligibility requirements should neither be expanded nor contracted from current law.

Various meetings between the department and nonprofit and assessment communities over several months have led to a compromise in terms of some desired language. As stated, there are still points which the groups continue to discuss in terms of how new language may or may not change current practices. For example, the nonprofit community discussed a desire for language that “no single factor is determinative” in terms of granting exemption to properties of charitable institutions. The Department of Revenue and the assessment community is reluctant to accept such language due to the potential for expansion of current practices.

Some members of the groups had also argued that *North Star* factors 1, 4, and 6 were definitive of nonprofits. The argument can be made that this would narrow current exemption practices. *North Star* factors 2, 3, and 5 therefore are still considered to be not inherently determinative of exempt status. The groups have tried to create language that would encompass this idea, while also modifying factors 2, 3, and 5 to better reflect current assessment practices and exempt guidelines without expansion or contraction.

The importance of law which was neither restrictive nor expansive in comparison to practices prior to *Under the Rainbow* was requested by members of the nonprofit community, although there was little agreement as to how this could be achieved. There is a conflict in defining what the “current practices” are, based upon statewide inconsistencies in granting exemptions for these institutions. The department’s opinion is that the *Under the Rainbow* decision simply made explicit what was previously implied. However, it appears based upon survey results that some counties at various times may not have viewed “free or reduced prices” as a necessary factor in granting exemptions prior to *Under the Rainbow*.

As a result of the strong working relationships developed between the groups during subsequent meetings, and also through an understanding of the challenges facing nonprofits and assessors, a consensus was reached as to what sort of legislation could successfully address the issues outlined above. The Department of Revenue, along with members of the assessment and nonprofit communities, and legislative staff has drafted generally agreed-upon potential statutory language. The language is the product of weeks of meetings between the Department of Revenue, the Minnesota Council of Nonprofits, assessors representing the MAAO and County Attorneys from Hennepin and Ramsey counties.

One of the issues which has been most troublesome in terms of resolving conflict is to distinguish between government payments for services (not qualifying as “donations” under several court cases) and government grants (which do qualify as “donations” under several court cases). A submitted draft, contained in the Appendix of this report, includes a recommended definition of qualifying payments which the legislature may wish to accept or change.

Yet another issue that the groups debated heavily was the degree to which the legislature wants exemption of a property of an institution of purely public charity to be based upon what the organization “does” irrespective of the amount and type of donations which the organization relies upon, and whether the organization provides its goods or services for free or at reduced prices. For example, because of the differences between some nursing homes and other charitable organizations, we would suggest language which would include a separate exemption for nursing homes. The legislature may want to consider this separate exemption in order to add more certainty for these institutions. The legislature may disagree with this approach, or may think that additional organizations belong in this category.

APPENDIX

DRAFT - 02/02/09

1.1 A bill for an act
1.2 relating to property taxes; providing clarification for eligibility for property tax
1.3 exemption for public charity institutions; amending Minnesota Statutes 2006,
1.4 section 272.02, subdivision 7.

1.5 Subd. 7. **Institutions of public charity.** (a) Institutions of purely public charity are
1.6 exempt. In determining whether property owned by an institution of purely public charity
1.7 is exempt, the following factors must be considered:

1.8 (1) whether the stated purpose of the undertaking is to be helpful to others without
1.9 immediate expectation of material reward;

1.10 (2) whether the institution of public charity involved is supported by material
1.11 donations, gifts, or government grants for services to the public in whole or in part;

1.12 (3) whether a material number of the recipients of the charity receive benefits or services
1.13 at reduced or no cost, or whether the organization provides services to the public that
1.14 alleviate burdens or responsibilities that would otherwise be borne by the government;

1.15 (4) whether the income received including material gifts and donations produces a profit
1.16 to the charitable institution that is distributed to private interests;

1.17 (5) whether the beneficiaries of the charity are restricted or unrestricted and, if
1.18 restricted, whether the class of persons to whom the charity is made available is one
1.19 having a reasonable relationship to the charitable objectives;

1.20 (6) whether dividends, in form or substance, or assets upon dissolution are available
1.21 to private interests.

1.22 All six factors must be satisfied for a charitable organization
1.23 to qualify as an institution of purely public charity under this subdivision unless there is
1.24 reasonable justification for missing factors (2), (3), or (5). If there is reasonable
1.25 justification for the missing factors, an organization is a purely public charity
1.26 under this subdivision without meeting all six factors. Once an exemption is properly
1.27 granted, it will remain in effect unless there is a material change in facts.

1.28 (b) For purposes of this subdivision, a grant is a written instrument or electronic document
1.29 defining a legal relationship between a granting agency and a grantee when the principal
1.30 purpose of the relationship is to transfer cash or something of value to the grantee to
1.31 support a public purpose authorized by law in a general manner instead of acquiring by
1.32 professional or technical contract, purchase, lease, or barter property or services for the
1.33 direct benefit or use of the granting agency.

2.1 (c) In determining whether rental housing property qualifies for exemption under
2.2 this subdivision, the following are not gifts or donations to the owner of the rental housing:
2.3 (1) rent assistance provided by the government to or on behalf of tenants; and
2.4 (2) financing assistance or tax credits provided by the government to the owner on
2.5 condition that specific units or a specific quantity of units be set aside for persons or
2.6 families with certain income characteristics.

2.7 **EFFECTIVE DATE.** This section is effective for taxes payable in 2010 and
2.8 thereafter.

2.9 Sec. 2. **PURPOSE.**

2.10 The purpose of section 1 is to neither contract nor expand the definition of
2.11 “institutions of purely public charity” but to provide clear standards that can be applied
2.12 uniformly to determine eligibility for exemption from property taxation.