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BILL ANALYSIS

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Senate Bill 751 (Substitute S-1 as reported)
Sponsor: Senator Jason E. Allen
Committee: Commerce and Labor

CONTENT

The bill would amend Public Act 137 of 1929, which provides for the formation of corporations by summer resort owners, to revise the member approval requirements for the board of a summer resort corporation to set and collect annual dues and special assessments from its members.

The bill specifies that, unless the members of a summer resort corporation by a vote of a majority of all the members, specifically provided by resolution for approval by a majority of the votes cast by the members voting, the vote of a majority of all of the members of the corporation would be required to approve an action of the board relating to dues and assessments.

The Act allows a summer resort corporation to assess annual dues and special assessments against its members, by a vote of a majority of the members, for the purpose of carrying into effect any of the powers authorized by the Act. The Act also allows the corporation to prescribe the time and manner of payment and manner of collection of dues and assessments; provide that delinquent dues and assessments become a lien upon the delinquent member's land; and provide the manner and method of enforcing a lien.

Under the bill, a summer resort corporation's board of trustees could require that the members of the corporation pay annual dues or special assessments for any purpose authorized under the Act. Approval of the members would be required. With the approval of the members, the board would have to prescribe the time and manner of payment and manner of collection of the annual dues or special assessment. Also, with the approval of the members, the board could provide that delinquent annual dues or assessments would become a lien upon the delinquent member's land and could provide the manner and method of enforcing a lien.

The bill states, "It is the intent of the legislature to reconcile conflicting opinions of the attorney general in the interpretation of this act, and to ratify...attorney general opinion no. 7164 of 2004, concerning the appropriate vote of the members required to approve an action of the board...".

MCL 455.219

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 10-7-05

Fiscal Analyst: David Zin

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Bill Analysis @ www.senate.michigan.gov

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.