

**SUBSTITUTE FOR
HOUSE BILL NO. 4668**

A bill to amend 1897 PA 230, entitled

"An act to provide for the formation of corporations for the purpose of owning, maintaining and improving lands and other property kept for the purposes of summer resorts or for ornament, recreation or amusement, and to repeal all laws or parts of laws in conflict herewith; and to impose certain duties on the department of commerce,"

(MCL 455.1 to 455.24) by adding section 16a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **SEC. 16A. (1) BEGINNING JANUARY 1, 2012, IF A CORPORATION**
2 **SUBJECT TO THIS ACT HAS REAL PROPERTY THAT HAS BEEN PLATTED UNDER**
3 **SECTION 20 AND LOTS IN THAT PLAT HAVE BEEN LEASED TO STOCKHOLDERS**
4 **UNDER SECTION 21, ALL OF THE TAXABLE AND ASSESSED VALUES OF THE**
5 **CORPORATION'S REAL PROPERTY WITHIN THAT PLAT SHALL BE ALLOCATED TO**
6 **THE STOCKHOLDER LESSEES SO THAT EACH STOCKHOLDER LESSEE IS FAIRLY**

1 ASSESSED FOR ALL OF THE FOLLOWING:

2 (A) THE REAL PROPERTY EACH STOCKHOLDER LESSEE LEASES FROM THE
3 CORPORATION.

4 (B) ANY OF THE CORPORATION'S REAL PROPERTY IMPROVEMENTS THAT
5 ARE WITHIN THE PLAT AND ARE AVAILABLE FOR THE COMMON AND EXCLUSIVE
6 USE OF THE CORPORATION'S STOCKHOLDER LESSEES, INCLUDING GUESTS OF
7 THE STOCKHOLDER LESSEES.

8 (2) A CORPORATION MAY PROPOSE TO THE ASSESSOR OF THE LOCAL TAX
9 COLLECTING DISTRICT IN WHICH THE PROPERTY IS LOCATED THE PERCENTAGE
10 THE ASSESSOR SHOULD USE TO ALLOCATE THE TAXABLE AND ASSESSED VALUES
11 OF THE CORPORATION'S PROPERTY WITHIN THE PLAT TO THE PROPERTY THAT
12 THE STOCKHOLDER LESSEES LEASE FROM THE CORPORATION. THE PERCENTAGE
13 OF ALLOCATION THAT THE CORPORATION MAY PROPOSE SHALL MEET ALL OF
14 THE FOLLOWING REQUIREMENTS:

15 (A) THE TOTAL ALLOCATION SHALL EQUAL 100%.

16 (B) THE ALLOCATION SHALL BE THE SAME AS, OR CALCULATED USING
17 THE SAME METHODOLOGY AS, THE CORPORATION USED IN THE IMMEDIATELY
18 PRECEDING TAX YEAR TO ALLOCATE THE CORPORATION'S REAL PROPERTY
19 TAXES TO THE CORPORATION'S STOCKHOLDERS FOR PAYMENT TO THE
20 CORPORATION, IF THE CORPORATION MADE SUCH AN ALLOCATION.

21 (3) IF THE ASSESSOR ALLOCATES TAXABLE AND ASSESSED VALUES AS
22 PROPOSED UNDER SUBSECTION (2), THAT ALLOCATION IS PRESUMED TO BE A
23 FAIR ASSESSMENT OF THE ALLOCATED TAXABLE AND ASSESSED VALUES. IF A
24 STOCKHOLDER LESSEE APPEALS THAT ALLOCATION, THAT STOCKHOLDER LESSEE
25 HAS THE BURDEN OF PROOF TO ESTABLISH BY CLEAR AND CONVINCING
26 EVIDENCE THAT THE TAXABLE AND ASSESSED VALUES ALLOCATED BY THE
27 ASSESSOR VIOLATE THIS SECTION.

1 (4) IF THE TAXABLE AND ASSESSED VALUES OF A CORPORATION'S REAL
2 PROPERTY ARE ALLOCATED TO THE CORPORATION'S STOCKHOLDER LESSEES
3 UNDER THIS SECTION, ALL OF THE FOLLOWING APPLY TO ANY REAL PROPERTY
4 WITHIN THE PLAT THAT IS OWNED BY THE CORPORATION AND THAT IS
5 AVAILABLE FOR THE COMMON AND EXCLUSIVE USE OF THE STOCKHOLDER
6 LESSEES IN ANY SUBSEQUENT TAX YEAR:

7 (A) THE TAXABLE AND ASSESSED VALUES ARE ZERO, BECAUSE THE
8 VALUE OF THAT REAL PROPERTY IS INCLUDED IN THE ASSESSMENT OF THE
9 REAL PROPERTY LEASED BY THE STOCKHOLDER LESSEES.

10 (B) IF A STOCKHOLDER LESSEE ASSIGNS A LEASE OF THE
11 CORPORATION'S REAL PROPERTY AND TRANSFERS THE RELATED CORPORATION
12 STOCK, THE VALUE OF THE PROPERTY SUBJECT TO THAT LEASE IS DEEMED TO
13 BE INCLUDED IN THE PRICE PAID FOR A TRANSFER OF THE REAL PROPERTY
14 INTERESTS OF A STOCKHOLDER LESSEE. THE PURCHASE PRICE PAID FOR AN
15 ASSIGNMENT AND TRANSFER AS DESCRIBED UNDER THIS SUBDIVISION IS NOT
16 THE PRESUMPTIVE TRUE CASH VALUE OF THE PROPERTY TRANSFERRED AS
17 PROVIDED IN SECTION 27(5) OF THE GENERAL PROPERTY TAX ACT, 1893 PA
18 206, MCL 211.27.

19 (5) IF A STOCKHOLDER LESSEE ASSIGNS A LEASE OF THE
20 CORPORATION'S REAL PROPERTY AND TRANSFERS THE RELATED CORPORATION
21 STOCK, A PROPERTY TRANSFER AFFIDAVIT SHALL BE FILED AS PROVIDED IN
22 SECTION 27A(10) OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL
23 211.27A.

24 (6) AS PROVIDED UNDER SECTION 27A OF THE GENERAL PROPERTY TAX
25 ACT, 1893 PA 206, MCL 211.27A, AN ASSESSMENT ROLL CHANGE OR TAX
26 ROLL CHANGE RESULTING FROM THE APPLICATION OF THIS SECTION IS NOT A
27 TRANSFER OF OWNERSHIP.

1 Enacting section 1. This amendatory act does not take effect
2 unless House Bill No. 4669 of the 96th Legislature is enacted into
3 law.