

**SENATE 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 ASSESSED**
7 **FOR ALL OF THE FOLLOWING:**

8 **(A) THE REAL PROPERTY EACH STOCKHOLDER LESSEE LEASES FROM THE**

1 CORPORATION.

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

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

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

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

19 (3) IF THE ASSESSOR ALLOCATES TAXABLE AND ASSESSED VALUES AS
20 PROPOSED UNDER SUBSECTION (2) AND IF A STOCKHOLDER LESSEE APPEALS
21 THAT ALLOCATION, THAT STOCKHOLDER LESSEE HAS THE BURDEN OF PROOF TO
22 ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THAT THE TAXABLE AND
23 ASSESSED VALUES ALLOCATED BY THE ASSESSOR VIOLATE THIS SECTION.

24 (4) IF THE TAXABLE AND ASSESSED VALUES OF A CORPORATION'S REAL
25 PROPERTY ARE ALLOCATED TO THE CORPORATION'S STOCKHOLDER LESSEES
26 UNDER THIS SECTION, ALL OF THE FOLLOWING APPLY TO ANY REAL PROPERTY
27 WITHIN THE PLAT THAT IS OWNED BY THE CORPORATION AND THAT IS

1 AVAILABLE FOR THE COMMON AND EXCLUSIVE USE OF THE STOCKHOLDER
2 LESSEES IN ANY SUBSEQUENT TAX YEAR:

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

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

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

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

24 (7) FOR THE 2012 TAX YEAR, THE TOTAL TAXABLE VALUE ALLOCATED
25 TO THE STOCKHOLDER LESSEES SHALL NOT EXCEED THE TOTAL TAXABLE VALUE
26 OF THE CORPORATION'S REAL PROPERTY ON THE TAX ROLL ON DECEMBER 30,
27 2011 MULTIPLIED BY THE 2012 TAX YEAR INFLATION RATE OF 1.027. AS

1 USED IN THIS SUBSECTION, "INFLATION RATE" MEANS THE RATE DETERMINED
2 UNDER SECTION 34D OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL
3 211.34D, WHICH FOR THE 2012 TAX YEAR IS 1.027.

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