

Legislative Analysis



SUMMER RESORT AND PARK ASSOCIATIONS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 129 as passed by the Senate

Sponsor: Sen. Wayne Schmidt

House Committee: Local Government and Municipal Finance

Senate Committee: Economic and Small Business Development

Complete to 11-29-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 129 would amend 1897 PA 230, which provides for the incorporation of summer resort or park associations, to make the following changes:

- Currently, an association incorporated under the act cannot hold more than 700 acres of land and its personal property cannot exceed \$200,000. The bill would increase the **personal property cap** to \$6.0 million.
- The **board of directors** of the association consists of between three and nine members who must be stockholders of the corporation. The bill would allow a stockholder to nominate a spouse, a child, a stepchild, or a child's spouse to exercise his or her right to become a director.
- The board of directors is currently prohibited from authorizing an expenditure or incurring a liability on behalf of the association that is more than \$1,000 annually (or \$5,000 annually in Emmet County) without the approval of a majority of the shares of the corporation's stock. The bill would increase the **annual limit on expenditures** that can be made at the discretion of the board to \$30,000.
- The stockholders of the corporation can currently authorize the board of directors to provide for **special dues** (in addition to annual dues) of up to \$25 annually per share. The bill would increase this limit to \$750 annually per share.

Finally, the bill would provide that the dollar amounts described above (the personal property cap, the annual limit on expenditures of the board, and the special dues limit) must be **adjusted for inflation** using the statewide Consumer Price Index.

MCL 455.3 et seq.

BACKGROUND:

Senate Bill 129 is identical to Senate Bill 1054 of the 2019-20 legislative session, which was passed by the Senate.

FISCAL IMPACT:

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

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.