

**SUMMER RESORT AND PARK ASSOCIATIONS (EXCERPT)**  
**Act 230 of 1897**

**455.16a Allocation of taxable and assessed values to stockholder lessees; percentage; burden of proof; property transfer affidavit; assessment roll change or tax roll change; "inflation rate" defined.**

Sec. 16a.

(1) Beginning January 1, 2012, if a corporation subject to this act has real property that has been platted under section 20 and lots in that plat have been leased to stockholders under section 21, all of the taxable and assessed values of the corporation's real property within that plat shall be allocated to the stockholder lessees so that each stockholder lessee is assessed for all of the following:

(a) The real property each stockholder lessee leases from the corporation.

(b) Any of the corporation's real property improvements that are within the plat and are available for the common and exclusive use of the corporation's stockholder lessees, including guests of the stockholder lessees.

(2) A corporation may propose to the assessor of the local tax collecting district in which the property is located the percentage the assessor may use to allocate the taxable and assessed values of the corporation's property within the plat to the property that the stockholder lessees lease from the corporation. The percentage of allocation that the corporation may propose shall meet all of the following requirements:

(a) The total allocation shall equal 100%.

(b) The allocation shall be the same as, or calculated using the same methodology as, the corporation used in the immediately preceding tax year to allocate the corporation's real property taxes to the corporation's stockholders for payment to the corporation, if the corporation made such an allocation.

(3) If the assessor allocates taxable and assessed values as proposed under subsection (2) and if a stockholder lessee appeals that allocation, that stockholder lessee has the burden of proof to establish by clear and convincing evidence that the taxable and assessed values allocated by the assessor violate this section.

(4) If the taxable and assessed values of a corporation's real property are allocated to the corporation's stockholder lessees under this section, all of the following apply to any real property within the plat that is owned by the corporation and that is available for the common and exclusive use of the stockholder lessees in any subsequent tax year:

(a) The taxable and assessed values are zero, because the value of that real property is included in the assessment of the real property leased by the stockholder lessees.

(b) If a stockholder lessee assigns a lease of the corporation's real property and transfers the related corporation stock, the value of the property subject to that lease is deemed to be included in the price paid for a transfer of the real property interests of a stockholder lessee. The purchase price paid for an assignment and transfer as described under this subdivision is not the presumptive true cash value of the property transferred as provided in section 27(5) of the general property tax act, 1893 PA 206, MCL 211.27.

(5) If a stockholder lessee assigns a lease of the corporation's real property and transfers the related corporation stock, a property transfer affidavit shall be filed as provided in section 27a(10) of the general property tax act, 1893 PA 206, MCL 211.27a.

(6) As provided under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a, an assessment roll change or tax roll change resulting from the application of this section is not a transfer of ownership.

(7) For the 2012 tax year, the total taxable value allocated to the stockholder lessees shall not exceed the total taxable value of the corporation's real property on the tax roll on December 30, 2011 multiplied by the 2012 tax year inflation rate of 1.027. As used in this subsection, "inflation rate" means the rate determined under section 34d of the general property tax act, 1893 PA 206, MCL 211.34d, which for the 2012 tax year is 1.027.

**History:** Add. 2012, Act 46, Imd. Eff. Mar. 13, 2012