

Act No. 20
Public Acts of 2022
Approved by the Governor
March 10, 2022
Filed with the Secretary of State
March 10, 2022
EFFECTIVE DATE: Sine Die

**STATE OF MICHIGAN
101ST LEGISLATURE
REGULAR SESSION OF 2022**

Introduced by Senators Schmidt, Bumstead and Theis

ENROLLED SENATE BILL No. 129

AN ACT 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,” by amending the title and sections 3, 9, 10, and 23 (MCL 455.3, 455.9, 455.10, and 455.23), the title and section 3 as amended by 1982 PA 117.

The People of the State of Michigan enact:

TITLE

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; to provide for the powers and duties of certain state governmental officers and entities; and to repeal acts and parts of acts.

Sec. 3. (1) The articles of association must be filed with the department of licensing and regulatory affairs.

(2) All persons who subscribed the articles of association, stockholders of the corporation, and their successors shall be a body politic and corporate, by the name specified in the articles of association.

(3) The majority of the stockholders may direct the owning, holding, or purchasing and disposing of any real or personal property or estate. Real property must not exceed 700 acres of land. Personal property must not exceed \$6,000,000.00, adjusted for inflation using the Consumer Price Index. As used in this subsection, “Consumer Price Index” means the most comprehensive index of consumer prices available for this state from the Bureau of Labor Statistics of the United States Department of Labor.

(4) The corporation may own, maintain, control, and operate a hotel, clubhouse, or other buildings for the entertainment, comfort, or convenience of its stockholders.

(5) The corporation may sue and be sued in all courts of law or equity in this state.

(6) The corporation may have a common seal and may alter and change the common seal.

(7) The corporation may alter or amend its articles of association at any regular meeting of the stockholders, or at any special meeting called for that purpose, by a vote of not less than 2/3 of all the shares of the capital stock of the corporation. Any amendment to the articles of association must be certified by the president and secretary of the corporation and filed and recorded in the same manner as the original articles of association. Any amendment to the articles of association that is filed and recorded becomes a part of the articles of association.

Sec. 9. (1) The board of directors shall consist of not less than 3 and not more than 9 members as determined by the articles of association. The members of the board of directors are stockholders. A stockholder may nominate an immediate family member to exercise the stockholder's right to become a director. A nomination under this subsection must be in writing. As used in this subsection, "immediate family member" means a stockholder's spouse, child, stepchild, or child's spouse.

(2) The full number of the board of directors must be elected at the first meeting of the corporation and must be divided into 3 equal classes. The first class shall hold their office for 1 year, the second class shall hold their office for 2 years, and the third class shall hold their office for 3 years. At each annual meeting after the first meeting, 1/3 of the total number of directors must be elected who shall hold their office for 3 years and until their successors are elected. At any election, a majority of the votes cast are sufficient to elect a director.

(3) If there is a vacancy in the board of directors, the remaining board of directors shall appoint an individual to fill the vacancy. The appointee must hold office until the next annual meeting, at which meeting the stockholders shall elect a director to fill the unexpired term.

(4) If a director ceases to own any stock of the corporation, the director ceases to be a director.

(5) A majority of the directors are a quorum for the transaction of business.

Sec. 10. (1) The board of directors of the corporation shall manage and control the stock, business, finances, rights and interests, buildings, and real and personal property of the corporation.

(2) The board of directors of the corporation has jurisdiction over the real property of the corporation and all streets, alleys, and highways passing through and over the real property of the corporation or which the corporation causes to be constructed, laid out, or maintained within that real property and over the water within and in front of that real property.

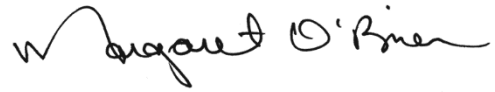
(3) The board of directors of the corporation shall not authorize any expenditure or incur any liability on behalf of the corporation that exceeds \$30,000.00 annually, adjusted for inflation using the Consumer Price Index, unless authorized by a majority of all the shares of stock by the corporation in a meeting duly assembled. As used in this subsection, "Consumer Price Index" means the most comprehensive index of consumer prices available for this state from the Bureau of Labor Statistics of the United States Department of Labor.

Sec. 23. (1) The stockholders of the corporation, at a special meeting called for that purpose by a vote of a majority of all the capital stock, may authorize the board of directors to provide for special dues in addition to the annual dues authorized in section 16, not exceeding \$750.00 per share in any 1 year, adjusted for inflation using the Consumer Price Index. As used in this subsection, "Consumer Price Index" means the most comprehensive index of consumer prices available for this state from the Bureau of Labor Statistics of the United States Department of Labor.

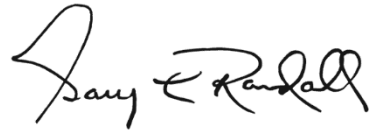
(2) The board of directors shall only use special dues assessed under this section for the purpose of paying any existing indebtedness of the corporation or for improving and bettering the property of the corporation, improving the sanitary condition of the property, providing protection from loss or damage by fire or water, or erecting, purchasing, or maintaining any hotel, clubhouse, or other building for the entertainment, comfort, or convenience of the corporation and its stockholders.

(3) Any resolution adopted by the stockholders authorizing special dues under this section must determine the purpose for which the board of directors shall use the proceeds of the special dues and the period of time in which the board may levy the special dues.

(4) The payment of special dues authorized under this section may be enforced by the corporation in the same manner provided in section 16 for the enforcement of the annual dues.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor