

**SAVINGS AND LOAN ACT OF 1980 (EXCERPT)**  
**Act 307 of 1980**

**491.711 Association as owner or lessor of personal property; proceeds of lease transaction as rent; taxation; limitation on acquisition of personal property.**

Sec. 711. (1) An association may become the owner or lessor of personal property which is acquired by the association on the specific request and for the use of a customer of the association. An association may incur any obligations it considers necessary to become the owner or lessor of such personal property.

(2) The proceeds of a lease transaction made pursuant to subsection (1) shall constitute rent, not interest.

(3) Unless otherwise provided by law, this section shall not exempt from general property taxation any personal property of an association which is leased to and used by a private individual, association, or corporation in connection with a business conducted for profit. Such personal property shall be subject to taxation in the same amount and to the same extent as though the lessee or user were the owner of the property. Taxes shall be assessed to lessees or users of the property and collected in the same manner as taxes assessed to owners of personal property, except that the taxes shall not become a lien against the personal property. When due, the taxes shall constitute a debt due from the lessee or user to the local unit of government for which the taxes were assessed.

(4) Notwithstanding the restrictions under subsection (1), an association may acquire and hold personal property, including equipment, for the purpose of leasing the property or obtaining an assignment of a lessor's interest in a lease of the property. An association shall not acquire personal property under this subsection, if the acquisition shall result in an inventory of personal property not leased in excess of 20% of the association's net worth.

**History:** Add. 1987, Act 106, Imd. Eff. July 7, 1987.