INCORPORATION OF SUMMER RESORT OWNERS
Act 137 of 1929

AN ACT to authorize the formation of corporations by summer resort owners; to authorize the purchase, improvement, sale, and lease of lands; to authorize the exercise of certain police powers over the lands owned by said corporation and within its jurisdiction; to impose certain duties on the department of commerce; and to provide penalties for the violation of by-laws established under police powers.

History: 1929, Act 137, Eff. Aug. 28, 1929;—Am. 1982, Act 89, Imd. Eff. Apr. 19, 1982.

The People of the State of Michigan enact:

455.201 Summer resort owners; incorporation, purpose.

Sec. 1. That any number of freeholders, not less than 10, who may desire to form a summer resort owners corporation for the better welfare of said community and for the purchase and improvement of lands to be occupied for summer homes and summer resort purposes, may, with their associates and successors, become a body politic and corporate, under any name by them assumed in their articles of incorporation, in the manner herein provided.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10363;—CL 1948, 455.201.

455.202 Articles of association; contents.

Sec. 2. The persons so associating shall subscribe and verify articles of association stating:

First: The corporate name chosen;

Second: The names and residences of the persons thus associating;

Third: A legal description of the land owned by each of such persons and to be subject to the jurisdiction of the corporations;

Fourth: The purposes of such corporation;

Fifth: The number of trustees to manage the affairs of said corporation, their terms of office, the names of the trustees for the first year or until the annual meeting of the corporation;

Sixth: The county in which its real estate shall be situate and its meetings held;

Seventh: The term of its existence, which shall not exceed 30 years;

Eighth: The persons so associating may provide for capital stock, in which case the articles of association shall state the amount thereof, which shall not exceed 50,000 dollars in total par value. The names, residences and number of shares subscribed by each, if any, at the time of the execution of the said articles of association.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10364;—CL 1948, 455.202.

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455.203 Execution and acknowledgment of articles of association; filing articles with department of commerce; classification of corporation as nonprofit.

Sec. 3. The execution of such articles of association shall be acknowledged by the persons signing the same before some officer authorized to take the acknowledgment of deeds. Such articles shall thereupon be filed with the corporation and securities bureau of the department of commerce. For the purpose of payment of all fees to the state, such corporation shall be classed as nonprofit.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10365;—CL 1948, 455.203;—Am. 1982, Act 89, Imd. Eff. Apr. 19, 1982.

455.204 Corporate powers and liabilities; property ownership, limitation.

Sec. 4. On compliance with the foregoing provisions of this act, the persons so associating, their successors and assigns, shall become and be a body politic and corporate, under the name assumed in their articles of association and shall have and possess all the general powers and privileges and be subject to all the liabilities of a municipal corporation and become the local governing body. Such corporation may acquire by purchase, devise or gift such real and personal property as it may desire for the purposes mentioned in its articles of association: Provided always, It shall not at any time own to exceed 320 acres of land, but this proviso shall not be construed to limit the area of its jurisdiction to exercise the police powers herein conferred over lands of members.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10366;—Am. 1939, Act 133, Imd. Eff. May 23, 1939;—CL 1948, 455.204.

455.205 Property; sale and disposition, proceedings.

Sec. 5. The trustees of such corporation, when thereunto authorized, by majority vote of the members of such corporation voting thereon at any annual meeting, or any special meeting called expressly for that

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purpose, by a general by-law, adopted and recorded, may sell, mortgage, give, grant, convey and lease said lands or any part or portion thereof, upon such terms and subject to such reservations and restrictions as may be deemed advisable.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10367;—CL 1948, 455.205.

455.206 Membership; eligibility; corporate jurisdiction as to property of nonmembers; election.

Sec. 6. Persons eligible to membership in said corporation, at any and all times, must be freeholders of land in the county of its organization and such land must be contiguous to the resort community in which the corporation is organized: Provided, however, It shall not be necessary that the lands of all members shall join, but it shall be sufficient if such lands are reasonably adjacent to the resort community, so as to be benefited by membership therein, and the trustees of the corporation, when lawfully authorized by the corporation, shall be judges as to whether the lands of such proposed members are sufficiently identified with the common interests of the other lands embraced within said corporate jurisdiction, to make proposed members eligible: And provided further, That the land of no owner that does not voluntarily join such corporation can be compelled to come under the jurisdiction of the corporation until after a body politic and corporate has been incorporated under this act in the territory to be affected and has continued to function as such for a period of 2 years. Thereafter an election may be called by the board of trustees or board of directors within the territory to be affected for the purpose of determining whether the entire territory comprising the subdivisions or parts of subdivisions affected should become entirely incorporated.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10368;—Am. 1939, Act 133, Imd. Eff. May 23, 1939;—CL 1948, 455.206.

Constitutionality: In *Whitman v Lake Diane Corp*, 267 MA 176 (2005), the Michigan court of appeals held that the provisions concerning elections in the summer resort owners corporation act, MCL 455.201 et seq, violate the constitutional due process rights of the persons whose property interests would be affected by the election.

455.206a Election and registration; notice.

Sec. 6a. For the foregoing purpose the said board of trustees or board of directors shall cause a notice of such election and notice of registration to be published in 4 succeeding issues of some newspaper printed within the county in which such territory is situated and having circulation within the affected territory, for 4 weeks immediately preceding such election. If no newspaper be published in such county, then such notice shall be published in a newspaper published in an adjacent county.

History: Add. 1939, Act 133, Imd. Eff. May 23, 1939;—CL 1948, 455.206a.

Constitutionality: In *Whitman v Lake Diane Corp*, 267 MA 176 (2005), the Michigan court of appeals held that the provisions concerning elections in the summer resort owners corporation act, MCL 455.201 et seq, violate the constitutional due process rights of the persons whose property interests would be affected by the election.

455.206b Registration board; appointment, duties.

Sec. 6b. The board of trustees or board of directors shall cause a 3 man board of registration to be appointed who shall establish a set of registration books to be opened and shall register therein all of the qualified voters of such territory who shall apply for registration between the hours of 9 o'clock a.m. and 7 o'clock p.m. during the week prior to such election and at such other times prior to election day as such registration board may permit.

History: Add. 1939, Act 133, Imd. Eff. May 23, 1939;—CL 1948, 455.206b.

Constitutionality: In *Whitman v Lake Diane Corp*, 267 MA 176 (2005), the Michigan court of appeals held that the provisions concerning elections in the summer resort owners corporation act, MCL 455.201 et seq, violate the constitutional due process rights of the persons whose property interests would be affected by the election.

455.206c Election; voters, eligibility.

Sec. 6c. For the purpose of such election all freeholders who have resided week-ends in the territory to be affected for a period 1 month prior to such election and who are qualified voters in any voting precinct of the state of Michigan at general elections, are qualified voters for the purpose of this act.

History: Add. 1939, Act 133, Imd. Eff. May 23, 1939;—CL 1948, 455.206c.

Constitutionality: The residency requirement of this section constitutes a denial of equal protection in violation of Const 1963, art I, § 2, and US Const, am XIV, § 1. Baldwin v North Shore Estates Association, 384 Mich 42; 179 NW2d 398 (1970).

In Whitman v Lake Diane Corp, 267 MA 176 (2005), the Michigan court of appeals held that the provisions concerning elections in the summer resort owners corporation act, MCL 455.201 et seq, violate the constitutional due process rights of the persons whose property interests would be affected by the election.

455.206d Election board; polls, hours open.

Sec. 6d. The board of trustees or board of directors of such summer resort incorporation shall appoint an

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election board of 5 members who shall keep the polls open from 7 o'clock a.m. until 8 o'clock p.m. and permit all registered qualified voters to vote upon the proposition submitted.

History: Add. 1939, Act 133, Imd. Eff. May 23, 1939;—CL 1948, 455.206d.

Constitutionality: In *Whitman v Lake Diane Corp*, 267 MA 176 (2005), the Michigan court of appeals held that the provisions concerning elections in the summer resort owners corporation act, MCL 455.201 et seq, violate the constitutional due process rights of the persons whose property interests would be affected by the election.

455.206e Election; adoption of resolution, record.

Sec. 6e. If a majority of the said qualified voters of the entire territory comprised in the territorial description contained in the notice of election shall vote in favor of the incorporation under this act, then the said board of trustees or directors shall declare the entire territory so affected to be incorporated under this act, and shall file with the county clerk and record with the register of deeds of the county wherein the territory is situated copies of the notice of election, and the resolution of the board of directors or board of trustees declaring the election carried and thereafter such territory shall all become so incorporated.

History: Add. 1939, Act 133, Imd. Eff. May 23, 1939;—CL 1948, 455.206e.

Constitutionality: In *Whitman v Lake Diane Corp*, 267 MA 176 (2005), the Michigan court of appeals held that the provisions concerning elections in the summer resort owners corporation act, MCL 455.201 et seq, violate the constitutional due process rights of the persons whose property interests would be affected by the election.

455.207 Members; grant of authority, procedure.

Sec. 7. Members admitted to said corporation at its organization and afterwards, shall file with the secretary of said corporation a writing, subscribed, witnessed and acknowledged, in accordance with the requirements of deeds, which writing shall grant to the corporation the right to exercise all jurisdiction, conferred by this act, over the lands owned by members of said corporation. Such grant of authority to the corporation shall be duly recorded in the office of the register of deeds of the county.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10369;—CL 1948, 455.207.

455.208 Annual meeting; trustees, election, report.

Sec. 8. The annual meeting of such association shall be held in its own county between June first and August thirty-first of each year, at such time and place as may be fixed by the board of trustees and such meeting may adjourn from day to day as may be necessary for the transaction of its business. At each annual meeting there shall be elected such number of trustees as shall be necessary to fill the places of trustees whose terms of office then expire, and all vacancies on such board. Such election shall be by ballot and choice of trustees shall be by a majority of all votes cast. Members may vote in person or by proxy filed with the secretary. Each member shall be entitled to 1 vote. Husbands and wives, owning property by entireties, shall each be entitled to 1 vote. Membership shall terminate upon the alienation of the property of a member. At each annual meeting the trustees shall make a report, in writing, of the management of the business of the corporation, the condition of its property, its assets and liabilities, and upon such other matters as may be proper and of general interest to the members.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10370;—CL 1948, 455.208.

455.209 Board of trustees; officers, quorum, vacancy.

Sec. 9. Immediately following the election of trustees, the trustees so chosen shall elect a president, vice-president, secretary and treasurer from their members, who shall hold their offices for 1 year and until their successors shall be elected and qualified. They shall discharge the usual duties of such offices and such other duties as may be prescribed by the by-laws and orders of the corporation. Two-thirds of the members of the board shall constitute a quorum for the transaction of business, and any vacancy in the board may be filled by the remaining members, and the appointee shall hold office until the next annual meeting of the corporation.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10371;—CL 1948, 455.209.

455.210 Board of trustees; powers.

Sec. 10. The board of trustees shall have the management and control of all the business and all the property, real and personal, of the corporation and shall represent the corporation, with full power of authority to act for it in all things legal whatsoever, and subject only to restrictions or limitations imposed by the by-laws of the corporation and any special restriction or limitation imposed by a vote of the members at any annual or regularly called special meeting. The time and manner of special meeting shall be provided for in the by-laws.

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History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10372;—CL 1948, 455.210.

455.211 Corporate jurisdiction; liability for condition of streets.

Sec. 11. Such corporation, through its properly delegated officers, shall have jurisdiction over the lands owned by the corporation and over the lands owned by the members of said corporation for the exercise of the police powers herein conferred. The corporation shall have jurisdiction over the streets and highways passing through or over such lands: Provided always, That the right of the public to control, repair and use all such highways and streets as are necessary for the public travel through or across said lands, shall not be affected hereby: And provided further, That the public shall not be liable for the condition, safety or repair of such streets, alleys or highways as may be laid out and used on the authority of said corporation.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10373;—CL 1948, 455.211.

455.212 By-laws; enactment, authority of board of trustees.

Sec. 12. The board of trustees shall have the authority to enact by-laws, subject to repeal or modification by the members at any regular or special meeting, calculated and designed to carry into effect the following jurisdiction over the lands owned by the corporation and its members, viz.: To keep all such lands in good sanitary condition; to preserve the purity of the water of all streams, springs, bays or lakes within or bordering upon said lands; to protect all occupants from contagious diseases and to remove from said lands any and all persons afflicted with contagious diseases; to prevent and prohibit all forms of vice and immorality; to prevent and prohibit all disorderly assemblies, disorderly conduct, games of chance, gaming and disorderly houses; to regulate billiard and pool rooms, bowling alleys, dance halls and bath houses; to prohibit and abate all nuisances; to regulate meat markets, butcher shops and such other places of business as may become offensive to the health and comfort of the members and occupants of such lands; to regulate the speed of vehicles over its streets and alleys and make general traffic regulations thereon; to prevent the roaming at large of any dog or any other animal; to compel persons occupying any part of said lands to keep the same in good sanitary condition and the abutting streets and highways and sidewalks free from dirt and obstruction and in good repair.

History: 1929, Act 137, Eff. Aug. 28, >;—CL 1929, 10374;—CL 1948, 455.212.

455.213 By-laws; effective date, posting.

Sec. 13. All by-laws, so established by the corporation, shall take effect 10 days after passage and each of said by-laws shall be posted conspicuously in 3 public places within the jurisdictional area of said corporation, at least 5 days before the time of taking effect and proof of such posting shall be made by an officer of the corporation and entered on the records of said corporation. Complete and accurate copies of all by-laws shall be kept, at the office of the corporation, for public inspection.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10375;—CL 1948, 455.213.

455.214 By-laws; violation, penalty.

Sec. 14. Any person who shall violate any of such by-laws shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not exceeding 25 dollars or imprisonment in the county jail not to exceed 30 days or by both such fine and imprisonment in the discretion of the court, which fine shall be distributed to the same fund as other misdemeanor fines in the township where such lands may be located.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10376;—CL 1948, 455.214.

455.215 Marshal; powers, compensation, removal.

Sec. 15. The board of trustees may appoint a marshal, whose duties shall be to enforce the by-laws of said corporation. Said marshal shall have the authority of a deputy sheriff in maintaining peace and order and the enforcement of law on the lands under the jurisdiction of the corporation, and in addition thereto shall be vested with authority to make arrests, in accordance with law, for the violation of the by-laws of said corporation. Compensation of said marshal shall be fixed and paid by said corporation and the said corporation shall alone be responsible for his acts; he may be removed at any time by a majority vote of the trustees, with or without cause; in the discharge of his duties in respect to any matter that is an offense against the general laws of the state, his fees and charges shall be regulated and paid in the same manner as other officers.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10377;—CL 1948, 455.215.

455.216 Marshal; authority over person arrested.

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Sec. 16. The marshal shall have authority to take any person arrested before the district or municipal court of the judicial district or municipality in which the lands of the corporation are situated, to be there dealt with according to law.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10378;—CL 1948, 455.216;—Am. 1991, Act 151, Imd. Eff. Nov. 25, 1991.

455.217 Public utilities; corporate authority.

Sec. 17. The corporation shall have authority to provide a water system for its members and occupants, a sewage system, fire protection and electric light service.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10379;—CL 1948, 455.217.

455.218 Lands owned by corporation; annexation to city.

Sec. 18. Lands owned by the said corporation and its members may not be annexed to any city or village without the consent of a 2/3 majority of the members of said corporation, at a regular or special meeting.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10380;—CL 1948, 455.218.

455.219 Members; dues and assessments.

Sec. 19. (1) The board of trustees may require that the members of a corporation pay annual dues and special assessments for any purpose authorized under this act. All of the following apply to an assessment of annual dues or a special assessment under this subsection:

(a) The approval of the members under subsection (2) is required.

(b) With the approval of the members under subsection (2), the board of trustees shall prescribe the time and manner of payment and manner of collection of the annual dues or special assessment.

(c) With the approval of the members under subsection (2), the board of trustees may provide that delinquent annual dues or assessments shall become a lien upon the land of the delinquent member and may provide the manner and method of enforcing that lien.

(2) Unless the members by a vote of a majority of all of the members have by resolution specifically provided for approval by a majority of the votes cast by the members voting, the vote of a majority of all of the members of the corporation is required to approve an action of the board under subsection (1).

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10381;—CL 1948, 455.219;—Am. 2006, Act 44, Imd. Eff. Mar. 2, 2006.

Compiler's note: Enacting section 1 of Act 44 of 2006 provides:

"Enacting section 1. It is the intent of the legislature to reconcile conflicting opinions of the attorney general in the interpretation of this act, and to ratify the opinion of the attorney general in attorney general opinion no. 7164 of 2004, concerning the appropriate vote of the members required to approve an action of the board under section 19."

455.220 Corporate term of existence; expiration; cessation of jurisdiction.

Sec. 20. When a corporation, organized under this act, shall dissolve or its term of existence expires by limitation, all jurisdiction over streets, alleys and highways shall cease and the said streets, alleys and highways shall thereupon become dedicated to the use of the public, and in such case the lands of the members shall be cleared of all jurisdiction conferred by the provisions of this act.

History: 1929, Act 137, Eff. Aug. 28, 1929;—CL 1929, 10382;—CL 1948, 455.220.

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