BULLETIN NO. 15
SEPTEMBER 19, 1997
PROPERTY TRANSFER AFFIDAVIT
LAND DIVISION FORM

STATE OF MICHIGAN

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RESCINDED

TO: Assessors
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FROM: State Tax Commission (STC)

RE: CHANGES TO THE PROPERTY TRANSFER AFFIDAVIT (STC FORM L-4260) INCLUDING THE ADDITION OF STC FORM L-4260a REQUIRED BY THE LAND DIVISION ACT (PA 288 OF 1967 AS AMENDED BY PA 87 OF 1997)

Attached are revised STC Form L-4260 and new STC Form L-4260a.

1. STC Form L-4260, PROPERTY TRANSFER AFFIDAVIT

STC Form L-4260 is the **Property Transfer Affidavit** required by Michigan Compiled Law (MCL) 211.27a(8) which must be filed by the BUYER (transferee) of property with the township or city assessor when a "Transfer of Ownership" has occurred.

Several changes have been made to the Property Transfer Affidavit (STC Form L-4260). Most of the changes are the result of amendments to MCL 211.27a contained in Public Act (PA) 476 of 1996. These changes are detailed in STC Bulletin No. 3 of 1997.

2. STC Form L-4260a, LAND DIVISION FORM

PA 87 of 1997, which amended the Land Division Act, requires the State Tax Commission to add certain questions to the Property Transfer Affidavit. The Property Transfer Affidavit is discussed in paragraph #1 above.

Those questions must be answered by the proprietor (OWNER) of property who is transferring the right to make a division which is exempt from the platting requirements of the Land Division Act.

Since these questions must be answered by the SELLER of property (where a sale is involved), it is necessary to put the required questions on a separate sheet which is labeled form L-4260a and will be referred to in this bulletin as the Land Division Form.

Having the questions on a separate sheet allows the filing of the Land Division Form in those instances when the Property Transfer Affidavit is not required to be filed. It also allows the separate filing of the Land Division Form by the SELLER of property. Please recall that the BUYER of property files the Property Transfer Affidavit.

Important Note: There will be situations in which the Land Division Form (L-4260a) will be required to be filed and the Property Transfer Affidavit (L-4260) will not and vice-versa.

The Land Division Form (STC Form L-4260a) contains instructions about when the form is required by law to be filed. Your questions about the provisions of the Land Division Act should be addressed to the Subdivision Control Section of the Department of Consumer and Industry Services at (517) 334-7750.

Michigan Department of Treasury
2766 (9-97)

L-4260

This form is issued under authority of P.A. 415 of 1994. ***Filing is mandatory.***

PROPERTY TRANSFER AFFIDAVIT

This form must be filed whenever real estate or some types of personal property are transferred (even if you are not recording a deed). It is used by the assessor to ensure the property is assessed properly and receives the correct ***taxable value***. It must be filed by the new owner with the ***assessor for the city or township*** where the property is located within ***45 days*** of the transfer. If it is not filed timely, a penalty of $5/day (maximum $200) applies. The information on this form is NOT CONFIDENTIAL.

1. Street Address of Property	2. County	4. Date of Transfer (or land contract was signed)
3. City /Township/Village of Real Estate ☐ City ☐ Township ☐ Village		5. Purchase Price of Real Estate

6. Property Identification Number (***PIN***). If you don't have a PIN, attach legal description.

PIN. This number ranges from 10 to 25 digits. It usually includes hypens and sometimes includes letters. It is on the property tax bill and on the assessment notice.

7. Seller's (Transferor) Name	8. Buyer's (Transferee) Name and Mailing Address

Items 9 - 13 are optional. However, by completing them you may avoid further correspondence.

Transfers include deeds, land contracts, transfers involving trusts or wills, certain long-term leases and interest in a business. See the back for a complete list.

9. Type of ***Transfer***
☐ Land Contract ☐ Lease
☐ Deed ☐ Other (specify) _____

10. Is the transfer between related persons? ☐ Yes ☐ No	11. Amount of Down Payment
12. If you financed the purchase, did you pay market rate of interest? ☐ Yes ☐ No	13. Amount Financed (Borrowed)

Exemptions

The Michigan Constitution limits how much a property's ***taxable value*** can increase while it is owned by the same person. Once the property is transferred, the ***taxable value*** must be adjusted by the assessor in the following year to 50 percent of the property's usual selling price. Certain types of transfers are exempt from adjustment. Below are brief descriptions of the types of exempt transfers; full descriptions are in MCL Section 211.27a(7)(a-m). If you believe this transfer is exempt, indicate below the type of exemption you are claiming. If you claim an exemption, your assessor may request more information to support your claim.

- ☐ transfer from one spouse to the other spouse
- ☐ change in ownership solely to exclude or include a spouse
- ☐ transfer of that portion of a property subject to a life lease or life estate (***until*** the the life lease or life estate expires)
- ☐ transfer to effect the foreclosure or forfeiture of real property
- ☐ transfer by redemption from a tax sale
- ☐ transfer into a trust where the settlor or the settlor's spouse conveys property to the trust and is also the sole beneficiary of the trust
- ☐ transfer resulting from a court order unless the order specifies a monetary payment
- ☐ transfer creating or ending a joint ownership if at least one person is an original owner of the property (or his/her spouse)
- ☐ transfer to establish or release a security interest (collateral)
- ☐ transfer of real estate through normal public trading of stocks
- ☐ transfer between entities under common control or among members of an affiliated group
- ☐ transfer resulting from transactions that qualify as a tax-free reorganization
- ☐ other, specify:

Certification

I certify that the information above is true and complete to the best of my knowledge.

Owner's Signature	Date	If signer is other than the owner, print name and title.

Instructions

This form must be filed when there is a transfer of real property or one of the following types of personal property:

- buildings on leased land.
- leasehold improvements (as defined in MCL Section 211.8(h)).
- leasehold estates (as defined in MCL Section 211.8(i) and (j)).

Transfer of ownership means the conveyance of title to or a present interest in property, including the beneficial use of the property. It includes, but is not limited to, the following conveyances:

- deed.
- land contract.
- transfer into a trust, ***unless*** the sole beneficiary is the settlor (creator of the trust), the settlor's spouse, or both.
- transfer from a trust, ***unless*** the distributee is the sole present beneficiary, the spouse of the sole present beneficiary, or both.
- changes in the sole present beneficiary of a trust, ***unless*** the change only adds or substitutes the spouse of the sole present beneficiary.
- distributions by a will or intestate succession, ***unless*** to the decedent's spouse.
- leases, if the total duration of the lease is more than 35 years, including the initial term and all options for renewal, or if the lease grants the lessee the right to purchase the property at the end of the lease for not more than 80 percent of the property's projected true cash value at the end of the lease. This only applies to the portion of the property subject to the lease described above.
- transfers of more than a 50 percent interest in the ownership of a business, ***unless*** the ownership is gained through the normal public trading of shares of stock.
- transfers of property held as a tenancy in common, except the portion of the property not subject to the ownership interest conveyed.
- a conveyance of an ownership interest in a cooperative housing corporation, except that portion of the property not subject to the ownership interest conveyed.

For complete descriptions of qualifying transfers, please refer to MCL Section 211.27a(6)(a - j).

Excerpts from Michigan Compiled Laws (MCL), Chapter 211

Section 211.27a(8)

". . . the buyer, grantee, or other transferee of the property shall notify the appropriate assessing office in the local unit of government in which the property is located of the transfer of ownership of the property within 45 days of the transfer of ownership, on a form prescribed by the state tax commission that states the parties to the transfer, the date of the transfer, the actual consideration for the transfer, and the property's parcel identification number or legal description."

Section 211.27(5)

"Beginning December 31, 1994, the purchase price paid in a transfer of property is not the presumptive true cash value of the property transferred. In determining the true cash value of transferred property, an assessing officer shall assess that property using the same valuation method used to value all other property of that same classification in the assessing jurisdiction."

Michigan Department of Treasury
3278 (9-97)

L-4260a

NOTICE TO ASSESSOR OF TRANSFER OF THE RIGHT TO MAKE A DIVISION OF LAND

Issued under authority of Land Division Act (P.A. 288 of 1967 as amended by P.A. 87 of 1997). Filing is mandatory.

This form must be filed by an owner of a parent parcel or parent tract of land when the owner creates a parcel from the parent parcel or parent tract and transfers the right to make a further division to the owner of the created parcel. This form must be filed within 45 days of the transfer of the right to make a division. This form must be filed with the assessor of the city or township where the property is located.

1. Street Address of Parent Parcel or Parent Tract	2. County	4. Date of Transfer of Right to Make a Division

3. City/Township/Village Where Real Estate is Located

☐ City
☐ Township
☐ Village

5. Property Identification Number (PIN) of Parent Parcel or Parent Tract. If you don't have a PIN, attach legal description.

PIN, this number ranges from 10 to 25 digits. It usually includes hyphens and sometimes includes letters. It is on the property tax bill and on the assessment notice.

6. Name of Owner of Parent Parcel or Parent Tract	Address of Owner of Parent Parcel or Parent Tract

7. Property Identification Number (PIN) of Created Parcel if PIN has already been assigned.

8. Name of Owner of Created Parcel	Address of Owner of Created Parcel

THE FOLLOWING QUESTIONS MUST BE ANSWERED.

1. Did the parent parcel or parent tract have any unallocated divisions under the Land Division Act, P.A. 288 of 1967, MCL 560.101 to 560.293? Check appropriate box below:

☐ YES

☐ NO

If the YES box was checked, go to question 2. If the NO box was checked, go to question 3.

2. How many unallocated divisions did the parent parcel or parent tract have prior to this transfer? Enter number here _____.

3. Were there any unallocated divisions transferred to the newly created parcel?

☐ YES

☐ NO

If the YES box was checked, go to question 4. If the NO box was checked, go to the signature area of the form.

4. How many unallocated divisions were transferred to the newly created parcel? Enter number here _____.

CERTIFICATION

I certify that the information above is true and complete to the best of my knowledge.

Signature of Owner of Parent Parcel or Parent Tract	Date	If Signer is other than the owner, print name and title

INSTRUCTIONS

This form must be filed by an owner of a parent parcel or parent tract of land when the owner creates a parcel from the parent parcel or parent tract and transfers the right to make a further division(s) to the owner of the created parcel.

Example: The owner of a parent parcel 10 acres in size is selling off a created parcel 2 1/2 acres in size. In this example the 10 acre parent parcel qualifies under the Land Division Act to make four (4) divisions before platting is required. Therefore, two (2) more divisions may be made before platting is required.

The owner of the parent parcel who sold the 2 1/2 acre parcel can keep the authority to make two (2) additional divisions or may convey the authority to make one or both of the additional divisions to the owner of the created parcel.

If the owner of the parent parcel conveys the authority to make one or both additional divisions to the owner of the 2 1/2 acre created parcel, this form (L-4260a) must be filed with the local assessor within 45 days of that action.

This form must also be filed when the owner of a parent parcel or parent tract conveys the parent parcel or parent tract, and also transfers the right to make further divisions to the new owner of the parent parcel or parent tract.

For more information about the Land Division Act, you may contact the Subdivision Control Section of the Department of Consumer and Industry Services at (517) 334-7750.

Excerpt form P.A. 87 of 1997

Sec. 109(2) The right to make divisions exempt from the platting requirements of the act under section 108 and this section can be transferred, but only from a parent parcel or parent tract to a parcel created from that parent parcel or parent tract. A proprietor transferring the right to make a division pursuant to this subsection shall within 45 days give written notice of the transfer to the assessor of the city or township where the property is located on the form prescribed by the state tax commission under section 27a of the general property tax act, P.A. 206 of 1893, MCL, 211.27a. The state tax commission shall revise the form to include substantially the following questions in the mandatory information portion of the form:

(a) "Did the parent parcel or parent tract have any unallocated divisions under the land division act, P.A. 288 of 1967, MCL 560.101 tp 560.293? If so, how many?"

(b) "Were any unallocated divisions transferred to the newly created parcel? If so, how many?"