Excellent question! The Lady Bird deed (Enhanced Life Estate Deed) is actually one of the most nuanced scenarios in Michigan PTA practice. Let me walk you through what the research shows.

Key Distinction: Initial Recording vs. Death Transfer

The critical thing to understand is that Michigan treats **two different events** differently:

Event	Transfer of Ownership?	PTA Required?	Taxable Value Uncapped?
Recording Lady Bird Deed (grantor alive)	❌No	Technically no, but recommended	❌No
Grantor's Death (remainder vests)	✅Yes	✅Yes (within 45 days)	Depends on beneficiary

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When Recording the Lady Bird Deed (During Grantor's Lifetime)

Legal Status

Under MCL 211.27a and the Michigan Tax Tribunal decision (Docket #433005, December 2013), creating and recording a Lady Bird deed **does not constitute a transfer of ownership**. The grantor retains complete control over the property—selling, mortgaging, leasing, or revoking the deed at any time without beneficiary consent.

PTA Requirement

While no PTA is *technically* required when recording the Lady Bird deed, **most practitioners recommend filing a "corrective" or "informational" Form 2766** anyway. Here's why:

1. **Prevents Assessor Confusion**: The township assessor receives thousands of deeds annually and may not recognize a Lady Bird deed structure
2. **Preserves Principal Residence Exemption (PRE)**: Ensures the PRE isn't inadvertently rescinded
3. **Creates Paper Trail**: Establishes the intent upfront that this is not an ownership change

Recommended Language for the Deed

Include a dedicated paragraph near the end:

> **"PROPERTY TAX CONSEQUENCES AND NO TRANSFER OF OWNERSHIP"**
>
> *This instrument creates an enhanced life estate (commonly known as a "Lady Bird Deed"). The Grantor reserves unto themselves full power during their lifetime to sell, convey, encumber, mortgage, lease, or otherwise dispose of the property without the consent of the Remainder Beneficiary(ies), and may revoke or amend this deed at any time. This conveyance shall not be deemed a transfer of ownership for purposes of MCL 211.27a, does not trigger uncapping of the property's taxable value, and does not require the immediate filing of a Property Transfer Affidavit (Form 2766) because no change in ownership has occurred. Title shall pass to the Remainder Beneficiary(ies) only upon the Grantor's death, at which time applicable transfer of ownership reporting requirements shall be satisfied.*

At Grantor's Death (When Remainder Interest Vests)

The Actual Transfer Occurs Here

This is when the real "transfer of ownership" happens for tax purposes. The beneficiary must:

1. **Record the death certificate** with the Register of Deeds
2. **File a Property Transfer Affidavit (Form 2766)** within 45 days of death
3. **Claim the appropriate exemption** if applicable

Uncapping Depends on Beneficiary Type

Beneficiary Type	Uncapping?	Legal Basis
Qualifying Family Member (spouse, parent, child, sibling, grandchild, adopted child)	✕No	MCL 211.27a(7)(d)
Non-Qualifying Person or Trust	✅Yes	Not covered by exemption
Commercial Property (any beneficiary)	✅Yes	No family exemption applies to commercial

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Practical Filing Strategies for Barry & Kent Counties

Option A: File Informational PTA with Initial Recording (Most Conservative)

Submit a Form 2766 marked **"INFORMATIONAL - NO TRANSFER OF OWNERSHIP"** with checkboxes indicating:

- Type of transfer: "Enhanced Life Estate Deed (Lady Bird)"
- Exemption claimed: "Not a transfer of ownership under MCL 211.27a(7)"

Include a cover letter:

> *"Re: Parcel #[XXX] — [Address]*
>
> *Attached is a Lady Bird deed being recorded for the above property. This deed does not constitute a transfer of ownership; the Grantor retains full control during their lifetime. No Property Transfer Affidavit is required at this time under MCL 211.27a. A PTA will be filed within 45 days of the Grantor's death, at which time the appropriate uncapping exemption (if any) will be claimed.*
>
> *Please note this on your records to prevent any erroneous PRE rescission or taxable value uncapping."*

Option B: Include Statement Only in Deed (Minimalist)

Use the language above in the deed itself, relying on the assessor's review of the recording. This works better in **Kent County** where the Equalization Department actively reviews ownership changes.

Option C: Wait Until Death (Riskier)

Do nothing when recording the Lady Bird deed; file everything at death. This creates a risk that the assessor will flag the property as having an unreported transfer between recording and death.

Recommended Approach

As a retired attorney, I'd suggest **Option A** for the following reasons:

1. **Michigan Bar Journal Guidance** notes that while the LBD itself doesn't trigger uncapping, "owners should notify the township after recording the deed and file any required affidavits to preserve applicable tax exemptions"
2. **MSU Extension** recommends connecting with the township once the LBD is made to prevent interruption of exemptions
3. **Both counties** have relatively proactive assessing departments—being upfront prevents problems later

Sample Cover Letter for Initial Filing

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[Date] [Township/City Assessor Name] [Address] RE: Property Transfer Affidavit – INFORMATIONAL FILING Parcel ID: [XXX-XX-XXX-XXX-XX] Property Address: [Full Address] Original Owner/Grantor: [Name(s)] Enclosed please find a copy of a Lady Bird (Enhanced Life Estate) Deed recently recorded in [County] County Register of Deeds, Liber [X], Page [Y]. This deed does NOT constitute a transfer of ownership for property tax purposes under MCL 211.27a. The grantor retains full ownership control during their lifetime. A Property Transfer Affidavit will be filed within 45 days of the grantor's death, at which time any applicable uncapping exemptions will be claimed (e.g., family member transfer under MCL 211.27a(7)(d)). Please maintain our Principal Residence Exemption on file and note that this recording should not trigger any taxable value uncapping. Respectfully, [Signature] [Name] [Phone/Email]
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County-Specific Contacts

County	Assessing Department	Phone
Barry County	Barry County Equalization Office	(269) 945-1289
Kent County	Kent County Equalization Office	(616) 632-7520

Bottom Line for Lady Bird Deeds

The deed itself **does not need a PTA exemption clause** beyond the standard "no transfer of ownership" language, but proactively notifying the assessor with an informational PTA or cover letter is the safest practice. This is especially important in Michigan where some townships are still adjusting to the prevalence of Lady Bird deeds following the 2014 legislative changes.

Would you like me to search for a specific township's practices within either county?

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