



**House
Legislative
Analysis
Section**

Olds Plaza Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

PROP. TAXES PAID BY YEAR END

House Bill 4622

Sponsor: Rep. Kirk A. Profit

Committee: Corporations & Finance

Complete to 4-29-91

A SUMMARY OF HOUSE BILL 4622 AS INTRODUCED 3-21-91

Public Act 125 of 1966 specifies that if a mortgagor (someone who borrows money usually in order to finance the purchase of a home) has paid sufficient funds into an escrow account for the purpose of paying property taxes on the home and the mortgagee (the lender) "has not paid those property taxes," then the person to whom the lender paid the escrow funds is liable to the borrower for any penalties or fees he or she incurred because of the failure to pay taxes. The bill would replace this provision with the requirement that if a mortgagor paid sufficient funds into an escrow account for property taxes, the mortgagee would have to pay the property taxes not later than the date they were due or December 31 of the year in which they were due, whichever occurred first. A mortgagee who violated this provision would be liable to the borrower for any penalties, fees or other damages incurred by the borrower because of the violation.

MCL 565.163