

Act No. 285
Public Acts of 1993
Approved by the Governor
December 22, 1993
Filed with the Secretary of State
December 28, 1993

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1993**

Introduced by Reps. Bullard, Gustafson, Whyman and Profit

Reps. Agee, Allen, Alley, Anthony, Baade, Bandstra, Bankes, Bender, Bobier, Bodem, Byrum, Ciaramitaro, Crissman, Cropsey, Curtis, Dalman, DeLange, DeMars, Dobb, Dobronski, Dolan, Fitzgerald, Freeman, Gagliardi, Galloway, Gilmer, Gnodtke, Goschka, Gubow, Harder, Hill, Horton, Jamian, Jaye, Jersevic, Johnson, Kaza, Kukuk, Llewellyn, London, Lowe, Mathieu, McBryde, McManus, McNutt, Middaugh, Middleton, Murphy, Olshove, Palamara, Parks, Rhead, Rocca, Shepich, Shugars, Varga, Voorhees, Vorva, Wallace, Weeks, Wetters and Yokich named co-sponsors

ENROLLED HOUSE BILL No. 5046

AN ACT to amend the title of Act No. 125 of the Public Acts of 1966, entitled as amended "An act to require certain mortgagees and their agents to furnish annual statements to mortgagors; and to prescribe certain rights and duties," being sections 565.161 to 565.163 of the Michigan Compiled Laws; and to add section 4.

The People of the State of Michigan enact:

Section 1. The title of Act No. 125 of the Public Acts of 1966, being sections 565.161 to 565.163 of the Michigan Compiled Laws, is amended and section 4 is added to read as follows:

TITLE

An act to require mortgagees and their agents to furnish annual statements to mortgagors; to require mortgagees, vendors of land contracts, and their agents to make certain adjustments to escrow accounts; and to prescribe certain rights and duties.

Sec. 4. (1) Not later than March 1, 1994, a mortgagee, a vendor of a land contract, or their agent shall adjust the escrow account maintained for the payment of real property taxes to be levied in the 1994 calendar year by an amount that the mortgagee, vendor, or agent reasonably anticipates to be paid during the 1994 calendar year.

(2) An adjustment to the escrow account pursuant to subsection (1) shall become effective for the periodic payment that is due not later than April 30, 1994.

(3) Any adjustments made to the escrow account shall be considered reasonable if the adjustment is a reduction of not less than 35% of the total property taxes levied for the 1993 calendar year.

(4) Upon the receipt of a written request by a mortgagor or a vendee of a land contract, the mortgagee, vendor, or their agent shall, within a reasonable time, adjust the escrow account maintained for the payment of the 1994 real property taxes by reducing the amount required to be escrowed based upon the actual amount of taxes levied on the property in 1993 for local school district and intermediate school district operating purposes. An adjustment under this subdivision is required only if the mortgagor or vendee includes with the written request either of the following:

(a) The 1993 tax statements that state the actual dollar amount of real property tax levied for local school district and intermediate school district operating purposes.

(b) A certificate by the local taxing authority that states the actual dollar amount of real property tax levied for local school district and intermediate school district operating purposes.

(5) This section shall not be construed to prohibit a mortgagee, a vendor of a land contract, or their agent from adjusting the escrow account if information is or becomes available regarding the actual amount of real property tax levied or to be levied on the property for local school district and intermediate school district operating purposes.

(6) This section shall not be construed to require a mortgagee, a vendor of a land contract, or their agent to adjust the escrow account for a periodic payment that is due before April 1, 1994.

This act is ordered to take immediate effect.

Co-Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.