



Senate Fiscal Agency
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Senate Bill 1007 (as reported without amendment)
Sponsor: Senator John Pappageorge
Committee: Finance

CONTENT

The bill would amend Public Act 188 of 1954, which allows townships to make public improvements, pay for them by special assessment, and make the special assessment payable in installments, to limit the amount of a lien on property assessed to the amount of an installment payment, and provide that the lien would not attach until the payment was due.

Public Act 188 authorizes townships to make such improvements as the construction, improvement, and maintenance of public roads, parks, lighting, water systems, and sewers. A township board may provide for the payment of an improvement through the issuance of bonds, and may levy a special assessment against the property benefited by an improvement to defray all or part of its cost. If the township levies a special assessment, it may provide for the assessment to be payable in one or more installments.

All special assessments constitute a lien upon the parcel of property assessed from the date the special assessment roll is confirmed. The bill would make an exception to this, as provided below.

Under the bill, if a township board provided that a special assessment was payable in installments, the amount of any lien on the parcel of property assessed would be limited to each individual installment. The lien would not attach to the property until that installment was due as provided in the Act. (An installment payment is due at the time set by the township board after the special assessment roll is confirmed.)

MCL 41.727 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no State fiscal impact. For townships that permit installment payments for special assessments, the bill would tend to increase administrative costs by an unknown amount. Limiting the amount of a lien for a special assessment to the amount of a single installment payment could require a township to place a lien on a parcel multiple times over the duration of the special assessment to ensure collection.

Date Completed: 9-19-14

Fiscal Analyst: Elizabeth Pratt