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Senate Bill 1007 (as enacted)  
House Bill 5202 (as enacted)  
Sponsor: Senator John Pappageorge (S.B. 1007)  
Representative Michael D. McCready (H.B. 5202)  
Senate Committee: Finance (S.B. 1007)  
House Committee: Tax Policy

**PUBLIC ACT 561 of 2014**  
**PUBLIC ACT 429 of 2014**

Date Completed: 2-26-15

### **CONTENT**

**The bills amended 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 each individual installment payment, and may not attach until the individual installment is due.**

The bills took effect on January 15, 2015.

#### **Senate Bill 1002**

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.

Section 8 of the Act states that all special assessments contained in any special assessment roll constitute a lien upon the parcel of property assessed from the date the special assessment roll is confirmed. The bill makes an exception to this, as described below.

Under the bill, if a township board provides that a special assessment is payable in installments, the amount of any lien on the parcel of property assessed for that special assessment is limited to each individual installment, and may not attach to the property assessed until that individual installment is due as provided in the Act. (The first installment of a special assessment is due on or before the confirmation of the special assessment roll, as determined by the township board. Subsequent installments are due at intervals of 12 months from the due date of the first installment or from a date set by the board.)

#### **House Bill 5202**

Section 7 of the Act authorizes a township board to provide that special assessments are payable in one or more installments. This section also provides for the amount of installment payments, specifies when they are due, and provides for interest on unpaid installments.

The bill states that, if a township board provides that a special installment is payable in installments, the amount of any lien on the parcel of property assessed for that special

assessment is limited to each individual installment, and may not attach to the property until that installment is due as provided in Section 7.

The bill also requires a township treasurer, upon request, to provide a statement of the amount of any lien on the property, with interest accrued through the end of the month in which the statement is provided.

MCL 41.728 & 41.729a (S.B. 1002)  
41.727 (H.B. 5002)

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bills will have no fiscal impact on the State. For townships that permit installment payments for special assessments, the bills will 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 may require a township to place a lien on a parcel multiple times over the duration of the special assessment to ensure collection.

Fiscal Analyst: Elizabeth Pratt

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.