



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5113 (as passed by the House)
Sponsor: Representative Laura Cox
House Committee: Local Government
Senate Committee: Local Government

Date Completed: 11-29-16

CONTENT

The bill would amend Public Act 178 of 1939, which governs municipal water liens, to extend from three years to five years the enforceable period of a lien against property to which a municipal water distribution or sewage system provides service.

The Act provides that a municipality that operates a water distribution or sewage system has as security for the collection of water or sewage system rates, assessments, charges, or rentals a lien upon the house or other building and upon the premises, lot, or parcel of land upon which the building is situated or to which the sewage system service or water was supplied. The lien becomes effective immediately upon the distribution of the water or provision of the sewage system service to the premises or property, but is not enforceable for more than three years after it becomes effective. The bill would extend the enforcement period to five years.

The bill would take effect 90 days after enactment.

MCL 123.162

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would tend to increase revenue for local governments that operate a municipal water system. To the extent that the longer duration of a lien resulted in increased collection of unpaid water or sewer bills, local revenue would increase. The bill would have no fiscal impact on State government.

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.