



Senate Fiscal Agency
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Senate Bill 1053 (as introduced 8-15-20)
Sponsor: Senator Roger Victory
Committee: Finance

Date Completed: 9-30-20

CONTENT

The bill would amend Public Act 225 of 1976, which pertains to the deferment of collecting special assessments, to allow an owner of a homestead to make partial payments on the balance of special assessments deferred under the Act at any time.

Under the Act, the payment of special assessments assessed and due and payable on a homestead in any year in which the owner meets all of the terms and conditions of the Act are deferred until one year after the owner's death, subject to further order by the probate court or until the homestead or any part of the homestead is conveyed or transferred to another or a contract to sell is entered into. The death of a spouse does not terminate the deferment of special assessments for a homestead owned by a married couple under tenancy by the entireties as long as the surviving spouse does not remarry. Special assessments deferred under the Act may be paid in full at any time.

("Special assessment" means an assessment against real property calculated on a benefit or ad valorem basis for curb and gutter, sidewalk, sewer, water, or street paving; a drain; a connection fee or similar charge for a sewer or water system; or the land contract on a parcel of property acquired under the circumstances set forth in the Act. The term does not include charges for current service. "Homestead" means a dwelling or a unit in a multiple-unit dwelling, owned and occupied as a home by the owner thereof, including all contiguous unoccupied real property owned by the person. Homestead includes a dwelling and an outbuilding used in connection with a dwelling, situated on the lands of another.)

The bill would allow an owner to make partial payments on the balance of special assessments deferred under the Act, including any interest due on those special assessments, at any time.

MCL 211.762

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have no fiscal impact on the State or local government. Amounts deferred under the Act are paid to local governments by the Department of Treasury out of a revolving fund. When the local government receives payment for the special assessment, it must reimburse the Department for the amounts advanced, with those payments going back into the revolving fund (except for part that is transmitted to the Michigan Veterans Trust Fund). By allowing property owners to make partial payments of the deferred special assessments and interest, the timing of payments could change, but ultimately, the total payments would not change.

The Department of Treasury could experience additional costs in tracking and accounting for partial payments of deferred special assessments. The costs could include one-time information technology changes to allow for the accounting of partial payments. These costs likely would be minimal and within current appropriations.

Fiscal Analyst: Ryan Bergan
Cory Savino

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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.