

SUBSTITUTE FOR
SENATE BILL NO. 1053

A bill to amend 1976 PA 225, entitled

"An act to defer the collection of special assessments on homestead properties; to provide for conditions of eligibility for such a deferment; to prescribe the powers and duties of the department of treasury, local assessing officers, and local collecting officers; to provide for the advancement of moneys by the state to indemnify special assessment districts for losses from deferment of collections; to provide for the advancement of money by the state to an owner for the repayment of loans used by the owner to pay special assessments; to provide for the collection of deferred special assessments and interest thereon, and the disposition of these collections; to make an appropriation; and to prescribe penalties,"

by amending section 2 (MCL 211.762), as amended by 1980 PA 403.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. (1) The payment of special assessments assessed **before**



1 **October 1, 2020** and due and payable on a homestead in any year in
 2 which the owner meets all of the terms and conditions of this act
 3 ~~shall be~~**is** deferred until 1 year after the owner's death, subject
 4 to further order by the probate court or until the homestead or any
 5 part of the homestead is conveyed or transferred to another or a
 6 contract to sell is entered into. **The department shall not pay for**
 7 **any special assessments assessed on or after October 1, 2020.** The
 8 death of a spouse ~~shall~~**does** not terminate the deferment of special
 9 assessments for a homestead owned by ~~husband and wife~~**a married**
 10 **couple** under tenancy by the entireties as long as the surviving
 11 spouse does not remarry. Special assessments deferred under this
 12 act may be paid in full at any time. **Alternatively, an owner may at**
 13 **any time make partial payments on the balance of special**
 14 **assessments owed under section 6, including any interest due on**
 15 **those special assessments, subject to all of the following:**

16 (a) At the owner's discretion, the owner may make as many as 4
 17 partial payments per calendar year in a form and manner prescribed
 18 by the department.

19 (b) A partial payment must be in an amount not less than the
 20 greater of the following:

21 (i) Five percent of the sum of the balance of special
 22 assessments owed under section 6 plus interest due on those special
 23 assessments.

24 (ii) \$500.00.

25 (c) Interest continues to accrue on any unpaid balance of
 26 special assessments owed under section 6.

27 (d) Payment is due in full for the balance of special
 28 assessments owed under section 6 plus interest due on those special
 29 assessments if the owner conveys or transfers the homestead or any



1 part of it, or enters a contract to sell the homestead or any part
2 of it.

3 (e) Upon the death of the owner, payment is due in full within
4 1 year for the balance of special assessments owed under section 6
5 plus interest due on those special assessments.

6 (2) If the collecting officer or the department determines
7 that legal or equitable title to a homestead or any part of a
8 homestead for which special assessments are deferred under this act
9 is conveyed or transferred or a contract to sell the homestead or
10 part of a homestead is entered into, and the deferment is not
11 terminated, the owner or owner's estate ~~shall be~~ **is** subject to an
12 interest rate of 1% per month or fraction of a month, on the amount
13 deferred, computed from the date of conveyance, transfer, or
14 contractual agreement. The amount of interest ~~shall be~~ **is** payable
15 to the collecting officer and **must be** transmitted by that office
16 pursuant to section 9.

17 (3) The department shall notify each owner whose special
18 assessments are authorized to be deferred under this act that if
19 legal or equitable title to the homestead or any part of the
20 homestead is conveyed or transferred or a contract to sell the
21 homestead or part of the homestead is entered into, the deferment
22 is terminated and the amount deferred is immediately due and
23 payable, plus interest as provided in subsection (2).