

# Legislative Analysis

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## COLLECTION OF SPECIAL ASSESSMENTS

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### House Bill 5202

Sponsor: Rep. Michael D. McCready

Committee: Tax Policy

Complete to 4-24-14

## A SUMMARY OF HOUSE BILL 5202 AS INTRODUCED 12-12-13

House Bill 5202 would amend 1954 PA 188, an act permitting townships to make various public infrastructure improvements financed by special assessments against the benefitting property owners. The bill would specify that such special assessments may be treated, and collected, in the same manner as property taxes of the township.

PA 188 provides that special assessments may be payable in one or more installments, with the first installment due at some time fixed by the township board after confirmation of the special assessment roll, with subsequent installments generally due in 12 months intervals thereafter.

PA 188 further provides that special assessments constitute a lien against the property, from the date the special assessment roll is approved by the township board of supervisors. Reportedly, it is often the case that special assessments (including any future installment payments) must be paid in full before a property may be transferred to a new owner (sold) or before the property owner may refinance a mortgage on that property.

### FISCAL IMPACT:

As written, the bill would have no impact on state revenue. To the extent that a special assessment could be assumed by the purchaser when a transfer of property occurs instead of being fully paid off at the time of the transfer it's possible that in some cases townships might not receive the full amount of the special assessment as quickly, although it would not affect the amount ultimately collected.

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