



Senate Fiscal Agency  
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House Bill 5202 (Substitute S-2 as reported by the Committee of the Whole)  
Sponsor: Representative Michael D. McReady  
House Committee: Tax Policy

### **CONTENT**

The bill would amend 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 an installment payment, and provide that the lien would not attach until the payment was due.

The Act authorizes townships to make certain improvements. 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. The township may provide for the assessment to be payable in one or more installments. All special assessments constitute a lien upon the parcel of property assessed from the date the special assessment roll is confirmed. The bill would make an exception to this, as provided below.

Under the bill, if a township board provided that a special assessment was payable in installments, the amount of any lien on the parcel of property assessed would be limited to each individual installment. The lien would not attach to the property until that installment was due as provided in the Act. (An installment payment is due at the time set by the township board after the special assessment roll is confirmed.)

Upon written request, the township treasurer would have 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 was provided.

The bill is tie-barred to Senate Bill 1007, which proposes similar changes to the Act.

MCL 41.727 et al.

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

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

Date Completed: 12-17-14

Fiscal Analyst: Elizabeth Pratt