

**SUBSTITUTE FOR
HOUSE BILL NO. 4079**

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 sections 3, 4, and 8a (MCL 211.763, 211.764, and 211.768a), sections 3 and 4 as amended by 1980 PA 403 and section 8a as amended by 1981 PA 59.



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H00221'25 (H-2)



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THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) An owner of a homestead who is 65 years of age or
 2 older or ~~who is~~ totally and permanently disabled, **and who is** a
 3 citizen of the United States, a resident of this state for 5 or
 4 more years, and the sole owner of the homestead for 5 or more
 5 years, is eligible for the deferment of special assessments on that
 6 homestead ~~pursuant to~~ **under** this act. The owner and the owner's
 7 spouse ~~shall~~ **must** not have, ~~received~~ during the last calendar year,
 8 **total** household ~~income~~ **resources** as defined in section 508 of ~~Act~~
 9 ~~No. 281 of the Public Acts of 1967, as amended, being section~~
 10 ~~206.508 of the Michigan Compiled Laws, the income tax act of 1967,~~
 11 **1967 PA 281, MCL 206.508**, in excess of \$8,000.00; this amount ~~shall~~
 12 **is to** be increased to \$10,000.00 for the determination of
 13 eligibility for a deferment after December 31, 1982, **and to**
 14 **\$34,900.00 for the determination of eligibility for a deferment on**
 15 **or after October 1, 2022.** The gross amount of the special
 16 assessment **deferred under this act,** ~~exclusive of~~ **excluding**
 17 interest, ~~shall~~ **must** not be less than \$300.00.

18 (2) ~~The maximum dollar amount of household income required by~~
 19 ~~subsection (1) to be eligible for the deferment of special~~
 20 ~~assessments under this act shall be adjusted each year beginning on~~
 21 ~~January 1, 1984, pursuant to the annual average percentage increase~~
 22 ~~or decrease in the Detroit consumer price index all items as~~
 23 ~~defined and reported by the United States department of labor,~~
 24 ~~bureau of labor statistics. The adjustment shall be made by~~
 25 ~~multiplying the annual average percentage increase or decrease in~~
 26 ~~the Detroit consumer price index for the prior calendar year by the~~
 27 ~~current maximum dollar amount of the household income requirement~~
 28 ~~as adjusted by this subsection. The resultant product shall be~~



~~added to the maximum dollar amount of the household income~~
~~requirement as adjusted by this subsection and then rounded off to~~
~~the nearest whole number, which shall be the new household income~~
~~requirement for the current year.~~ **At the end of each calendar year,**
the state treasurer shall adjust the amount of the eligibility cap
on total household resources under subsection (1) by an amount
determined by the state treasurer to reflect the cumulative annual
percentage change in the Consumer Price Index. As used in this
subsection, "Consumer Price Index" means the most comprehensive
index of consumer prices available for the Detroit-Warren-Dearborn
area from the Bureau of Labor Statistics of the United States
Department of Labor.

(3) ~~After January 1, 1975, a person 65 years of age or older~~
An individual who ~~otherwise~~ qualifies under this section for
~~deferral~~ **deferment** of special assessments who ~~fails~~ **failed** to pay a
 prior delinquent special assessment and ~~thereby~~ lost the ~~property~~
homestead to the local unit of government ~~who purchased the~~
~~property through tax~~ **forfeiture, foreclosure, and** sale may
 reacquire the property from the local unit of government through a
 land contract. ~~The~~ **A** land contract for a ~~parcel of property~~
homestead reacquired under ~~the circumstances set forth in this~~
 subsection ~~shall~~ **is to** be treated as a special assessment for
 purposes of this act.

(4) ~~The owner of a homestead who is 65 years of age or older~~
~~or is totally and permanently disabled, a citizen of the United~~
~~States, a resident of this state for 5 or more years, and the sole~~
~~owner of the homestead for 5 or more years, in the year the special~~
~~assessment was levied, and~~ **An individual who qualifies under this**
section for deferment of special assessments who has borrowed money



1 from a lending institution to pay a special assessment before ~~the~~
 2 ~~effective date of this subsection, shall be~~ **January 8, 1981 is**
 3 eligible to receive money from the special revolving fund created
 4 in section 10, to be used ~~for the purpose of repaying~~ **to repay** the
 5 lending institution the principal amount used by the ~~person~~
 6 **individual** to pay the special assessment. The department shall
 7 cause a lien on the homestead in favor of ~~the~~ **this** state to be
 8 recorded with the appropriate register of deeds, indicating the
 9 amount of the money paid and identifying the homestead. Money paid
 10 from the fund under this subsection ~~shall~~ **must** be treated as if the
 11 money had been paid as **a** deferred special assessment.

12 Sec. 4. An owner may apply to the local assessing officer for
 13 deferment of the payment of special assessments on the owner's
 14 homestead. The application ~~shall~~ **must** be made ~~upon~~ **on** an affidavit
 15 form ~~to be furnished and made available~~ **provided** by the department
 16 at convenient locations throughout ~~the~~ **this** state. The affidavit
 17 form ~~shall~~ **must** contain the following statement in 10-point
 18 ~~boldface~~ **boldfaced** type located immediately above the affiant's
 19 signature: "If this deferment is authorized the state will place a
 20 lien on your property." ~~A person~~ **An individual** making a false
 21 affidavit for the purpose of obtaining deferment of special
 22 assessments under this act is guilty of perjury. If the homestead
 23 is owned jointly by ~~husband and wife,~~ **a married couple**, each spouse
 24 ~~shall~~ **must** sign and file the affidavit. If the homestead is
 25 encumbered by a mortgage or an unpaid balance on a land contract, a
 26 deferment of special assessments ~~shall~~ **must** not be made without the
 27 written consent of the mortgagee or the land contract vendor, which
 28 ~~shall~~ **must** be filed with the affidavit. **The consent document must**
 29 **further include a statement indicating that the mortgagee or land**



1 **contract vendor understands that its interest in the homestead is**
 2 **subordinate to this state's lien, as described in section 6, which**
 3 **is a first lien on the homestead.** The affidavit ~~shall~~ **must** be filed
 4 with the local assessing officer at least 30 days after the due
 5 date of a special assessment or installment of a special assessment
 6 for which deferment is requested.

7 Sec. 8a. (1) ~~Except for an owner or owner's estate qualifying~~
 8 ~~for deferment of special assessments under this act before January~~
 9 ~~8, 1981, the~~ **The** payment of special assessments deferred under this
 10 act made by the owner or owner's estate ~~shall~~ **must** include interest
 11 computed ~~for periods after January 8, 1981, at a rate of 1/2 of 1%~~
 12 **1/2% per month or fraction of a month. This subsection does not**
 13 **apply to the payment of a special assessment initially deferred**
 14 **under this act on or after October 1, 2022.**

15 (2) The department shall notify each owner whose special
 16 assessments are authorized to be deferred under this act **and are**
 17 **subject to the accrual of interest under subsection (1)** of the
 18 interest rate provided in ~~this section.~~ **subsection (1).**

19 (3) The lien created in section 6 for special assessments
 20 deferred under this act ~~shall include~~ **and subject to the accrual of**
 21 **interest under subsection (1) includes** an amount of interest as
 22 provided in ~~this section.~~ **subsection (1).**

23 ~~(4) The department of treasury shall refund to each owner who,~~
 24 ~~before the effective date of this subsection, paid their special~~
 25 ~~assessment and was subject to the interest payment of subsection~~
 26 ~~(1), an amount equal to the difference between the interest paid~~
 27 ~~and the interest which would have been due at a rate of 1/2 of 1%~~
 28 ~~per month or fraction of a month.~~

29 ~~(5) If a deferment of a special assessment was terminated by~~



~~an owner solely by payment of the deferred special assessment after January 8, 1981, and before the effective date of this subsection, the owner may reapply within 60 days of the effective date of this subsection to the local assessing officer for reinstitution of the previously deferred special assessment and the department of treasury shall refund the amount of the special assessment paid and redeferred to the owner.~~

Enacting section 1. This amendatory act does not take effect unless House Bill No. 4080 of the 103rd Legislature is enacted into law.