

**SUBSTITUTE FOR
HOUSE BILL NO. 4080**

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 1 and 2 (MCL 211.761 and 211.762), section 2 as amended by 2020 PA 331.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:



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H00222'25 (H-2)



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1 Sec. 1. As used in this act:

2 (a) "Department" means the department of treasury.

3 ~~(b) "Totally and permanently disabled" means a person as~~
4 ~~defined in 42 U.S.C. section 416.~~

5 (b) ~~(c)~~ "Homestead" means a dwelling or a unit in a multiple-
6 unit dwelling, owned and occupied as a home by ~~the~~**an** owner,
7 ~~thereof,~~ including all contiguous unoccupied real property owned by
8 the ~~person.~~**owner**. Homestead includes a dwelling and an outbuilding
9 used in connection with a dwelling, situated on the ~~lands~~**property**
10 of another.

11 (c) ~~(d)~~ "Owner" includes a ~~person~~**an individual** eligible for
12 the exemption specified in this act ~~,~~ who is purchasing a homestead
13 under a mortgage or land contract, ~~or~~ who owns a dwelling situated
14 on the leased ~~lands~~**property** of another, or **who** is a tenant-
15 stockholder of a cooperative housing corporation.

16 (d) "Sole owner" includes **an individual who jointly owns a**
17 **homestead with the individual's spouse.**

18 (e) ~~(e)~~ "Special assessment" means an assessment against real
19 property calculated on a benefit or ad valorem basis for curb and
20 gutter, sidewalk, sewer, water, or street paving; a drain; **dam**
21 **construction or reconstruction;** a connection fee or similar charge
22 for a sewer or water system; or the land contract on a parcel of
23 property acquired under the circumstances set forth in section
24 ~~3(2).~~**3(3)**. Special assessment does not include charges for current
25 service.

26 (f) "Totally and permanently disabled" means **an individual**
27 **described in section 416(i) of the social security act, 42 USC 416.**

28 Sec. 2. (1) The payment of special assessments assessed before
29 October 1, 2020, **or on or after October 1, 2022,** and due and



payable on a homestead in any year in which the owner meets all of the terms and conditions of this act is deferred until 1 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 **the homestead** is entered into. The department shall not pay for any special assessments assessed on or after October 1, 2020 **and before October 1, 2022**. 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.~~ **jointly**. Special assessments deferred under this act may be paid in full at any time. Alternatively, an owner may at any time make partial payments on the balance of special assessments owed under section 6, including any interest due on those special assessments, subject to all of the following:

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

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

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

(ii) \$500.00.

(c) ~~Interest~~ **Except as otherwise provided in section 8a(1), interest** continues to accrue on any unpaid balance of special assessments owed under section 6.

(d) Payment is due in full for the balance of special assessments owed under section 6 plus interest due on those special



1 assessments if the owner conveys or transfers the homestead or any
2 part of it, or enters a contract to sell the homestead or any part
3 of it.

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

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

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

25 Enacting section 1. This amendatory act does not take effect
26 unless House Bill No. 4079 of the 103rd Legislature is enacted into
27 law.

