

HOUSE BILL NO. 4080

February 12, 2025, Introduced by Reps. Hoadley, Schuette, Bierlein, Kunse, Andrews, Beson, DeBoyer and Johnsen and referred to Committee on Finance.

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:

Sec. 1. As used in this act:

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

(b) "Totally and permanently disabled" means ~~a person as defined an individual described in 42 U.S.C. section 416.~~
section 416(i) of the social security act, 42 USC 416.

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

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

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

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

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

October 1, 2020, or on or after the effective date of the
amendatory act that added this phrase, 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 the effective date of the**

amendatory act that added this phrase. 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 entirety 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 continues to accrue on any unpaid balance of
special assessments owed under section 6.

1 (d) Payment is due in full for the balance of special
2 assessments owed under section 6 plus interest due on those special
3 assessments if the owner conveys or transfers the homestead or any
4 part of it, or enters a contract to sell the homestead or any part
5 of it.

6 (e) Upon the death of the owner, payment is due in full within
7 1 year for the balance of special assessments owed under section 6
8 plus interest due on those special assessments.

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

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

27 Enacting section 1. This amendatory act does not take effect
28 unless House Bill No. 4079 (request no. H00221'25) of the 103rd
29 Legislature is enacted into law.