Home > Answer Center > Special Assessments

Advocacy

# **Special Assessments**

Answer Center

**Answer Center** 

Home

MTA Township Salary Survey Launch Page

My MTA

**FOIA Forms and Samples** 

Assessing Administration Review

Index of Topics A-F

Index of Topics G-L

Index of Topics M-P

Index of Topics Q-Z

Serving as a Board Member

What is a Township?

Resource Toolkits

**Township Laws** 

Find a Township

MTA Township of Excellence Award



Special Assessments: A Technical Manual Purchase MTA publication

A special assessment is a charge against property for a public improvement that confers a special benefit to that property that is different from the benefit enjoyed by the general public (Fluckey v City of

Plymouth, 358 Mich. 447, 1960).

Historically, special assessments have been used to raise revenue for constructing and maintaining local capital improvements such as water and sewer mains, street improvements, and sidewalks. Over the past 30 years, special assessments have evolved into a financial resource for funding police and fire protection, road improvements garbage collection, and similar municipal services.

Because public money cannot be used for private interests, the only way a township can expend public money for any improvements made to private property, such as private roads or street lights in a subdivision, is through the special assessment process.

**Special Assessment Petition Form** 

Special Assessments: You Get What You Pay For Michigan Township News, October 2006

Special Assessments: A Fair Way for Townships To Provide Public Improvements Michigan Townships Association, May 1999

Public Improvements Act, Public Act 188 of 1954, MCL 41.721, et seg.

Police and Fire Protection Act, Public Act 33 of 1951, MCL 41.801, et seg.

Created on Tuesday, July 31, 2012

# **Quick Links**

• Employment Benefits (including PA 152 of 2011)

4

- · City, Village and Township Revenue Sharing (CVTRS) (MTA webpage)
- · City, Village and Township Revenue Sharing (CVTRS) (Michigan Department of Treasury)
- Performance Dashboards and Citizen Guides Report (CRC)
- · MiDashboard (State of Michigan Dashboard)
- **Property Taxes**
- Revenue Sharing
- Special Assessments
- Borrowing
- Fees and Fines
- Investments
- Franchises
- Michigan PILT Payments
- Federal PILT Payments
- Grants
- Fundraising and Crowdfunding
- Liens
- Options in Financial **Emergencies**

512 Westshire Dr. | Lansing, MI 48917 | P: 517-321-6467 | F: 517-321-8908 | © 2014, Michigan Townships Association







MANCELONA AREA WATER AND SEWER AUTHORITY Shoud RULES AND REGULATIONS FOR

WATER SYSTEM USE

Pursuant to section 4a of 1955 P.A. 255, as amended, MCL 124.284a, the Board of Trustees of the Mancelona Area Water and Sewer Authority, by a resolution adopted at its meeting on December, 18, 2001 , adopted these rules and regulations governing the use of the MAWSA's water system. The governing bodies of the MAWSA's constituent municipalities adopted resolutions of concurrence with these rules and regulations as follows: the Township Board of the Township of \_\_\_\_, the Township Board of the Township of Custer at its meeting on April 2, 2002 Mancelona at its meeting on April 2 ... 2002 ... and the Village Council of the Village of Mancelona at its meeting on April 2 . 2002 . The rules and regulations and a notice of the resolution adopting them was published in the  $\underline{\tau.c.}$  Record Eagle a newspaper of general circulation within the territory encompassed by the MAWSA and within the territory to which the MAWSA provides service, on \_\_April 7 \_\_\_\_\_, \_2002 \_\_\_\_. By operation of law, these rules and regulations became effective thirty (30) days after that date of publication.

### ARTICLE I

### **DEFINITIONS**

- Definitions. Unless the context specifically indicates otherwise, the meaning of terms shall be as follows:
  - "Building lead" means that portion of a water line from property line to the location of the (a) meter.
  - "Cross connection" means any connection or arrangement of piping or appurtenances (b) through which a back flow of water could occur.
  - "Curb box" means a riser from the service lead, located at the property line, to enable (c) water service to be turned on or off.
  - "MAWSA" or "the Authority" means the Mancelona Area Water and Sewer Authority. (d)
  - (e) "Person" means any individual, firm, company, association, society, corporation or group.
  - "Service lead" means that portion of a water line running from the water main to the (f) property line, including the corporation stop, curb stop and curb box.
  - "Water System" or "System" means the MAWSA owned and operated water supply system consisting of wells, pumps, pipes, structures and other facilities by means of which potable water is obtained and distributed to the public.

### 10.3 Billing and Collection

- (a) When water rates, fees and charges are not timely paid, it is necessary to re-bill, to undertake other procedures required by this article, to prepare separate notices and accountings and undertake other tasks that are not needed if they are timely paid. In addition, the other Water System users essentially subsidize the non-paying or late paying user's use of the Water System. The Water System is not established, operated or well-adapted to provide financing services for its users. Accordingly, charges are made to compensate the Water System for the costs incurred due to untimely payments.
- (b) Bills will be rendered at such intervals as are determined from time to time by resolution of the board of trustees of the MAWSA, but not less frequently than quarterly.
- (c) Bills shall be due and payable without interest or penalty at such time after billing as is stated on the bill, provided not less than fifteen (15) days shall be given for such payment after the billing date.
- (d) Payments received after such period shall bear a penalty of ten percent (10%) of the amount of the bill.
- (e) Service, installation, inspection, use and material rates, fees and charges, including penalties and interest due thereon, shall constitute a lien on the premises served from the date of such service, unless the MAWSA is served with written notice, signed by both the landlord and the tenant that a tenant is responsible for such charges. The MAWSA official or officials in charge of the collection shall annually, not later than May 1 of each year, certify to the tax assessing officer of the Township or the Village in which the property is located the fact and the amount of the delinquency in payment for water services to the property. The delinquent amount shall then be entered by the tax assessing officer of that municipality upon the next tax roll as a charge against the property and shall be collected and the lien thereof enforced in the same manner as general taxes against the property are collected and tax liens enforced. If the MAWSA is provided with notice in writing, signed by both the landlord and the tenant, including a copy of the lease of the affected premises, that a tenant is responsible for the water charge, the MAWSA may require as a condition to rendering water services to such premises a cash deposit equal to service charges at current rates for three months (one quarter) as security for the payment of service charges.
- (f) In addition to the other methods of collection and enforcement provided in this rule or in law or at equity, the MAWSA may, after notice of its intention to do so, have the right to shut-off water service to any premises for which rates, fees and charges for water service are not paid by the due date, and such service shall not be re-established until all delinquent charges, interest, penalties and a turn-on charge, to be specified by the MAWSA, have been paid.
- (g) In addition to the foregoing, the MAWSA shall have the right to shut off water service to any premises for which charges for water service are more than three (3) months delinquent, and such service shall not be re-established until all delinquent charges and penalties and a turn-on charge, to be specified by the MAWSA, have been paid. Further, such charges and penalties may be recovered by the MAWSA by court action.



within the period allowed in the order, the village manager may cause the items of abandoned property or building materials to be removed, destroyed or disposed of at an excess cost to be assessed in the manner prescribed in subsection (c) of this section.

(Code 1985, § 35.408)

Sec. 10-77. - Storage of trash and abandoned property.

No person shall keep, store or cause or permit to be placed, left, kept or stored trash and abandoned property on private premises within the village, unless such storage is explicitly permitted under the terms of the zoning ordinance. Such property shall be kept within the confines of a closed building.

(Code 1985, § 35.404)

Sec. 10-78. - Unlawful storage of building materials.

No person shall keep, store, or cause or permit to be placed, left, kept or stored, building materials on private premises except within the walls of a previously erected building within the village, unless there is in force a valid building permit issued by the village for construction upon such property, and such materials are intended for use in such construction or unless such storage is explicitly permitted by the zoning ordinance.

(Code 1985, § 35.405)

Secs. 10-79—10-95. - Reserved.

# **DIVISION 3. - DANGEROUS STRUCTURE**

# FOOTNOTE(S):

--- (3) ---

**Editor's note**— Ord. No. 368, adopted April 17, 2006, repealed the former Div. 3, §§ 10-96—10-99, and enacted a new Div. 3 as set out herein. The former Div. 3 pertained to similar subject matter and derived from Code 1985, ch. 9060, §§ 40.051—40.054.

State Law reference— Dangerous buildings, MCL 125.539 et seq. (Back)

Sec. 10-96. - Title.

This division shall be known and cited as the Dangerous Structures Ordinance.

(Ord. No. 368, 4-17-2006)

Sec. 10-97. - Definition of terms.

As used in this division, including in this section, the following words and terms shall have meanings stated herein:

Applicable building code means the building code pursuant to the State Construction Code Act (MCL 125.1501 et. seq.), any code or standards applicable to a mobile home or other pre-manufactured unit or structure and the State Housing Law pertaining to "dangerous buildings", being sections 138 through 143 of Public Acts Act No. 1 of 1917, as amended.

Dangerous structure means any building, structure or mobile home, residential or otherwise, that has one or more of the following defects or is in one or more of the following conditions:

(1) A portion of the building, structure or mobile home is damaged by fire, wind, flood or other cause so that the structural strength or stability of the building, structure or mobile home does not meet

- the minimum requirements of the Housing Law of the State of Michigan, Public Acts No. 167 of 1917 (MCL 125.401 et seg.), as amended, or the applicable building code.
- (2) A part of the building, structure or mobile home is likely to fall, become detached or dislodged, or collapse and injure persons or damage property.
- (3) The building, structure or mobile home, or part of the building, structure or mobile home, because of dilapidation, deterioration, decay, faulty construction, or the removal or movement of some portion of the ground necessary for the support, or for other reason, is likely to partially or completely collapse, or some portion of the foundation or underpinning of the building, structure or mobile home is likely to fall or give way.
- (4) The building, structure or mobile home or a part of the building, structure or mobile home, is manifestly unsafe for the purpose for which it is used or intended to be used.
- (5) The building, structure or mobile home is damaged by fire, wind or flood, or is dilapidated or deteriorated and becomes an attractive nuisance to individuals who might use the building, structure or mobile home to their danger.
- (6) A building, structure or mobile home used or intended to be used for dwelling purposes, including the adjoining grounds, because of dilapidation, decay, damage, faulty construction or arrangement, or otherwise, is unsanitary or unfit for human habitation, is in a condition that is likely to cause sickness or disease, or is likely to be injurious to the health, safety or general welfare of people living in or near the dwelling.
- (7) A building, structure or mobile home is vacant, dilapidated and open at door or window, leaving the interior of the building exposed to the elements or accessible to entrance by unauthorized persons, children, vagrants or wild life.

Enforcing agency means the Village of Elk Rapids Village Council through the ordinance enforcement officer or such other official(s) or agency as may be designated by the village council to enforce this division.

Hearing officer means a person(s) appointed by the village president, with approval of the village council, to serve at the president's pleasure, who has expertise in housing matters, including, but not limited to, a licensed professional engineer, architect, building contractor, building inspector or member of a community housing organization. An employee of the enforcing agency shall not be appointed as a hearing officer.

Historic structures. This division shall not apply to any building designated as historic by resolution of the Village of Elk Rapids, the State of Michigan, or the government of the United States.

```
(Ord. No. 368, 4-17-2006)
```

Sec. 10-98. - Prohibition of dangerous structures.

It shall be unlawful for any owner, agent or party of interest thereof, to keep a dangerous structure as defined in this division.

```
(Ord. No. 368, 4-17-2006)
```

Sec. 10-99. - Notices and hearings.

The procedure to implement the provisions of this dangerous structures division is set forth in the following paragraphs. It is the intent of this section to follow the requirements of the State Housing Law pertaining to "dangerous buildings", being sections 138 through 143 of Public Act No. 167 of 1917, as amended.

(a) Informal notice. The ordinance enforcement officer, at his or her discretion, may notify, by regular mail or direct communication, each owner or party of interest of the building or structure, that, in the opinion of the enforcement officer, dangerous condition(s), as defined in section 10-97 of this division exist and provide the owner or party of interest the opportunity to correct the dangerous condition(s) within a time specified in the informal notice. The decision whether or not to provide "informal notice" is not a necessary prerequisite to the issuance of a "formal notice".

### (b) Formal notice.

- (1) If, in the opinion of the ordinance enforcement officer or agency, a building or structure is found to be a dangerous building, the enforcing agency shall issue a formal notice that the building or structure is a dangerous structure. The notice shall be served on the owner, or authorized agent or lessee having been registered with the village under the general housing law of the state. If no such registration exists or is maintained the village, the notice shall be served on each owner of, or party in interest, in the building or structure in whose name appears on the current property tax record.
- (2) Contents of formal notice. The notice shall specify the time and place of a hearing on whether the building or structure is a dangerous building as defined in this division. The notice shall be in writing, identifying the dangerous condition(s) that, in the opinion of the ordinance enforcement officer, exist(s) to create a "dangerous structure".
- (3) Service of formal notice. Service of the notice referenced in the preceding sections shall be by certified mail, return receipt requested, and regular mail, addressed to the owner or party of interest at the address shown on the current property tax record. A copy of the formal notice shall also be posted upon a conspicuous part of the building or structure that is the subject matter of the hearing. Formal notice shall be served upon the owner or party of interest at least ten days before the date of the hearing specified in the notice.
- (c) Hearing. The owner or party of interest to whom the formal notice is directed shall have the opportunity to show cause at the time and place specified for the hearing, why the hearing officer should not order the building or structure demolished, made safe or otherwise properly maintained. Said hearing may, at the option of the hearing officer, be recorded by electronic means, or before a court reporter authorized to take depositions. The hearing officer shall take testimony of the enforcing agency, the owner of the property, and any interested party.
- (d) Decision. Not more than five days after completion of the hearing, the hearing officer shall render a decision either ending the proceedings or ordering the building or structure demolished, made safe or otherwise properly maintained. If the hearing officer determines that a dangerous structure, as defined in section 10-97, does exist, he/she shall enter an order that specifies what action the owner, agent or lessee shall take, and the date by which said individuals shall comply with the order. A copy of the decision will be provided to the owner, agent or lessee, the Village of Elk Rapids and the enforcement officer.
- (e) Action by legislative body. If the owner, agent or lessee fails to appear before the hearing officer, neglects or refuses to comply with the order issued by the hearing officer, the hearing officer shall file with the village council a report of his/her findings including a copy of the order within five days after noncompliance.

The village council shall fix a date not less than 30 days after the original hearing before the hearing officer for a hearing on the findings and order, and shall give notice to the owner, agent or lessee in the same manner as for the original hearing. At the hearing, the owner, agent or lessee shall be given the opportunity to show cause why the order of the hearing officer should not be enforced.

The village council shall, by resolution, either approve, disapprove, or modify the order. If the village council approves or modifies the order, it shall take all necessary action to enforce the order, providing the owner, agent or lessee 60 days after the date of the village council decision to comply with the order.

(Ord. No. 368, 4-17-2006)

Sec. 10-100. - Enforcement.

If, at the expiration of the 60-day period provided by the village council, the owner, agent, or lessee of the dangerous structure has not complied with the requirements of the order, the ordinance enforcement officer shall issue a civil infraction as provided in section 10-101.

- (a) Additional action. After the expiration of the 60-day period and failure by the owner, agent or lessee to take remedial steps to bring the property into conformance with the order the village council may, in addition to a civil infraction, take the following steps or impose the following penalties:
  - (1) Demolition. Contract for the demolition of the dangerous structure by hiring a licensed contactor to accomplish the same, without the necessity of "public bidding" on the contract; or
  - (2) Repairs/maintenance. The village may, through its department of public works, or by contract with a licensed builder, make the building safe or otherwise properly maintain the building, structure or the grounds adjoining the building or structure to bring the property into conformance with the order and this division.
- (b) Reimbursement of costs. The Village of Elk Rapids, shall be reimbursed all costs incurred for demolition, repair or other maintenance to the dangerous structure by the owner, agent or lessee whose name appears on the current property tax record. Notification of the incurred costs shall be made by first class mail.
- (c) Lien for unpaid costs. If, within 30 days from the date of notice of incurred costs by the village treasurer, the owner or party of interest fails to pay the costs incurred by the Village of Elk Rapids the village shall have a lien on the property in the amount of the costs incurred. The lien shall be filed and recorded as provided by law, in accordance with section 31 of chapter VIII of the charter (MCL 68.31) and collected and treated in the same manner as provided for property tax liens under the General Property Tax Act, Public Act No. 206 of 1892 (MCL 211.1 et. seq.).
- (d) Court judgment for unpaid costs. In addition to the other remedies under this division, the Village of Elk Rapids may bring an action against the owner of or party in interest of the dangerous building or structure for the full cost of demolition, making safe or maintaining the dangerous building or structure.
- (e) Enforcement of judgment. A judgment in an action brought pursuant to subsection 10-100(d) of this division may be enforced against assets of the owner other than the dangerous building or structure.

(Ord. No. 368, 4-17-2006)

Sec. 10-101. - Sanction for nonconformance with order.

The owner or party in interest of the dangerous building, structure or mobile home who fails or refuses to comply with an order approved or modified by the village council under subsection 10-99(d) of this division within the time prescribed, is responsible for a municipal civil infraction as defined by Michigan law and subject to a civil fine of not more than \$500.00, plus costs, which may include all direct or indirect expenses to which the Village of Elk Rapids has been put in connection with the violation. A violator of this division shall also be subject to such additional sanctions, remedies, and judicial orders as are authorized under Michigan law. Each day a violation of this division continues to exist constitutes a separate violation.

(Ord. No. 368, 4-17-2006)

Sec. 10-102. - Appeal of village council decision.

An owner or party in interest aggrieved by any final decision or order of the village council under this division may appeal the decision or order to the circuit court for the County of Antrim by filing the appropriate appeal documents within the time limits established by the court.

(Ord. No. 368, 4-17-2006)

# HOUSING LAW OF MICHIGAN (EXCERPT) Act 167 of 1917

- 125.541 Hearing; testimony; determination to close proceedings or order building or structure demolished, made safe, or properly maintained; failure to appear or noncompliance with order; hearing; enforcement; reimbursement and notice of cost; lien; remedies.
- Sec. 141. (1) At a hearing prescribed by section 140, the hearing officer shall take testimony of the enforcing agency, the owner of the property, and any interested party. Not more than 5 days after completion of the hearing, the hearing officer shall render a decision either closing the proceedings or ordering the building or structure demolished, otherwise made safe, or properly maintained.
- (2) If the hearing officer determines that the building or structure should be demolished, otherwise made safe, or properly maintained, the hearing officer shall enter an order that specifies what action the owner, agent, or lessee shall take and sets a date by which the owner, agent, or lessee shall comply with the order. If the building is a dangerous building under section 139(j), the order may require the owner or agent to maintain the exterior of the building and adjoining grounds owned by the owner of the building including, but not limited to, the maintenance of lawns, trees, and shrubs.
- (3) If the owner, agent, or lessee fails to appear or neglects or refuses to comply with the order issued under subsection (2), the hearing officer shall file a report of the findings and a copy of the order with the legislative body of the city, village, or township not more than 5 days after the date for compliance set in the order and request that necessary action be taken to enforce the order. If the legislative body of the city, village, or township has established a board of appeals under section 141c, the hearing officer shall file the report of the findings and a copy of the order with the board of appeals and request that necessary action be taken to enforce the order. A copy of the findings and order of the hearing officer shall be served on the owner, agent, or lessee in the manner prescribed in section 140.
- (4) The legislative body or the board of appeals of the city, village, or township, as applicable, shall set a date not less than 30 days after the hearing prescribed in section 140 for a hearing on the findings and order of the hearing officer. The legislative body or the board of appeals shall give notice to the owner, agent, or lessee in the manner prescribed in section 140 of the time and place of the hearing. At the hearing, the owner, agent, or lessee shall be given the opportunity to show cause why the order should not be enforced. The legislative body or the board of appeals of the city, village, or township shall either approve, disapprove, or modify the order. If the legislative body or board of appeals approves or modifies the order, the legislative body shall take all necessary action to enforce the order. If the order is approved or modified, the owner, agent, or lessee shall comply with the order within 60 days after the date of the hearing under this subsection. For an order of demolition, if the legislative body or the board of appeals of the city, village, or township determines that the building or structure has been substantially destroyed by fire, wind, flood, deterioration, neglect, abandonment, vandalism, or other cause, and the cost of repair of the building or structure will be greater than the state equalized value of the building or structure, the owner, agent, or lessee shall comply with the order of demolition within 21 days after the date of the hearing under this subsection. If the estimated cost of repair exceeds the state equalized value of the building or structure to be repaired, a rebuttable presumption that the building or structure requires immediate demolition exists.
- (5) The cost of demolition includes, but is not limited to, fees paid to hearing officers, costs of title searches or commitments used to determine the parties in interest, recording fees for notices and liens filed with the county register of deeds, demolition and dumping charges, court reporter attendance fees, and costs of the collection of the charges authorized under this act. The cost of the demolition, of making the building safe, or of maintaining the exterior of the building or structure or grounds adjoining the building or structure incurred by the city, village, or township to bring the property into conformance with this act shall be reimbursed to the city, village, or township by the owner or party in interest in whose name the property appears.
- (6) The owner or party in interest in whose name the property appears upon the last local tax assessment records shall be notified by the assessor of the amount of the cost of the demolition, of making the building safe, or of maintaining the exterior of the building or structure or grounds adjoining the building or structure by first class mail at the address shown on the records. If the owner or party in interest fails to pay the cost within 30 days after mailing by the assessor of the notice of the amount of the cost, the city, village, or township shall have a lien for the cost incurred by the city, village, or township to bring the property into conformance with this act. The lien shall not take effect until notice of the lien has been filed or recorded as provided by law. A lien provided for in this subsection does not have priority over previously filed or recorded liens and encumbrances. The lien for the cost shall be collected and treated in the same manner as Rendered Friday, July 14, 2017

  Page 1

  Michigan Compiled Laws Complete Through PA 64 of 2017

# provided for property tax liens under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(7) In addition to other remedies under this act, the city, village, or township may bring an action against the owner of the building or structure for the full cost of the demolition, of making the building safe, or of maintaining the exterior of the building or structure or grounds adjoining the building or structure. A city, village, or township shall have a lien on the property for the amount of a judgment obtained under this subsection. The lien provided for in this subsection shall not take effect until notice of the lien is filed or recorded as provided by law. The lien does not have priority over prior filed or recorded liens and encumbrances.

**History:** Add. 1969, Act 61, Eff. Sept. 1, 1969;—Am. 1992, Act 113, Eff. Mar. 31, 1993;—Am. 1992, Act 144, Eff. Mar. 31, 1993;—Am. 2003, Act 55, Imd. Eff. July 14, 2003.

# MICHIGAN TOWNSHIPS ASSOCIATION MEMBERS

MTA

Home

My MTA

Advocacy

Answer Center

Training

Publications

Classifieds

Products and Services

4

<u>Home</u> > <u>Answer Center</u> > Liens

# Liens

Answer Center

MTA Township Salary Survey Launch Page

**FOIA Forms and Samples** 

Assessing Administration Review

Index of Topics A-F

Index of Topics G-L

Index of Topics M-P

Index of Topics Q-Z

Serving as a Board Member

What is a Township?

Resource Toolkits

**Township Laws** 

Find a Township

MTA Township of Excellence Award A township has several options for collecting unpaid or delinquent fees, costs or charges. One option is a "lien" on the property involved.

A **lien** is a legal right to have real or personal property sold or otherwise applied to satisfy a debt. It is an encumbrance on the property that "runs with the property."

A township must be able to point to a statute that authorizes the use of liens to collect a specific fee.

A **judgment lien** is a lien on property to satisfy a judgment in favor of the lien holder. A court order or judgment for monetary amounts, such as fines or costs resulting from a municipal civil infraction ticket, is an example of a judgment lien.

Under the **Revised Judicature Act of 1961 (RJA)**, PA 236 of 1961, if a defendant does not pay a municipal civil infraction fine, costs, or assessment ordered by a court for a violation involving the use or occupation of land or a building or other structure, the township may obtain a judgment lien against the land, building, or structure involved in the violation by recording a copy of the court order requiring payment of the fines, costs, and assessment with the register of deeds for the county in which the land, building, or structure is located. The lien is effective immediately upon recording. The lien may be enforced and discharged by a township in the manner prescribed by the General Property Tax Act or by an ordinance adopted by the township board. But property is not subject to sale for nonpayment of a municipal civil infraction fine, costs, or assessment. (MCLs 600.8727 and 600.8731)

Also under the RJA, a circuit court may order the abatement of an ordinance violation at the expense of the property owner under MCL 600.2940(3).

Under Chapter 28 of the RJA, "judgment lien" means an encumbrance in favor of a judgment creditor against a judgment debtor's interest in real property, including, but not limited to, after acquired property. Chapter 28 specifies procedures for filing a judgment lien (MCLs 600.2801 to 600.2819). There is no right to foreclose a judgment lien under Chapter 28

A construction lien is a lien created under the Construction Lien Act, PA 497 of 1980, MCL 570.1101, et seq. A contractor, subcontractor, supplier, or laborer who provides an improvement to real property has a construction lien that subjects the property to foreclosure. The connection to townships is that collection of costs of a court-ordered clean-up of a fire hazard under the Fire Prevention Code is enforced in the same manner as construction liens (MCL 29.16), and noxious weed liens (see below) may be enforced as a construction lien.

A **statutory lien** is a lien created by state law. Property tax liens and special assessment liens are examples of statutory liens. (*See the list below*.)

While there are many specific lien statutes, and most public improvements may be enforced with liens under the Revenue Bond Act, there are still some public services that have no statutory authority for imposing a lien. For example, although a township may by ordinance charge a fire or emergency services run/cost recovery fee, there is currently no statutory authority to impose past due cost recovery fees as a lien on property.

# **Quick Links**

- Employment Benefits (including PA 152 of 2011)
- City, Village and Township Revenue Sharing (CVTRS) (MTA webpage)
- City, Village and Township Revenue Sharing (CVTRS) (Michigan Department of Treasury)
- Performance Dashboards and Citizen Guides Report (CRC)
- MiDashboard (State of Michigan Dashboard)
- Property Taxes
- Revenue Sharing
- Special Assessments
- Borrowing
- Fees and Fines
- Investments
- Franchises
- Michigan PILT Payments
- Federal PILT Payments
- Grants
- Fundraising and Crowdfunding
- Liens
- Options in Financial Emergencies

A township board may want to consult with its local legal counsel on specific questions regarding the nature of a specific lien and the proper means to enforce the lien

The following are several statutes that authorize townships to add unpaid costs, bills or assessments to the property tax bill as a **statutory lien** and collect them according to the General Property Tax Act or, in some cases, by another method specified by township ordinance. It is important to note that once this type of lien is added to the tax bill, it is subject to the shortened time frame for foreclosure procedures now applied to real property taxes under PA 123 of 1999 (MCLs 211.78 to 211.78o):

### The General Property Tax Act, PA 206 of 1893

The Act imposes a **tax lien** on real and personal property. Real property liens are subject to foreclosure (MCL 211.60) and personal property is subject to seizure (MCL 211.47).

#### Public Improvements Act, PA 188 of 1954

A special assessment installment that is unpaid as of September 1 is delinquent and is reassessed on the general property tax roll (MCLs 41.727, 41.729 and 41.730). If a delinquent special assessment is not paid, the property is subject to foreclosure under the General Property Tax Act. PA 188 includes a wide variety of public improvements, such as roads, water and sewer systems, garbage collection, street lighting, sidewalks, aquatic weed control, sound control walls, and public parks (MCL 41.722).

### Municipal Water Liens Act, PA 178 of 1939

Delinquent municipal water and sewer bills impose a lien on the property served. A township that operates a water or sewer system may also go to court or disconnect service, but that does not prevent it from enforcing the lien for up to five years after it becomes effective upon the distribution of the water or provision or the sewer system service. (MCL 123.161, et seq.)

### **Noxious Weeds Act, PA 359 of 1941**

A township with a population of 5,000 or more may provide by ordinance that if the owner, agent or occupant of land in a subdivision where buildings have been erected on 60 percent of the lots, or an owner, agent or occupant of a lot along an improved street in common usage fails to destroy noxious weeds after 10 days' notice, the township may enter the lot and destroy noxious weeds by cutting. Expenses incurred in destroying the weeds must be paid by the owner of the lot, and the township has a lien on the lot for its expenses. The lien is enforced as a tax lien. (MCL 247.64)

# Michigan Housing Law, PA 167 of 1917

Where a township is enforcing an order to demolish or maintain a dangerous building, and the owner fails to pay the cost within 30 days after the assessor mails the notice of the amount of the cost, the township has a lien for the cost. The lien shall be collected in the same manner as property tax liens under the General Property Tax Act. In addition, if a township obtains a judgment against a property owner for the cost of demolition or maintenance of a dangerous building, the township has a lien on the property for the amount of the judgment once the lien is filed or recorded as required by law. (MCL 125.541)

#### Fences and Fence Viewers Act, PA 34 of 1978

When a person who is assessed damages or an amount of compensation by a township fence viewer neglects or refuses to pay by October 1, the amount becomes a lien on the property. (MCL 43.58)

Part 119--Waste Management and Resource Recovery Finance, Natural Resources and Environmental Protection Act, PA 451 of 1994

A township may provide that rates or charges for a waste management project shall be a lien on the premises. Amounts delinquent for 3 months or more may be certified annually to the proper tax assessing officer or agency of the municipality, to be entered upon the next tax roll against the premises to which the services have been rendered. The charges shall be collected and the lien enforced in the same manner as provided for the

collection of taxes assessed upon the tax roll and the enforcement of a lien for unpaid taxes. The time and manner of certification and other details in respect to the collection of the rates and charges and the enforcement of the lien must be prescribed by the township board, usually by ordinance. (MCL 324.11904)

### Revenue Bond Act of 1933, PA 94 of 1933

Charges for services furnished to a premises may be a lien on the premises. Charges delinquent for 6 months or more may be certified annually to the proper tax assessing officer or agency who must enter the lien on the next tax roll against the premises. The charges must be collected and the lien enforced in the same manner as provided for the collection of taxes and the enforcement of the lien for taxes. The time and manner of certification and other details in respect to the collection of the charges and the enforcement of the lien must be specified in an ordinance adopted by the township board. (MCL 141.121)

Charges for water service or sewage disposal or storm water disposal services may also be enforced by disconnection or collection in small claims court. (MCL 141.121)

The types of services are defined by the Act as only: housing facilities; garbage disposal plants; rubbish disposal plants; incinerators; transportation systems, including plants, works, instrumentalities, and properties used or useful in connection with those systems; sewage disposal systems, including sanitary sewers, combined sanitary and storm sewers, plants, works, instrumentalities, and properties used or useful in connection with the collection, treatment, or disposal of sewage or industrial wastes; storm water systems, including storm sewers, plants, works, instrumentalities, and properties used or useful in connection with the collection, treatment, or disposal of storm water; water supply systems, including plants, works, instrumentalities, and properties used or useful in connection with obtaining a water supply, the treatment of water, or the distribution of water; utility systems for supplying light, heat, or power, including plants, works, instrumentalities, and properties used or useful in connection with those systems; approved cable television systems, approved cable communication systems, or telephone systems, including plants, works, instrumentalities, and properties used or useful in connection with those systems; automobile parking facilities, including within or as part of the facilities areas or buildings that may be rented or leased to private enterprises serving the public; yacht basins; harbors; docks; wharves; terminal facilities; elevated highways; bridges over, tunnels under, and ferries across bodies of water; community buildings; public wholesale markets for farm and food products; stadiums; convention halls; auditoriums; dormitories; hospitals and other health care facilities; buildings devoted to public use; museums; parks; recreational facilities; reforestation projects; aeronautical facilities; and marine railways. (MCL 141.103)

Created on Tuesday, July 31, 2012

512 Westshire Dr. | Lansing, MI 48917 | P: 517-321-6467 | F: 517-321-8908 | © 2014, Michigan Townships Association



