

**THE MISUSE AND ABUSE OF SPECIAL ASSESSMENTS IN MICHIGAN**

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## THE MISUSE AND ABUSE OF SPECIAL ASSESSMENTS IN MICHIGAN

### *IN BRIEF*

The construction and maintenance of local public improvements can be financed by special assessments on property receiving a special benefit from the improvement. Historically, special assessments were used to finance capital improvements and levied against property in a limited geographical area, a special assessment district. However, “public improvements” have been expanded in recent years to include police and fire, refuse collection, and other municipal services. The local governments authorized to assess for these operating services levy the assessment throughout the entire jurisdiction on an ad valorem basis (on the value of the property), thereby imposing a “special assessment” that strongly resembles a general ad valorem property tax. In many instances the administration of ad valorem special assessments does not comply with the requirements of state law:

- Special assessment statutes and case law require that the property specially assessed receive a benefit from the improvement differing from the benefit to the general public and that the linkage between assessments levied and benefits received be clear and direct. Many municipal operating services primarily benefit individuals and the general public rather than property and in many instances the linkage between property value and benefit received is tenuous at best.
- Special assessments are not subject to the constitutional and statutory restrictions on the rate and duration of general ad valorem property taxes, yet are frequently indistinguishable from them.
- While all real property, including property normally exempt from property taxes, is subject to special assessments, many jurisdictions levy special assessments on only the real property that is subject to the general ad valorem property tax.
- Personal property is exempt from special assessments, but many units levy special assessments on tangible personal property as well as real property.
- The state follows no consistent practice in dealing with these ad valorem special assessments. It treats them as general ad valorem property taxes in calculating the statewide average property tax rate levied on certain public utilities; it excludes them in calculating the local reimbursement for inventory, but includes them in calculating relative tax effort for local revenue sharing; and, while special assessments are explicitly excluded from the state homestead property tax credit, many taxpayers undoubtedly claim them because the taxpayer is unable to tell the difference between the ad valorem general property tax and an ad valorem special assessment.

The extent of these problems cannot be measured due to inadequate reporting to the state department of treasury by local units of governments. However, 87 special assessment districts have been identified in 61 taxing jurisdictions (total levy \$18.2 million). It appears that the number of units and total levy involved may be significantly larger than this. In many cases these special assessments appear to be

levied in conflict with state law, are inappropriately classified as a general property tax, or both.

Both short- and long-term measures are required to correct these problems. In the short run, the administration of the various ad valorem special assessments must be brought into conformance with existing law. In the long run, state policymakers need to examine whether jurisdiction-wide ad valorem special assessments are an appropriate method for financing municipal services or are becoming simply a means of circumventing constitutional and statutory property tax limits.

### A TALE TWO TOWNSHIPS

The ad valorem special assessments levied in Canton and Redford Townships in Wayne County illustrate the problem. In 1982 Canton Township imposed special assessments on an ad valorem basis for police and fire protection. The special assessment levy was 6.46 mills and was imposed on just the real property subject to the general ad valorem property tax. Redford Township imposed ad valorem special assessment levies in 1982 for street lighting, police, and rubbish collection. A total of 4.23 mills was levied on all real and tangible personal property in the township subject to the general ad valorem property tax. Neither unit levied the special assessments on real property exempt from the general property tax and Redford Township levied the tax on tangible personal property while state law provides, that the assessment be levied only on “lands and premises.”

Under state law, the county board of commissioners is responsible for verifying the accuracy and legality of all taxes and other charges including special assessments, imposed by the townships within the county. In 1982, the Wayne County Board of Commissioners approved the special assessments in both Canton and Redford, and directed the special assessments be spread on the assessment roll despite the fact that exempt property was not included and that in Redford the special assessments were levied on tangible personal property. When the state department of treasury calculated the aggregate statewide property tax levy for 1983, the special assessments levied in Canton and Redford Townships were included in the total general property tax levy.

## The Special Assessment in Theory

The special assessment, as it has been used historically, has had one principal purpose — to raise revenue for the construction and maintenance of local public improvements. Theoretically, for each public improvement financed via special assessment, a special district is created that includes all lands and premises benefiting from the improvement. These public improvements are generally physical in nature, such as sewers, drains, and road construction and repair. Charges or “assessments” are levied on all lands and premises within the district. The concept underlying the original use of special assessments is simple: The general revenue of a governmental unit should not be used to finance improvements that do not benefit the entire community. Rather, a charge is imposed for the payment of the costs of public improvements that confer a corresponding and special benefit upon the property assessed.

Although special assessments have been used to finance public improvements since Michigan’s early territorial days, many statutes pertaining to special assessments were adopted during the 1895-1930 period, as the population migrated from rural to urban areas. As the population shifted from urban to suburban areas during the 1950-1965 period, the state legislature again significantly expanded the authority of local governments to create special assessment districts.

The proliferation of special assessment legislation has, over the years, generated a sizable body of case law that defines and characterizes the unique features of special assessments. Most notable are two Michigan Supreme Court decisions that state:

There is a clear distinction between what are termed general taxes and special assessments. The former are burdens imposed generally upon property owners for governmental purposes without regard to any special benefit which will inure to the taxpayer. The latter are sustained upon the theory that the value of the property in the special assessment district is enhanced by the improvement for which the assessment is made.

In re Petition of Auditor General, 1924

It is the settled law, that special assessments may be sustained upon the theory that the property assessed receives some special benefit from the improvement differing from the benefit that the general public enjoys. This is the foundation of the right to levy special assessments and without such foundation the right must fail.

City of Lansing v. Jenison, 1918

## The Special Assessment Levy

Legislation authorizing special assessments requires that a district be created by the local governing body through its own initiative or via petitions submitted to the governing body. In some instances, voter approval is required or the question may be put to the voters through petition referendum. Initiative or referendum petitions

may be signed only by property owners in the area specially benefited by the public improvement. Requirements for public notices and public hearings are standard features of legislation authorizing special assessment districts.

Once a special assessment district is legally created; the special assessment charge or levy must be apportioned. That is, a decision, is made regarding which property owners are to be assessed and how much is to be assessed on each parcel of property. This determination is made by specifying the base and the rate of the special assessment levy.

### Base

The base of a special assessment is legally defined as property (lands and premises only) specially benefiting from the public improvement. The courts have consistently ruled that property normally exempt from the general ad valorem property tax (property used for religious, charitable, educational or scientific purposes, and public service business property) is not exempt from special assessments. Since most special assessment statutes define the base as land premises only, all personal property is implicitly exempt from special assessments.

Assessments are usually apportioned on the basis of front footage, land area, or value. The measure to be used to apportion assessments is not specified in authorizing legislation; however, the measure selected is to bear some relationship to the benefit received from the public improvement.

### Rate

Legislation authorizing special assessments does not usually specify a maximum rate that may be levied for a public improvement. In addition, much of the authorizing legislation does not place restrictions on the duration of special assessment levies. Local units of government are, therefore, granted unlimited open-ended revenue-raising authority to finance most public improvements.

The special assessment rate is generally calculated by dividing the cost of a public improvement by the base upon which those costs will be apportioned. For example, if the cost of installing a sidewalk is \$7,000 and the length of the sidewalk is 1,000 feet, the levy would be \$7 per front foot. When the cost of public improvements is apportioned on the basis of value, the rate is expressed in mills or the amount of the assessment per \$1,000 of property value subject to the special assessment levy. The use of ad valorem special assessment levies often leads to confusion in distinguishing general ad valorem property tax millage from special assessment millage.

The distinctions between these two types of millage are substantial. General ad valorem property taxes are subject constitutional restrictions including the 15 (or 18) and 50 mill limits, the 20-year millage limitation, Article IX, Section 31 rollbacks, and uniformity requirements. General ad valorem property taxes are also subject to statutory truth in taxation and truth in assessment rollbacks. Special assessment millages are not subject to these constitutional and statutory restrictions. In addition, taxpayers whose general ad valorem property taxes exceed 3.5 percent of household income are eligible for the state homestead property tax relief (circuit-

breaker) program. The law specifically excludes special assessment levies from circuit-breaker calculations.

### Spreading The Levy

State statutes permit special assessments to be levied on either a special assessment roll or in a separate column on the regular property tax roll. Special assessments are spread and become due and collected at the same time as other township taxes are assessed, levied, and collected. As a result, ad valorem special assessments begin to take on the appearance of a general ad valorem property tax.

### Special Assessments in Practice

All local units of government in Michigan (including school districts in one instance) are authorized by various state statutes to levy special assessments. The degree of specificity in the legislation regarding the type of public improvement and the manner of imposing the special assessment is dependent on the type of local unit granted the special assessment authority. For example, the home rule cities act provides a general grant of authority to impose special assessments for “public improvements” with no specific stipulations regarding the assessment levy. County authorization, on the other hand, tends to be quite specific. For instance, counties are authorized to impose special assessments for the construction of a water supply, sewage disposal, or refuse system upon lands benefited in not-to-exceed 30 annual installments. Special assessment legislation follows the same pattern as most other legislation pertaining to local units of government in Michigan – statutes for townships and counties are more specific than statutes for cities and villages.

Prior to the 1950s, public improvements financed through special assessments consisted exclusively of capital asset construction and maintenance such as streets and street lighting, sewers, drains, and sidewalks. Most legislation recognized that public improvements may provide a general benefit to the entire community while conferring a special benefit to only a portion of the property within the community. In such instances, the law permits the costs of the improvement to be allocated between a benefit district and the community at large. For example one special assessment statute authorizes townships to pay up to one-third of the costs of certain public improvements levied against corner lots. The costs allocated to the benefit district would be financed through a special assessment and the community share would be financed from general fund revenue or an at-large assessment. While measurements of the benefit and allocation of costs may be difficult at times, the linkage between assessments levied and benefits received is to be clear and direct.

### Special Assessments For Operating Purposes

Coinciding with the shift in population to the suburbs beginning in the 1950s, legislative authorization for special assessments moved away from financing capital improvements to financing current operating services. Authorization was granted to townships and villages to provide municipal services including police and fire protection, garbage collection, and library operations. Cities with populations of less

than 15,000 were also authorized to create special assessment districts for fire protection. In addition, the public health code (P.A. 368 of 1978) permits all cities, townships and villages to provide emergency medical (ambulance) services and defray the costs through a special assessment levy. Nonuniform and inadequate reporting by local units of government in Michigan to the state department of treasury, as well as the failure on the part of the state to require proper reporting, prevent the identification of all special assessment districts created to finance municipal services. Of those reported, however, the most common are districts created to finance police and fire services, and to a lesser extent, library operations garbage collection and street lighting. In virtually all cases, the special assessment district includes the entire township, thereby blurring the distinction between a special benefit to the property assessed and a service to the general public. Further, virtually all special assessments for operating purposes are levied upon an ad valorem basis, thereby making it impossible to differentiate "special assessments" from "taxes." This is particularly true with respect to residential property which is not subject to personal property taxes under either the general property tax or special assessments.

#### Are Special Assessments Really Property Taxes?

Legally, there are several key factors that distinguish special assessments from general ad valorem property taxes. (1) All real property, including property normally exempt, from the general ad valorem property tax, is subject to special assessments unless otherwise specifically exempted by the legislature. (2) All personal property, including property normally subject to the general ad valorem property tax, is exempt from special assessments. (3) Special assessments are, not subject to constitutional and statutory restrictions (e.g., 15 and 50 mill limits, rollbacks, etc.) that apply to the general ad valorem property tax. (4) The Constitution requires that the rate of taxation on public service businesses in the state be the average general ad valorem property tax rate levied on other property in the state. Since special assessments are not general ad valorem property taxes, special assessments levied on an ad valorem basis should not be included in calculating the statewide average property tax rate.

In practice, however, special assessments bear a striking resemblance to general ad valorem property taxes. In most jurisdictions, special assessments are only levied on property subject to the property tax. This is due, in part, to the fact that special assessments are spread on the regular assessment roll. Real property not subject to the property tax often does not appear on the regular assessment roll. In many jurisdictions, special assessments are levied on both real and personal property, contrary to the requirements of state law. Some jurisdictions apply rollback factors to special assessment millage rates and others report to the state that rollbacks do not apply to special assessments while levying the assessment on the entire property tax base of the jurisdiction. Special assessment levies are also included in determining the statewide general ad valorem property tax levy, thereby overstating the average property tax rate, which is the rate paid by state assessed public utilities in Michigan.

These administrative transgressions occur despite provisions in the law designed to prevent them. Township clerks are required to submit to the county certified copies of township board actions authorizing taxes to be levied for township purposes together with a statement of the amount to be levied. The county board of commissioners is responsible for verifying the accuracy, legality, etc. of all certificates and statements before spreading the various taxes on the assessment roll. After spreading the taxes, the clerk of the county board of commissioners is required to issue certificates showing the millages apportioned to each township for the various purposes keeping each tax separate and distinct. Thus, the county is responsible for insuring that special assessments are levied in conformance with the law. In addition, all local units of government are required to file reports with the state tax commission (on forms prescribed by the tax commission) detailing the various general ad valorem and special assessment levies, millage rates, and rollback calculations. These data are not being reported in a consistent and accurate manner.

Aside from the administrative aspects of special assessments and property tax levies, there are fundamental questions concerning the essential distinctions between an assessment and a tax. The attorney general attempted to clarify those distinctions in a 1980 opinion concerning the establishment and financing of a municipal emergency ambulance system as authorized in the public health code. The code permits a city, village, or township to operate an ambulance service for the use and benefit of its residents and defray any or all of the costs by either the collection of fees for services, special assessments, or both. Procedures for levying ambulance service special assessments are to be as close as possible to the statutory procedures specified for the operation and maintenance of a fire department and purchase of firefighting equipment by townships and by cities with under 15,000 inhabitants (P.A. 33 of 1951).

The attorney general noted that special assessments are levied on property specially benefiting from a local improvement. The public health code authorizes local units to operate an ambulance service for the use and benefit of residents and further states that an ambulance operation provides services to patients or individuals. An ambulance service is, therefore, meant to benefit persons and not property.

This rationale led the attorney general to opine that since a municipality's ambulance service must benefit all its residents and the property specially assessed does not receive a corresponding special benefit not provided the general public, the imposition or assessment levied against all real property within a city may not be characterized as a special assessment. Since all real property must be taxed to defray the cost of a citywide ambulance system, the assessment is in the nature of a general ad valorem property tax. The attorney general concluded that the levy is not a special assessment and, therefore, is subject to constitutional and statutory general ad valorem property tax restrictions.

While the opinion attempts to make a distinction between special assessments and general ad valorem property taxes, it also raises a serious question concerning the uniformity provisions of the Michigan Constitution. The legislature is required under Article IX, Section 3, to provide for the uniform general ad valorem taxation of real and tangible personal, property not exempt by law. Special assessments are

required by statute to be levied on land and premises only, and the attorney general's opinion implies that a general ad valorem property tax can be levied only on real property to finance an ambulance service. Since the Constitution requires uniform taxation of real and personal property, a general ad valorem property tax must be imposed on both real and personal property in order to comply with the uniformity requirement. Thus, despite the attorney, general's efforts, the characteristics that distinguish special assessments from general ad valorem property taxes remain unclear.

### Conclusion

It is apparent that the evolution of special assessments in Michigan has distorted the underlying special benefit principle beyond recognition. Municipal operating services that provide a general benefit to the general public, such as police and fire protection, garbage collections, and library services, are being financed under the guise of providing a special benefit to the property assessed. In addition, these levies take on the characteristics of general ad valorem taxes while circumventing the constitutional and statutory restrictions placed on the general ad valorem property tax. Since the entanglement of special assessments and property taxes occurred over a period of time, it appears that separating them will also take time.

In the short run, the administration of the various special assessment districts throughout the state must be brought into conformance with existing law.

1. Townships and other local units levying special assessments are responsible for levying "special assessments" on all real property including such property normally exempt from general ad valorem property taxes as may be subject to special assessments. Local units are also responsible for insuring that "special assessments" are levied only on real property (lands and premises) and not on tangible personal property.
2. County boards of commissioners are responsible under state law for insuring that all taxes including special assessments are levied according to law. The general property tax act permits the board to refer any questionable levies to the prosecuting attorney for a legal opinion. The county should require local units to report the specific statutes authorizing each tax or assessment they propose to levy. The county boards of commissioners should not authorize the spread of taxes or assessments on the assessment roll that do not conform to the requirements of the statutes authorizing the tax or assessment.
3. The state department of treasury is responsible for overseeing the administration of the property tax and for collecting information on the amounts of general tax and for collecting information on the amounts of general ad valorem property taxes and special assessments levied by local units. The forms on which the information is reported should clearly identify whether the levy is a general ad valorem property tax or an ad valorem "special assessment" and the specific statute under which the tax or assessment is imposed.
4. The state does not have consistent policies in dealing with ad valorem "special assessment."

- Ad valorem “special assessments” are included in calculating the average state tax rate which is the rate paid by state-assessed public utilities. The Constitution provides that “The rate of taxation on such property shall be the average rate levied upon other property in this state under the general ad valorem tax law . . . . (emphasis added) Ad valorem “special assessments” are not levied under the general property tax law, but under specific statutes.
- The state does not include ad valorem “special assessments” in calculating the local tax rate used to reimburse local units for the exemption of inventory from the general property tax. An attorney general’s opinion states that only ad valorem taxes levied under the general property tax law should be included in the tax rate used for reimbursing the inventory exemption. Since ad valorem “special assessments” are supposed to be levied only on real property (land and premises) and not on tangible personal property, it seems logical not to include them in calculating the inventory reimbursement.
- The state includes ad valorem (and other) special assessments in calculating relative tax effort for local revenue sharing purposes. This seems logical because an ad valorem “special assessment” is part of the tax burden borne by the taxpayer and is indistinguishable from a general ad valorem property tax by the taxpayer.
- State law excludes special assessments from determining property tax credits under the homestead property tax credit act (circuit- breaker). Despite this, many taxpayers probably claim credit for such special assessments because they are unable to tell the difference between the general property tax and a special assessment when both are levied on an ad valorem basis. It does not appear that horizontal equity is served by providing homestead property tax relief for a general ad valorem property tax used to finance police or fire services and not to provide it for an ad valorem special assessment levied for the same purposes.

In the long run, state policymakers need to examine whether jurisdiction-wide ad valorem special assessments are an appropriate method for financing municipal services. Special assessments are currently being levied by some units of government to finance operating services that most units of government finance from voter-approved general ad valorem property taxes. The justification for permitting some governmental units unfettered revenue-raising authority not subject to constitutional and statutory restrictions is at issue.

LOCAL SPECIAL ASSESSMENTS AUTHORIZED UNDER STATE LAW

Public Act No. & Year	Govtl Units	Purpose	Method of Creating District	Voter Referendum	Levy Limits Amount	Installments	Property Subject to Assessment
Act 185 of 1957	County /Contracting Municipality	Public Works - water supply, sewage disposal, refuse system, lake improvements	Resolution of county public works board	No	None	40 annual installments	Upon lands benefited
Act 215 of 1895	4th Class cities	Public improvements-sewers & drains, street repair, sidewalks, water works	Method specified in local ordinance	No	None	None	Assessment of single lots or parcels
Act 279 of 1909	Horne Rule cities	Public Improvements & street lighting	Specified in city charter	Subject to charter provisions	None	None	Public improvements—not specified Street lighting-on lands abutting boulevard
Act 639 of 1978	Cities & counties	Port authority – acquire, improve, etc. port facilities	Resolution of city or county governing body	No	None	30 installments	Upon benefited lands
Act 116 of 1923	Townships & villages	Public improvements including bridges, streets, sewers, water mains for fire protection, providing police protection, collection & disposal of garbage, sanitary sewers, public transportation facilities, fire fighting equipment	Petition by 65% land owners in special assessment district	No	A single assessment No more than 15% of assessed value in any 1 year All assessments no more than 45% of assessed value in any 1 year	Streets - 10 water - 20 water wks & sewage disposal - 40	Making, levying & collection pursuant to PA 3/1985 upon lots & premises according to frontage or benefits – frontage assessed to each lot or parcel of land relative to length & front. Benefit assessed proportionate to estimated benefit to lot from the improvement
Act 81 of 1925	Any 2 adjoining cities or villages	Street lighting  Public improvement	Pursuant to charter provisions	Pursuant to charter provisions	None	None	Assessment on equivalent front footage basis or levied equally on each parcel or property assessed  Any property benefited

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LOCAL SPECIAL ASSESSMENTS — 2

Public Act No. & Year	Govtl Units	Purpose	Method of Creating District	Voter Referendum	Levy Limits Amount	Installments	Property Subject to Assessment
Act 264 of 1917	Townships	Lighting of highways and bridges	Township board motion or petitions	No	None	None	Assessed against lands and premises
Act 88 of 1919	Townships	Water for fire protection	Petitions signed by 60% of landowners in district	No	50% of total cost	None	Each and every parcel of land in the district
Act 83 of 1951	Townships, incorpora- ted villages cities un- der 15,000 population	Fire fighting equipment and operation & maintenance of fire department	General or special elec- tion of the affected area in the township	—	Equal annual installments	15	All the lands and premises benefited by the fire protection
Act 181 of 1951	Townships	Police equipment & operation & maintenance of police department	General or special tion in township	—	None	None	All the lands and premises to be benefited thereby
Act 233 of 1955	County, twp, city or village create authority	Acquire & operate sewage dis- posal, water supply or solid waste system	Each contracting municipi- pality pursuant to charter or statutory provisions	Not on special assessment Ref. allowed on municipal contract with authority	None	None (40 yr limit on contract)	Assessments levied on property benefited
No Act 211 of 1956	Metro district, water & sewer auth- ority, county, twp, city or village create district	To acquire, construct & oper- ate sewage disposal & water supply system	Each contracting municipi- pality pursuant to charter or statutory provisions	Not on special assessment Ref. allowed on creation of district	None	None (40 yr limit on contract)	Assessments levied on property benefited

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<u>Public Act No. &amp; Year</u>	<u>Govtl Units</u>	<u>Purpose</u>	<u>Method of Creating District</u>	<u>Voter Referendum</u>	<u>Amount</u>	<u>Levy Limits</u>	<u>Installments</u>	<u>Property Subject to Assessment</u>
Act 76 of 1965	County, city, village, twp, school district, port district, metropolitan district	Local units may jointly contract to construct, maintain & operate waste disposal & water supply system	Pursuant to charter or statutory provisions	No	None	None	None	Assessments levied on property benefited
Act 96 of 1951	Townships	Payment of water service for fire protection to lands with revenue bond water system	Township board motion-public hearing required	No	2 mills	None	None	Levy apportioned in accordance with benefits against all of the property
Act 188 of 1954		Public improvements—storm & sewers, water mains, improvement of public highways, driveways or sidewalks, maintenance of parks & trees, elevated structures for foot travel, garbage collection, bicycle paths, erosion control structures	Highway improvements petition by landowners of 51% of total front footage or board action after owner notification with less than 20% owner objection Water mains, sewers & erosion structures petition by landowners of 51% of total land area or board action after owner notification with less than 20% objection All others, board action after owner notification with less than 20% owner (total land area) objection	No	None	Highway improvements—10 Water & sewer improvements—30 All others—none	Highway improvements—10 Water & sewer improvements—30 All others—none	Amount assessed against each parcel of land shall be relative to the sum levied against all parcels of land in the district as the benefit to the parcel of land bears to the total benefit to all parcels of land in the district Railroad companies to file with secretary of state address where special assessment notice may be served Total amount assessed against any parcel of land shall not exceed the value of the benefits received from the improvement
Act 197 of 1975	Downtown development authority of city, village or twp	Plan & propose construction, renovation etc. public facilities, existing bldgs, or multi-family dwellings. Implement any plan. Acquire & construct public facilities & multiple-family dwellings	As provided by law	No	None	None	None	Not specified

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Public Act No. & Year	Govtl Units	Purpose	Method of Creating District	Voter Referendum	Levy Limits Amount	Installments	Property Subject to Assessment
Act 208 of 1949	Cities, vil- lages & twps	Improve blighted neighborhood area through street improve- ments, relocating water mains, sewers & other public utili- ties, acquiring recreation facilities	Development of neighbor- hood betterment plan with written consent of a majority of owners of property in district	No	None	None	Spread equally on a front foot or land area basis
Act 120 of 1961	Cities	Redevelopment of principal shopping area including street improvements, main- tain off-street parking, construct malls	Pursuant to charter or statutory provisions	No	None	20 annual installments	Levied against land or interests in land on the basis of the benefits to the respective properties
Act 368 of 1978	City, vil- lage or twp	To operate an ambulance service	pursuant to Act 33 of 1951 General or special election	—	PA 33 re- quires equal an- nual install- ments	PA 33 re- quires no more than 15 annual in- stallments	PA 33 requires a levy on all lands & premises especially benefited. A 1980 Atty General opinion stated that all real property within a city must be taxed to defray cost of ambulance service
Act 3 of 1895	Villages (statu- tory pro- visions for incur- poration)	Improvements—public bldgs, fire dept structures, water works, lighting, cemeteries, parks, watch houses, parking lots, prisons, blvd lighting	Village council resolu- tion, public notice & public hearing	No	None	Street pav- ing 10 in- stallments	Upon the lots and premises according to frontage or benefits  Frontage—each lot or parcel of land relative to the total levied as the length & front about the improvement
Act 345 of 1966	City, vil- lage, twp or county	Improve inland lakes	Action by lake board pur- suant to resolution by local governing body	No	None	30 install- ments	Benefit—assess each lot relative portion to the estimated benefit  All parcels of land benefited from the improvement

**NOTE:**

PA 162 of 1962 prescribes notice of special assessment hearings requirements that supersede any charter or statutory requirements. PA 162 specifically identifies persons with an interest in real property.

PA 225 of 1976 allows the deferment of special assessments on homesteads owned and occupied by persons 65 years of age or older. Special assessments, are defined as assessments against real property calculated on a benefit or ad valorem basis for curb and gutter, sidewalk, sewer, water, or street paving, a drain, a connection fee or similar charge for a sewer or water system.

PA 281 of 1967, the state income tax act permits a circuit-breaker credit for property taxes paid to local governmental units. Property taxes are defined as general ad valorem taxes levied on a homestead, including collection fees, but not including special assessments.