

Bloomfield Township SAD Process for Subdivision Road Improvements Answers to Commonly Asked Questions

What does Special Assessment mean?

The term “Special Assessment” describes a method of financing public improvements by distributing the cost of a project over those property owners who will receive a special benefit. The assessment is billed to the property owner annually by the Township.

What defines the District?

A Special Assessment District (SAD) is the area of land or list of properties, called a “SAD Roll”, which would directly or indirectly benefit from the proposed improvements.

Who can start a Special Assessment project?

Special Assessments may be initiated either 1) through a resolution by the Township Board or, 2) at the request of a property owner(s) whose property is included in the district to be benefited by the improvement and specially assessed.

How is this project initiated?

For road improvements, a petition must be circulated and returned with signatures of not less than 51% of the real property owners in the district based upon total front footage of the parcels according to Public Act 188. In addition, the Township requires that not less than 51% of the property owners sign the petition in support. Only signatures on the official petition prepared by the Township will be counted.

Who signs the petition?

The current property owner(s) of record must sign the petition. Please note that both spouses must sign the petition regardless if the property is in only one of the names. If the property is owned by a trust, the person or persons signing the petition must be the duly appointed trustee(s) and sign in their capacity as trustee(s), i.e. the words “As Trustee” must be included with the signature. If the property is subject to terms of a land contract, both vendor and vendee must sign the petition i.e. the words “As Vendor” or “As Vendee” must accompany the signature.

How are the assessments calculated?

Assessments are determined based on dividing the total project’s cost by the number of parcels to be served by the improvement.

What costs are included in a Special Assessment District?

SAD costs include the cost of services, developing engineering plans, preparing assessment rolls, cost for advertising, financing charges, construction cost and legal fees, as well as other costs incidental to the making of the proposed improvements including a reasonable rate of interest on the outstanding balance of your assessment.

Bloomfield Township SAD Process for Subdivision Road Improvements Answers to Commonly Asked Questions

Do the residents have a say in how the assessments are determined?

Once the petitions are submitted, the Township has the sole responsibility to determine the assessments and project specifications. The Township will follow the Public Act 188, the Township Charter, and the road assessment guidelines that are appropriate.

Can a homeowner address the Township Board regarding this project?

Once a valid petition is submitted, the Township will consider moving the project forward. If the Township Board elects to accept the petition, there will be two (2) public hearings. The first public hearing will be scheduled to hear resident objections or support of the project necessity. The second public hearing will be held to hear resident objections or support of the project assessments and on the SAD roll.

When will the assessments begin?

The Township Board will establish the date of the first assessment at the time the SAD roll is confirmed. According to recent Township projects, the assessment can be paid in full by July 1 or paid over a 15 year period at an interest rate determined by the Township Board after bonds are sold for construction.

Will the Township require the assessment to be paid off when selling my home?

Prior to the enactment of Public Act 429 of 2014 and Public Act 561 of 2014, the law provided that the entire amount of a special assessment was as of the date of confirmation of the special assessment roll a lien on the assessed parcel until paid off. On January 15, 2015, Public Acts 429 and 561 of 2014 became effective, said Acts providing that if special assessments are payable in installments, the amount of any lien on the parcel of property assessed is limited to each individual installment and said lien shall not attach to the property assessed until that individual installment is due for payment.

What are the payoff requirements?

The assessment may be paid off at any time during the term of the Special Assessment including any unpaid interest prorated to the date of final payment.

What happens if the actual cost of the project differs from the original estimates?

If the project costs exceed the estimate by 10%, after the bids are received, then the project cannot move forward unless the Township Board decides to schedule an additional public hearing for further consideration. Since contractors' bids are good for a short time, the public hearing must be done quickly in order for these actual bid prices to be used.