MUNICIPAL WATER LIENS
Act 178 of 1939

AN ACT to provide for the collection of water or sewage system rates, assessments, charges, or rentals; and to provide a lien for water or sewage system services furnished by municipalities as defined by this act.

History: 1939, Act 178, Imd. Eff. June 8, 1939;—Am. 1981, Act 132, Imd. Eff. Oct. 7, 1981.

The People of the State of Michigan enact:

123.161 Definitions.

Sec. 1. As used in this act:

(a) "Municipality" means a county, city, township, village, or metropolitan district.

(b) "Person" means an individual, firm, partnership, association, or corporation which is the owner or occupant of any house or other building or any premises, lot, or parcel of land.

(c) "Sewage system" means a sewage disposal system, 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.

History: 1939, Act 178, Imd. Eff. June 8, 1939;—CL 1948, 123.161;—Am. 1981, Act 132, Imd. Eff. Oct. 7, 1981.

123.162 Municipality operating water distribution system or sewage system; lien as security for collection of assessments, charges, or rentals; effective date and enforceability of lien.

Sec. 2. A municipality that has operated or operates a water distribution system or a sewage system for the purpose of supplying water or sewage system services to the inhabitants of the municipality has as security for the collection of water or sewage system rates, or any assessments, charges, or rentals due or to become due, respectively, for the use of sewage system services or for the use or consumption of water supplied to any house or other building or any premises, lot or lots, or parcel or parcels of land, a lien upon the house or other building and upon the premises, lot or lots, or parcel or parcels of land upon which the house or other building is situated or to which the sewage system service or water was supplied. This lien becomes effective immediately upon the distribution of the water or provision of the sewage system service to the premises or property supplied, but shall not be enforceable for more than 5 years after it becomes effective.

History: 1939, Act 178, Imd. Eff. June 8, 1939;—CL 1948, 123.162;—Am. 1981, Act 132, Imd. Eff. Oct. 7, 1981;—Am. 2016, Act 421, Eff. Apr. 4, 2017.

123.163 Manner of enforcing lien.

Sec. 3. The lien created by this act may be enforced by a municipality in the manner prescribed in the charter of the municipality, by the general laws of the state providing for the enforcement of tax liens, or by an ordinance duly passed by the governing body of the municipality.

History: 1939, Act 178, Imd. Eff. June 8, 1939;—CL 1948, 123.163;—Am. 1981, Act 132, Imd. Eff. Oct. 7, 1981.

123.164 Official records of municipality as notice of pendency of lien.

Sec. 4. The official records of the proper officer, board, commission, or department of any municipality having charge of the water distribution system or sewage system shall constitute notice of the pendency of this lien.

History: 1939, Act 178, Imd. Eff. June 8, 1939;—CL 1948, 123.164;—Am. 1981, Act 132, Imd. Eff. Oct. 7, 1981.

123.165 Priority of lien; applicability of act where lease provides lessor not liable for payment of bills; affidavit.

Sec. 5. The lien created by this act shall, after June 7, 1939, have priority over all other liens except taxes or special assessments whether or not the other liens accrued or were recorded before the accrual of the water or sewage system lien created by this act. However, this act shall not apply if a lease has been legally executed, containing a provision that the lessor shall not be liable for payment of water or sewage system bills accruing subsequent to the filing of the affidavit provided by this section. An affidavit with respect to the execution of a lease containing this provision shall be filed with the board, commission, or other official in charge of the water works system or sewage system, or both, and 20 days' notice shall be given by the lessor of any cancellation, change in, or termination of the lease. The affidavit shall contain a notation of the expiration date of the lease.

History: 1939, Act 178, Imd. Eff. June 8, 1939;—CL 1948, 123.165;—Am. 1981, Act 132, Imd. Eff. Oct. 7, 1981.

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123.166 Discontinuing service or instituting action for collection; invalidation or waiver of lien.

Sec. 6. A municipality may discontinue water service or sewage system service from the premises against which the lien created by this act has accrued if a person fails to pay the rates, assessments, charges, or rentals for the respective service, or may institute an action for the collection of the same in any court of competent jurisdiction. However, a municipality's attempt to collect these sewage system or water rates, assessments, charges, or rentals by any process shall not invalidate or waive the lien upon the premises.

History: 1939, Act 178, Imd. Eff. June 8, 1939;—CL 1948, 123.166;—Am. 1981, Act 132, Imd. Eff. Oct. 7, 1981.

123.167 Construction of act.

Sec. 7. This act shall not repeal any existing statutory charter or ordinance provisions providing for the assessment or collection of water or sewage system rates, assessments, charges, or rentals by a municipality, but shall be construed as an additional grant of power to any power now prescribed by other statutory charter or ordinance provisions, or as a validating act to validate existing statutory or charter provisions creating liens which are also provided for by this act.

History: 1939, Act 178, Imd. Eff. June 8, 1939;—CL 1948, 123.167;—Am. 1981, Act 132, Imd. Eff. Oct. 7, 1981.

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