



**CHARTER TOWNSHIP OF BLOOMFIELD**

**SPECIAL ASSESSMENT DISTRICT (SAD)**

**Policy**

Effective February 23, 2026

# **1. Purpose and Overview**

## **1.1 Purpose**

This policy establishes procedures for creating certain Special Assessment Districts (SADs) in Bloomfield Township. SADs enable property owners to fund public improvements that directly benefit their properties through the special assessment process authorized by Public Act 188 of 1954, MCL 41.721 et seq. (the “Act”).

## **1.2 What is a Special Assessment District?**

A Special Assessment District is a defined area where property owners pay for public improvements that benefit their properties. Property owners in the district pay the entire cost of the project through assessments. SADs are commonly used to fund:

- Public water main extensions
- Sanitary sewer extensions
- Residential road paving (both subdivision and private roads)

## **1.3 Authority**

Public roads in residential subdivisions are owned by the Road Commission for Oakland County (RCOC). Road paving improvements in subdivisions are completed through RCOC using the special assessment process. The public water system is owned by the Township and improvements or extensions can also be funded through SADs. This policy governs how Bloomfield Township creates SADs under the Act to facilitate these improvements. This process is governed by Public Act 188 of 1954 (MCL 41.721 et seq.)

# **2. Special Assessment District Boundaries**

A proposed SAD for public water mains, sanitary sewers, or road paving may include any of the following configurations:

- A subdivision or part of a subdivision
- Multiple subdivisions or parts of multiple subdivisions
- One or more residential subdivision roads
- One or more residential roads not part of a subdivision
- One or more benefiting properties

# **3. Special Assessment District Representative**

## **3.1 Who Can Serve as SAD Representative**

The SAD Representative is the person who leads the effort to establish the SAD. This individual must be either:

- A property owner within the proposed SAD boundary, or

- A representative of the Homeowner's Association

### **3.2 Required Information**

The SAD Representative must provide the following contact information to the Township for use throughout the SAD process:

- Full name
- Mailing address
- Phone number
- Email address

## **4. SAD Petition Process**

The Board of Trustees has the option to create the SAD on its own motion. However, in most cases, the Township believes that the property owners themselves should choose to self-assess for the improvements. Therefore, creating a SAD requires a petition with estimated project costs to be circulated among property owners in the proposed district. The following sections outline the step-by-step process.

### **4.1 Expression of Interest (EOI)**

#### **Step 1: Request EOI**

The SAD Representative contacts the Bloomfield Township Assessing Department and requests an Expression of Interest (EOI). The Assessing Department prepares the EOI and provides it to the SAD Representative.

#### **Step 2: Collect EOI Signatures**

The SAD Representative circulates the EOI and collects signatures from at least 50% of the property owners in the proposed SAD area. The completed EOI is then returned to the Assessing Department.

#### **Step 3: Preliminary Approval**

Upon receipt of the EOI, the Assessing Department meets with the Township Supervisor, Township Clerk, and Township Treasurer for preliminary approval of the proposed SAD project area and district boundary. If the three elected officials do not approve the proposed boundary, the process ends and the SAD Representative will be notified in writing of the reasons for non-approval.

**Estimated Timeline:** 2-4 weeks from EOI submission to preliminary approval decision

### **4.2 Cost Estimates and Preliminary Plans**

Upon written approval of the proposed SAD project area by the three elected officials, the Assessing Department obtains preliminary plans and cost estimates. The cost estimate includes construction, engineering, construction management, contingencies (typically 10-15% of construction costs), financing, Township administration fees, and other estimated project costs.

The process varies depending on the type of improvement:

### **Residential Roads Under RCOC Jurisdiction**

The Assessing Department submits a letter to RCOC requesting cost estimates, along with a copy of the EOI and a map identifying participating properties. RCOC provides preliminary plans and cost estimates at no upfront cost to the Township or SAD Representative.

**Estimated Timeline:** 1-2 years

### **Public Water and Sanitary Sewer Extensions**

The Township Engineering and Environmental Services Department (EESD) develops cost estimates and preliminary plans. When necessary, the EESD Director engages the Township's engineering consultant. All consultant costs are paid by the Township.

**Estimated Timeline:** 90-180 days

### **Private Roads**

The Assessing Department obtains a proposal from the Township's engineering consultant. The SAD Representative (or property owner entity) must deposit 100% of the proposal amount in an escrow account with the Township before work begins. Upon receipt of funds, the consultant proceeds with developing preliminary plans and cost estimates.

**Estimated Timeline:** 90-180 days

## **4.3 Official Petition**

### **Step 4: Request Official Petition**

Upon receipt of cost estimates and preliminary plans, the Assessing Department contacts the SAD Representative. The SAD Representative must formally request in writing (email or letter) that the Assessing Department develop an official petition. If assistance is needed from the Township's consulting engineer to develop the petition, the Assessing Department will obtain and approve a proposal. All consultant costs are paid by the Township.

### **Step 5: Petition Distribution and Notice**

The Assessing Department releases official petitions to the SAD Representative for circulation. The petition includes a 'return by' date of up to six months after release. This date may be modified to align with the Michigan construction season (April through November). Petitions received after the due date may still be considered, though there is no guarantee for when construction may start.

The following notice must appear prominently on the cover page of each official petition issued by the Township:

**IMPORTANT NOTICE TO PROPERTY OWNERS**

Take notice that this petition is the official vehicle for commencement of legal proceedings for special assessment under Act No. 188 of the Public Acts of 1954 as amended. It is not an advisory or information petition. Upon the filing of the petition with the Township, the record owners within the assessment district will be determined using records in the county register of deeds office on that day. You may not withdraw your signature from the petition after the petition is filed with the Township. Do not remove documents, modify or add to this petition. Only signatures on official Township petitions will be considered.

Within five business days of releasing the official petition, the Assessing Department must:

- Send a letter by first class mail to all property owners in the proposed SAD notifying them that a petition has been released and identifying the SAD Representative and contact information
- If a homeowner's association is on record with the Township, send a letter by first class mail to the association president and vice president with the same information

**Step 6: Petition Circulation**

The SAD Representative and other property owners circulate the official petition for signatures. The Township recommends circulating petitions to all property owners in the proposed SAD and obtaining as much support as possible, not just the minimum required. Property owners not in favor of the project should not sign the petition.

**IMPORTANT:** Signatures cannot be withdrawn from the official petition once it is filed with the Township. See Section 5 for petition notice requirements.

**Step 7: Petition Verification**

Upon return of the official petition, the Assessing Department reviews all signatures. The Department develops a list of signatures that are not acceptable and the reasons for exclusion. This list is provided to the SAD Representative for correction and resubmittal. Additional official petitions are provided if requested.

Before an official petition can be presented to the Board of Trustees for acceptance, it must meet the following signature requirements based on the type of improvement:

Project Type	Required Signatures
<b>Residential Roads Under RCOC Jurisdiction</b>	Record owners of land constituting more than 50% of the total frontage on the roads slated for improvement in the proposed SAD, AND More than 50% of the property owners within the proposed SAD

<b>Public Water and/or Sanitary Sewer Extensions</b>	More than 50% of the total land area in the proposed SAD, AND More than 50% of the property owners within the proposed SAD
<b>Private Roads</b>	Record owners of land constituting more than 50% of the total frontage on the roads slated for improvement in the proposed SAD, AND More than 50% of the property owners within the proposed SAD

**Estimated Timeline:** 1-2 weeks for initial verification

**4.4 Public Hearings**

**Step 8: Board Consideration and Public Hearing of Necessity**

After the official petition is verified, the Township Board of Trustees considers accepting the petition at a public meeting. If approved, the Board sets a date for the Public Hearing of Necessity. The Township Clerk publishes formal notice inviting comments on the proposed project from all property owners within the district.

At the Public Hearing of Necessity, the Board listens to comments from property owners and votes to proceed with or reject the project. If the Board votes to proceed, this authorizes the project's design engineers or RCOC to complete construction drawings and specifications for public bidding. The Board also schedules the Public Hearing of the Assessment Roll at this meeting.

**Estimated Timeline:** 4-8 weeks from petition acceptance to Public Hearing of Necessity

**Step 9: Public Bidding and Final Assessment Roll**

The project is advertised for public bidding. After sealed bids are received, the Assessing Department determines total project costs. The Township Assessor uses this cost to prepare the final assessment roll, which includes the cost assigned to each individual property owner.

**Estimated Timeline:** 6-12 weeks for bidding and final assessment roll preparation

**Step 10: Additional Hearing (if cost exceeds 10%)**

If the calculated assessment amount is more than 10% above the estimated cost, PA 188 requires an additional public hearing before the Public Hearing of the Assessment Roll. At this hearing, the Board decides whether to proceed with the project. See Section 8 for details on assessment amount increases.

**Step 11: Project on Hold (if cost exceeds estimate by 15%)**

If the final special assessment cost after receiving sealed public bids exceeds the cost presented on the petition by 15% or more, the project will be placed on hold for 30 days. During this period, the Township Board may require a new petition be circulated with the updated bid cost, or the project may not proceed. This does not preclude the Township from proceeding to establish a SAD on its own motion. If the Board decides to proceed with the project and special assessment, it must

hold an additional public hearing with the revised final assessment prior to approval of the final assessment roll.

## **Step 12: Public Hearing of the Assessment Roll**

At the Public Hearing of the Assessment Roll, property owners comment on the final assessment. If the Board adopts the resolution confirming the assessment roll, the Township can proceed with the project. Property owners have 30 days to appeal their assessment to the Michigan Tax Tribunal.

## **5. Assessments, Interest Rates, and Financing**

### **5.1 Financing Availability**

The financing of projects is contingent upon available funding at the time the petition is submitted to the Township.

### **5.2 Bond Financing**

For residential roads under RCOC jurisdiction and private roads, the Township Board of Trustees may sell bonds to pay for the road paving project or may pay for the project using a loan from the Road Fund or General Fund. For public water and sanitary sewer extensions, the Board may sell bonds or fund the project using a loan out of the water and sewer fund. In all cases, the Township will recoup the costs by assessing the property owners upfront or in installments.

### **5.3 Payment Options**

Once the project is approved and the assessment confirmed, property owners will be invoiced by the Township Treasurer. Property owners have two payment options:

- Pay the assessment in full upon receipt of the invoice
- Pay the assessment in annual installments, which will be billed annually on the winter tax bill

### **5.4 Interest Rates**

Property owners who choose to pay assessments in installments will be charged annual interest according to the following schedule:

- When bonds are sold to fund the SAD: 1% over the average interest cost of the bonds sold for the SAD
- When Township funds are used from either the water and sewer fund, road fund, or general fund: 1% above the yield on the 5-year treasury note at the time of project commencement, capped at 6%.

### **5.5 Finance Periods**

#### **Road Projects**

The finance period for public residential road or private road SADs is 15 years.

## Water and Sewer Projects

The finance period for public water or sanitary sewer SADs varies based on the assessment amount:

Assessment Amount	Finance Period
Under \$10,000	10 years
\$10,000 to \$20,000	15 years
Over \$20,000	20 years

## 6. Township Administration and Management Fee

### 6.1 Purpose of Fee

The Township includes an administration and management fee in the cost estimate for all projects. This fee covers Township expenses including:

- In-house staff time for development of the SAD and required petitions and resolutions
- Administration of the SAD
- Project management during construction
- Project management over the lifetime of the assessment period

Any direct costs incurred by the Township, for legal, consulting, or otherwise will be charged to the SAD once it is created.

### 6.2 Fee Calculation and Collection

The administration fee will be one half of one percent (1/2%) and is calculated based on total project costs, which include all design, engineering, construction, legal, and up-front financing costs. The fee is included in the assessment and is only collected if the final assessment is approved by the Board of Trustees. If the proposed SAD does not proceed at any point, the Township does not collect this fee.

The fee will be charged to the SAD upon completion of construction based on actual project costs incurred and will be paid into the General Fund of the Township. Upon completion of the project, the Township Supervisor will notify the Township Treasurer and Finance Director to charge the SAD for the fee.

## 7. Financing (Municipal Bond) Costs

### 7.1 Bond Offering Amount

If the Township decides to issue municipal bonds to fund the SAD project, the amount of the bond offering will be the total project costs less any prepayments received from property owners in the district.

### 7.2 Estimated Financing Costs

When the Township funds a SAD project by issuing municipal bonds, additional costs are incurred that must be estimated and included in calculating the total project cost. The Township applies an estimated financing cost to the total project costs (construction, contingencies, engineering, and Township administration) provided in the official petition.

Size of Bond Offering	Estimated Financing Costs
Under \$5 million	\$150,000
Between \$5 million and \$10 million	\$250,000
Over \$10 million	\$300,000

### 7.3 Actual Financing Costs

Upon completion of the bond offering, the SAD will be charged the actual costs incurred in the transaction.

## 8. Special Assessment District Refunds

### 8.1 Project Completion Refunds

Upon completion of the construction of the SAD project, the Township Finance Director will prepare a final accounting of revenues and costs in the SAD project fund and provide it to the Township Supervisor and Treasurer.

#### Surplus of \$500 or More

If there is a surplus in the project fund after all costs of the project have been paid and that surplus equals \$500 or more per unit of benefit, the Township will issue refunds to property owners as follows:

Original Payment Method	Refund Method
Paid in full before bond issuance	Check mailed to the owner of record at the time of refund
Paid in annual installments	Credit applied to next installment payment(s)

## **Surplus Less Than \$500**

If there is a surplus in the project fund after all costs of the project have been paid that equals less than \$500 per unit of benefit, no refunds will be issued at that time and the surplus funds will be transferred into the SAD Debt Service Fund.

## **8.2 District Closure Refunds**

Once the assessment and bonds are fully paid off and the district is closed, the Township Finance Director prepares a final accounting of the SAD Debt Service Fund and provides it to the Township Supervisor and Treasurer.

In accordance with the Act, if the total amount collected on assessments is larger than necessary by more than 5% of the original roll less prepayments, the surplus will be prorated among the properties assessed in installments (not including those who prepaid) and refunded to the persons who are the record owners on the date the Township Board passes the refund resolution. This process should occur within 180 days of the bonds being paid off.

## **8.3 Allocation of Surplus Funds (5% or Less)**

### **Road Improvement Projects**

For road improvement projects subject to the Act, any surplus of 5% or less will be retained by the Township and paid into the Road Fund to maintain the roads improved through the Act. If the Township does not have a Road Fund, the surplus will be deposited into the General Fund.

### **Water and Sewer Projects**

For water and sanitary sewer improvement projects subject to the Act, any surplus of 5% or less will be retained by the Township and paid into the Water & Sewer Fund for use to operate and maintain the public water and sanitary sewer systems.

**Estimated Timeline:** 4-6 weeks from final roll preparation to hearing

## **9. Questions and Contact Information**

For questions or assistance at any stage of the SAD process, please contact:

### **Bloomfield Township Assessing Department**

Phone: (248) 433-7710 Email: [assessor@bloomfieldtwpmi.gov](mailto:assessor@bloomfieldtwpmi.gov)

Office hours and additional contact information are available on the Township website at [www.bloomfieldtwpmi.gov](http://www.bloomfieldtwpmi.gov).

## **10. Frequently Asked Questions**

### **How long does the entire SAD process take?**

The timeline varies significantly depending on the type of improvement. For RCOC road projects, the process typically takes 2-3 years from initial EOI to construction. For water, sewer, or private road projects, the process typically takes 12-18 months. These timelines can be affected by petition circulation time, public hearing schedules, bidding processes, and construction season timing.

### **Can I remove my signature from a petition after signing?**

No. Once the official petition is filed with the Township, you may not withdraw your signature. This is a legal requirement under the Act. Property owners should carefully consider their decision before signing the official petition.

### **What happens if I sell my property during the SAD process?**

The special assessment is tied to the property, not the property owner. If you sell your property after the assessment is confirmed, the assessment typically transfers to the new owner. However, this may be negotiated as part of the sale agreement. The record owner at the time the petition is filed with the Township is used to determine who has signed the petition.

### **What if I cannot afford my assessment?**

Property owners have the option to pay their assessment in annual installments over 10-20 years (depending on the project type and amount), which makes the payment more manageable. Contact the Township Treasurer to discuss payment options and explore whether any hardship provisions may apply to your situation.

### **What happens if less than 50% of property owners sign the official petition?**

If the petition does not meet the signature requirements outlined in Section 6, it will not be presented to the Board of Trustees for acceptance and the SAD process will not proceed. The SAD Representative will be notified that the petition was insufficient.

### **How is my individual assessment amount calculated?**

Assessment amounts are calculated by the Township Assessor based on the benefit received by each property. For road projects, this is typically based on frontage. For water and sewer projects, this is typically based on land area or connections. The specific methodology will be explained at the public hearings.

### **Can I appeal my assessment?**

Yes. Property owners have 30 days after the Public Hearing of the Assessment Roll to appeal their assessment to the Michigan Tax Tribunal. See the Michigan Tax Tribunal website for information on the appeal process and required forms.

### **What if the project costs more than estimated?**

See Section 8 for detailed information on cost increases. In summary, if costs exceed the estimate by more than 10%, an additional public hearing is held. If costs exceed the estimate by 15% or more, the project is placed on hold and may require a new petition or may not proceed.

## **11. Bloomfield Township Resolution Repeal**

This policy repeals and supersedes the following resolutions previously established by the Township Board of Trustees:

- January 13, 1992 Bloomfield Township Board of Trustees Resolution (Change of Interest Rate from 9% to 6%)
- July 22, 2002 Bloomfield Township Board of Trustees Resolution (Special Assessment Finance Time Period)
- May 27, 2003 Bloomfield Township Board of Trustees Special Assessment Billing Resolution
- May 9, 2016 Bloomfield Township Board of Trustees Resolution Establishing Policy on Closing Out Special Assessment Districts
- December 12, 2022 Bloomfield Township Board of Trustees Resolution to Amend Special Assessment District Policy

— *End of Policy* —