

**SUBSTITUTE FOR
HOUSE BILL NO. 4979**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 10g (MCL 211.10g), as added by 2018 PA 660.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 10g. (1) Pursuant to subsection (2), on and after
2 December 31, 2021, the state tax commission shall audit the
3 assessing districts in this state to determine if they do all of
4 the following:

5 (a) Employ or contract with an assessor of record that
6 oversees and administers an annual assessment of all property
7 liable to taxation in the assessing district, as provided in
8 section 10, in accordance with the constitution and laws of this
9 state. For an assessing district that amends its corrective action



plan pursuant to subsection (3)(c), its assessor of record must be an advanced assessing officer or a master assessing officer.

(b) Use a computer-assisted mass appraisal system that is approved by the state tax commission as having sufficient software capabilities to meet the requirements of this act and to store and back up necessary data.

(c) Subject to state tax commission guidelines, have and follow a published policy under which its assessor's office is reasonably accessible to taxpayers. A policy under this subdivision must include, at a minimum, the items in subparagraphs (i) to (iv) and should include the item in subparagraph (v) as follows:

(i) A designation, by name, telephone number, and ~~electronic mail~~**email** address, of at least 1 official or employee in the assessor's office to whom taxpayer inquiries may be submitted directly by telephone or ~~electronic mail~~**email**.

(ii) An estimated response time for taxpayer inquiries submitted under subparagraph (i), not to exceed 7 business days.

(iii) Information about how a taxpayer may arrange a meeting with an official or employee of the assessor's office for purposes of discussing an inquiry in person.

(iv) Information about how requests for inspection or production of records maintained by the assessor's office should be made by a taxpayer and how those requests will be handled by the assessor's office.

(v) Information about any process that the assessor's office may have to informally hear and resolve disputes brought by taxpayers before the March meeting of the board of review.

(d) If a city or township building within the assessing district is in an area with broadband internet access, provide



1 taxpayers online access to information regarding its assessment
2 services, including, but not limited to, parcel information, land
3 value studies and documentation, and economic condition factors. As
4 used in this subdivision, "area with broadband internet access"
5 means an area determined by the connect Michigan broadband service
6 industry survey to be served by fixed terrestrial service with
7 advertised speeds of at least 25 megabits per second downstream and
8 3 megabits per second upstream in the most recent survey available.

9 (e) Include the contact information described in subdivision
10 (c) (i) in notices to taxpayers concerning assessment changes and
11 exemption determinations, including, but not limited to, notices
12 issued under section 24c.

13 (f) Ensure that its support staff is sufficiently trained to
14 respond to taxpayer inquiries, require that its assessors maintain
15 their certification levels, and require that its board of review
16 members receive board of review training and updates required and
17 approved by the state tax commission.

18 (g) Comply with section 44(4) with respect to any property tax
19 administration fee collected under section 44.

20 (h) Have all of the following:

21 (i) Properly developed and documented land values.

22 (ii) An assessment database for which not more than 1% of
23 parcels are in override.

24 (iii) Properly developed and documented economic condition
25 factors.

26 (iv) An annual personal property canvass and sufficient
27 personal property records according to developed policy and
28 statutory requirements.

29 (v) A board of review that operates in accordance with this



1 act.

2 (vi) An adequate process for determining whether to grant or
3 deny exemptions according to statutory requirements.

4 (vii) An adequate process for meeting the requirements outlined
5 in the state tax commission's publication entitled, "Supervising
6 Preparation of the Assessment Roll", as those requirements existed
7 on October 1, 2018.

8 (i) Comply with any other requirement that the state tax
9 commission lawfully promulgates under the administrative procedures
10 act of 1969, 1969 PA 306, MCL 24.201 to 24.328, in the exercise of
11 its authority under this act that expressly states that it is
12 intended as an additional requirement under this subsection.

13 (2) The state tax commission shall develop and implement an
14 audit program to determine whether an assessing district is in
15 substantial compliance with the requirements in subsection (1). If,
16 after December 31, 2021, the state tax commission determines that
17 an assessing district is not in substantial compliance with the
18 requirements in subsection (1), the state tax commission may
19 initiate the process described in subsection (3) to ensure that the
20 assessing district achieves and maintains substantial compliance
21 with those requirements.

22 (3) The state tax commission shall develop and implement a
23 process to ensure that all assessing districts in the state achieve
24 and maintain substantial compliance with the requirements in
25 subsection (1). At a minimum, that process ~~shall~~**must** include all
26 of the following actions and procedures:

27 (a) If the state tax commission determines that an assessing
28 district is not in substantial compliance with the requirements in
29 subsection (1) and elects to initiate the process described in this



1 subsection, the commission shall provide the assessing district
2 with a notice of noncompliance setting forth the reasons the
3 assessing district is not in substantial compliance with the
4 requirements in subsection (1) and requesting that the assessing
5 district develop a corrective action plan approved by its governing
6 body to address those deficiencies. Except as otherwise provided in
7 subdivision (g), an assessing district shall file a corrective
8 action plan requested under this subdivision with the state tax
9 commission within 60 days after receipt of the notice of
10 noncompliance. The state tax commission shall approve a corrective
11 action plan filed under this subdivision or request changes to the
12 plan within 60 days after filing.

13 (b) No earlier than May 1 and no later than September 1 of the
14 calendar year immediately following the year of the notice
15 described in subdivision (a), or, in the case of a corrective
16 action plan approved by the state tax commission that extends
17 beyond 1 year, no earlier than May 1 and no later than September 1
18 of the calendar year that is the second calendar year following the
19 year of the notice described in subdivision (a), the state tax
20 commission shall conduct an initial follow-up review with the
21 assessing district and, within 90 days following that review,
22 provide the district with an evaluation of its progress in
23 implementing its corrective action plan and a notice of substantial
24 compliance or noncompliance with the requirements in subsection
25 (1).

26 (c) Except as otherwise provided in subdivisions (g) and (i),
27 an assessing district that has received a notice of noncompliance
28 as part of an initial follow-up review under subdivision (b) shall
29 elect to either contract with the designated assessor for the



1 county to serve as the district's assessor of record or amend its
2 corrective action plan with the approval of the state tax
3 commission to provide that the assessing district will employ or
4 contract with a new assessor of record, who ~~shall~~**must** be an
5 advanced assessing officer or a master assessing officer, to
6 achieve and maintain substantial compliance with the requirements
7 in subsection (1).

8 (d) If an assessing district amends its corrective action plan
9 pursuant to subdivision (c), no earlier than May 1 and no later
10 than September 1 of the following calendar year, the state tax
11 commission shall conduct a second follow-up review with the
12 assessing district and, within 90 days following that review,
13 provide the district with an evaluation of its progress in
14 implementing its corrective action plan and a notice of substantial
15 compliance or noncompliance with the requirements in subsection
16 (1).

17 (e) If the state tax commission, pursuant to subdivision (b)
18 or (d), provides an assessing district a notice of substantial
19 compliance with the requirements in subsection (1), no further
20 follow-up reviews are required under this subsection.

21 (f) Except as otherwise provided in subdivision (g), if the
22 state tax commission provides an assessing district a notice of
23 noncompliance pursuant to a second follow-up review under
24 subdivision (d) or notifies an assessing district that it has
25 fallen out of substantial compliance less than 5 calendar years
26 after the calendar year a notice of substantial compliance was
27 issued under this subsection, the state tax commission may require
28 the assessing district to contract with the designated assessor for
29 the county to serve as the district's assessor of record. If the



1 state tax commission notifies an assessing district that it has
2 fallen out of substantial compliance with the requirements in
3 subsection (1) more than 4 calendar years after the calendar year a
4 notice of substantial compliance was issued, that notice of
5 noncompliance ~~shall~~**must** be treated as an initial determination of
6 noncompliance under this subsection.

7 (g) Within 30 days after receiving a notice of noncompliance
8 under subdivisions (a), (b), (d), or (f), an assessing district may
9 file a written petition with the state tax commission challenging
10 the determination. The state tax commission shall arbitrate the
11 dispute based on the documented facts supporting the notice of
12 noncompliance and the information contained in the written petition
13 and may request additional information as needed from the assessing
14 district. If a petition is properly filed under this subdivision,
15 the requirements applicable to an assessing district under
16 subdivisions (a), (c), and (f) do not apply until the state tax
17 commission notifies the assessing district of the results of the
18 arbitration. With respect to the corrective action plan filing
19 requirement in subdivision (a), the 60-day window for filing the
20 plan will run from the date of this notice.

21 (h) Unless earlier times are agreed to by the state tax
22 commission and the designated assessor, an assessing district that
23 is under contract with a designated assessor under this subsection
24 may petition the state tax commission no sooner than 3 years after
25 commencement of the contract to end its contract with the
26 designated assessor and may subsequently terminate the contract,
27 subject to state tax commission approval, no sooner than 5 years
28 after commencement of the contract. The state tax commission shall
29 approve termination of a contract under this subdivision if it



1 determines that the assessing district can achieve and maintain
2 substantial compliance with the requirements in subsection (1)
3 using a different assessor of record.

4 (i) Notwithstanding any other provision of this subsection,
5 the state tax commission may immediately require an assessing
6 district to contract with the designated assessor for the county to
7 serve as the district's assessor of record if after the expiration
8 of 90 days following a second notice of noncompliance under
9 subdivision (b) or the issuance of a notice of arbitration results
10 under subdivision (g), whichever is later, the assessing district
11 has not either contracted with the designated assessor for the
12 county or employed or contracted with a new assessor of record
13 pursuant to subdivision (c) or if both of the following apply:

14 (i) The assessing district has failed to file an acceptable
15 corrective action plan with the state tax commission under
16 subdivision (a) within 180 days following an initial notice of
17 noncompliance under subdivision (a) or has failed to make a good-
18 faith effort to implement a corrective action plan approved by the
19 state tax commission under subdivision (a) within 240 days
20 following an initial notice of noncompliance under subdivision (a).

21 (ii) The failure is likely to result in assumption of the
22 assessing district's assessment roll.

23 (j) A designated assessor may charge an assessing district
24 that is required to contract with the designated assessor under
25 this subsection, and that assessing district shall pay, for the
26 reasonable costs incurred by the designated assessor in serving as
27 the assessing district's assessor of record, including, but not
28 limited to, the costs of overseeing and administering the annual
29 assessment, preparing and defending the assessment roll, and



operating the assessing office. The state tax commission shall develop guidelines, which, at a minimum, ~~shall~~**must** provide **a means** for ~~the ability of an assessing district to protest a charge to the state tax commission and the ability of~~ **a means for** the state tax commission to resolve disputes between the designated assessor and the assessing district regarding costs and charges.

(k) A designated assessor is a local assessing unit for purposes of the provisions in section 44 concerning the division and use of any collected property tax administration fees.

(4) Beginning December 31, 2020, every county shall have a designated assessor on file with the state tax commission, subject to all of the following:

(a) Subject to subdivision (d), to designate an assessor as a designated assessor, a county shall provide the state tax commission with an interlocal agreement that designates an individual who will serve as the county's designated assessor and shall petition the state tax commission to approve of the individual as the designated assessor for that county. The interlocal agreement must be executed by the board of commissioners for that county, a majority of the assessing districts in that county, and the individual put forth as the proposed designated assessor. For purposes of this subdivision and subsection ~~(5)(d),~~ **(7)(d)**, an assessing district is considered to be in the county where all of, or in the case of an assessing district that has state equalized value in multiple counties, the largest share of, that assessing district's state equalized value is located.

(b) Except as otherwise provided in subdivision (d), if the state tax commission determines that an individual named in a petition submitted under subdivision (a) is capable of ensuring



1 that contracting assessing districts achieve and maintain
2 substantial compliance with the requirements in subsection (1), it
3 shall approve the petition.

4 (c) Except as otherwise provided in subdivision (d), if the
5 state tax commission determines that an individual named in a
6 petition submitted under subdivision (a) is not capable of ensuring
7 that contracting assessing districts achieve and maintain
8 substantial compliance with the requirements in subsection (1), it
9 shall reject the petition and request the submission of additional
10 interlocal agreements under subdivision (a) until a suitable
11 assessor has been presented.

12 (d) Except as otherwise provided in subdivision (e), an
13 approved designated assessor designation ~~shall~~**may** not be revoked
14 and no new designation ~~shall~~**may** be made under subdivision (a)
15 earlier than 5 years following the date of the approved
16 designation.

17 (e) The state tax commission may designate and approve **when**
18 **required**, on an interim basis and pursuant to a formal agreement,
19 an individual to serve as a county's designated assessor and, if
20 applicable, revoke the approved designation of the current
21 designated assessor under the following circumstances and subject
22 to the following time limit:

23 (i) If the designated assessor dies or becomes incapacitated.

24 (ii) If the designated assessor was designated and approved
25 based on ~~his or her~~**the designated assessor's** employment status and
26 that status materially changes.

27 (iii) If it determines at any time that the designated assessor
28 is not capable of ensuring that contracting assessing districts
29 achieve and maintain substantial compliance with the requirements



1 in subsection (1).

2 ~~(iv) If, as of December 31, 2020, it has not been provided an~~
3 ~~interlocal agreement, executed as provided in subdivision (a), that~~
4 ~~presents a suitable individual to serve as the county's designated~~
5 ~~assessor.~~

6 (iv) ~~(v)~~—An approved designation under this subdivision is
7 effective only until a new assessor has been designated and
8 approved under subdivisions (a) to (c).

9 (5) A county may elect to forgo the use of a designated
10 assessor as provided in subsection (4) by providing the state tax
11 commission with an interlocal agreement electing to opt out of
12 using a designated assessor. The interlocal agreement must be
13 executed by the board of commissioners for that county and a
14 majority of the assessing districts in that county. For those
15 counties that opt out of use of a designated assessor, the state
16 tax commission shall appoint a designated assessor to act as the
17 assessor of record as required for any assessing district within
18 the county under the provisions of subsection (3). The election to
19 forgo the use of a designated assessor applies to those counties
20 that have previously submitted an interlocal agreement to the state
21 tax commission as required under subsection (4) and those counties
22 that did not have an interlocal agreement filed with the state tax
23 commission.

24 (6) If a county does not appoint a designated assessor under
25 subsection (4) or an election is made under subsection (5) to opt
26 out of using a designated assessor, the state tax commission shall
27 appoint an individual to serve as the designated assessor if the
28 local unit is not in substantial compliance under subsection (3)(f)
29 and a designated assessor is needed.



(7) ~~(5)~~—As used in this section:

(a) "Advanced assessing officer" means an individual certified by the state tax commission pursuant to section 10d as a Michigan Advanced Assessing Officer(3) or, if the state tax commission changes its certification designations, an individual certified by the state tax commission to perform functions equivalent in scope, as determined by the state tax commission, to those that previously could have been performed by a Michigan Advanced Assessing Officer(3).

(b) "Assessing district" means a city, township, or joint assessing authority.

(c) "Corrective action plan" means a plan developed by an assessing district that specifically indicates how the assessing district will achieve substantial compliance with the requirements in subsection (1) and when substantial compliance will be achieved.

(d) "Designated assessor" means an individual designated and approved, as provided in subsection (4), to serve a county as the assessor of record for the assessing districts in that county that are required to contract with a designated assessor pursuant to the process specified in subsection (3).

(e) "Master assessing officer" means an individual certified by the state tax commission pursuant to section 10d as a Michigan Master Assessing Officer(4) or, if the state tax commission changes its certification designations, an individual certified by the state tax commission to perform functions equivalent in scope, as determined by the state tax commission, to those that previously could have been performed by a Michigan Master Assessing Officer(4).

(f) "Noncompliance" means that the identified deficiencies,



1 taken together, pose a significant risk that the assessing district
2 is unable to perform the assessing function in conformity with the
3 state constitution and state statute. It is the opposite of
4 substantial compliance and ~~shall~~**must** be determined based on a
5 holistic evaluation of compliance with the requirements in
6 subsection (1), taking into account the anticipated overall impact
7 of the deficiencies on the assessing district's ability to perform
8 the assessment function. A finding of noncompliance ~~shall~~**may** not
9 be based on isolated technical deficiencies.

10 (g) "Substantial compliance" means that any identified
11 deficiencies do not pose a significant risk that the assessing
12 district is unable to perform the assessment function in conformity
13 with the state constitution and state statute. It is the opposite
14 of noncompliance.

15 (8) ~~(6) Not later than 2 years after the effective date of the~~
16 ~~amendatory act that added this section, December 28, 2020, the~~
17 state tax commission shall adopt and publish guidelines to
18 implement this section. The guidelines ~~shall~~**must** include, at a
19 minimum, minimum standards and model policies to be followed for
20 substantial compliance with the requirements of subsection (1) and
21 ~~shall~~**must** identify those deficiencies that may lead to a finding
22 of noncompliance and those deficiencies that are technical. The
23 state tax commission may update the guidelines as needed to
24 implement this section.

