

Legislative Analysis



ALLOW COMPUTERIZED ASSESSMENT ROLLS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4888 (H-2) as reported from committee

Sponsor: Rep. Holly Hughes

Committee: Local Government

Revised on (11-16-15)

Analysis available at
<http://www.legislature.mi.gov>

(Enacted as Public Act 25 of 2016)

BRIEF SUMMARY: The bill would allow an assessor to maintain the assessment roll electronically.

FISCAL IMPACT: As written, the bill would have no state fiscal impact, although to the extent that local units are able to realize savings by utilizing electronic assessing rolls, local unit costs could potentially decline by an unknown amount.

THE APPARENT PROBLEM:

The General Property Tax Act requires that all of Michigan's assessors, before the first Monday in March each year, complete an assessment roll. The statute specifies, in detail, all of the information an assessment roll must display, including the name and address of every person liable to be taxed in the local tax collecting unit, with a full description of all the real property liable to be taxed.

When an assessment roll must be printed, or made available for inspection the document is unwieldy. Further, retention of the document poses storage problems.

Legislation has been introduced to allow property tax assessors to maintain the assessment roll electronically. It is compatible with legislation passed earlier during the session that enables local treasurers to maintain computerized tax rolls. See **Background Information** below.

THE CONTENT OF THE BILL:

House Bill 4888 (H-2) would amend the General Property Tax Act to allow an assessor to maintain the assessment roll electronically as a computerized database.

The bill would take effect 90 days after it was enacted into law. A more detailed description of the bill follows.

Now under the law, each year all local assessors must complete an assessment roll before the first Monday in March. The statute describes in some detail the information the property tax assessor must include on that assessment roll. House Bill 4888 would retain all of those provisions.

Further, the bill allows (but does not require) a local tax collecting unit to use a computerized database system as the assessment roll, if the assessor certified (in a form

and manner prescribed by the State Tax Commission) that the system complied with all of the following:

- That the assessor certified the assessment roll, and also maintained a computer printed format or a disk, external drive, or other electronic data processing format compatible with the computer system used by the local tax collection unit. (The affidavit attached to the assessment roll would have to include documentation that the assessment roll had been backed up, and it would be accompanied by a sworn statement by the assessor that the backup system contained a true and complete record of the assessment roll. Further the affidavit would have to include documentation that authorized and reported all changes in the assessment roll, as certified by the assessor.)
- The local tax collecting unit certified and maintained a retention policy that complied with statutory requirements of Public Act 271 of 1913 found at MCL 399.5, and also of the Michigan Penal Code found at MCL 750.491.
- The local tax collecting unit certified that the computerized database system had internal and external security procedures sufficient to assure the integrity of the system.
- The local tax collection unit certified to the State Tax Commission, before May 1, compliance with all code requirements (beginning the third year following the year in which a local tax collecting unit began using a computerized database system, and every three years thereafter).
- An assessor provided a computer terminal for public viewing of the assessment roll (which would be considered as having the assessment roll available for public inspection).

House Bill 4888 specifies that if at any time the State Tax Commission believed that a local tax collection unit was no longer in compliance with this subsection, then Commission would be required to provide written notice to the local tax collecting unit. (The notice would have to specify the reasons that the database system did not comply, and the local tax collecting unit would have 60 days to provide evidence of compliance. If the local unit did not comply within 60 days, the State Tax Commission could withdraw approval of the use of the computerized database as the original assessment roll. Proceedings of the State Tax Commission under this subsection would be held in accord with the rules for other commission proceedings, promulgated under the Administrative Procedures Act, and such a proceeding would not be considered a contested case.)

MCL 211.24

BACKGROUND INFORMATION:

Earlier this session, the legislature enacted Public Act 140 of 2015, which amended the General Property Tax Act (MCL 211.42a) to eliminate the requirement that county treasurers make printed copies of their tax rolls available for inspection if the tax roll is

maintained on a computerized database. Public Act 140, sponsored by Representative Sam Singh as House Bill 4168, will become effective on January 11, 2016.

ARGUMENTS:

For:

Local property tax assessors should be able to use the latest technology as they maintain (and store) a community's assessment roll—that is, the record of each property's value against which taxes are levied.

When records are maintained on-line, they can be searched more easily by assessors, treasurers, developers, realtors; indeed, by all citizens. Accessible records better ensure both transparency and accountability for taxpayers.

POSITIONS:

The Department of Treasury supports the bill as substituted. (11-4-15)

The Michigan Assessors Association supports the bill. (11-4-15)

The Michigan Townships Association supports the bill. (10-21-15)

The Muskegon County Equalization Office supports the bill. (10-21-15)

Legislative Analyst: J. Hunault
Fiscal Analyst: Jim Stansell

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.