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House Bill 4979 (Substitute H-1 as passed by the House)  
Sponsor: Representative Jenn Hill  
House Committee: Tax Policy  
Senate Committee: Finance, Insurance, and Consumer Protection

Date Completed: 2-5-24

## **CONTENT**

**The bill would amend the General Property Tax Act to allow a county to opt out of the requirement to have a designated assessor, which a county currently must have for the purpose of correcting assessing districts that have fallen out of compliance with assessing requirements. The bill would require the State Tax Commission (Commission) to appoint an individual to serve as a designated assessor if an assessing district were not in substantial compliance and its county did not have a designated assessor.**

Among other things, the Act requires the Commission to audit assessing districts (a city, township, or assessing authority) to make certain that the districts' assessors annually assess tax-liable property in their districts according to the Act and other applicable laws. If the Commission finds that an assessing district is not in substantial compliance<sup>1</sup> or is noncompliant,<sup>2</sup> the assessing district must adopt and abide by a corrective action plan within a specified amount of time. If the Commission finds that the assessing district is noncompliant after more than one follow-up review, the Commission may require that the district contract with the designated assessor for the county to serve as the district's assessor. The district may petition the Commission for review of compliance and, if the district demonstrates compliance, the district may terminate the contract.

The Act requires each county to have a designated assessor on file with the Commission. A county must designate an assessor through an interlocal agreement executed by the board of county commissioners for the county and a majority of the county's assessing districts. The Act allows the Commission to choose a designated assessor for a county if the county has not designated one through an interlocal agreement. The bill would delete the language allowing the Commission to choose a designated assessor for a county that had not designated one through an interlocal agreement.

Under the bill, a county could elect to forgo the use of a designated assessor by providing the Commission with an interlocal agreement electing to opt out of using a designated assessor. The agreement would have to be executed by the county board of commissioners and a majority of the assessing districts in that county. For a county that opted out, the Commission would have to appoint a designated assessor to act as the assessor for any assessing district within the county in the process of achieving compliance as described above.

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<sup>1</sup> "Substantial compliance" means that any identified deficiencies do not pose a significant risk that the assessing district is unable to perform the assessment function in conformity with the State Constitution and State statute.

<sup>2</sup> "Noncompliance" means that the identified deficiencies, taken together, pose a significant risk that the assessing district is unable to perform the assessing function in conformity with the State Constitution and State statute.

The election to forgo the use of a designated assessor would apply to those counties that had previously submitted an interlocal agreement to the Commission and those counties that did not have an interlocal agreement filed with the Commission.

If a county did not appoint a designated assessor under an interlocal agreement or opted out of such as provided by the bill, the Commission would have to appoint an individual to serve as the designated assessor if the local unit were not in substantial compliance and needed a designated assessor as described above.

MCL 211.10g

### **PREVIOUS LEGISLATION**

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

The bill is a reintroduction of House Bill 5329 of the 2021-2022 Legislative Session.

Legislative Analyst: Nathan Leaman

### **FISCAL IMPACT**

The bill would have no fiscal impact on the State and potentially a small fiscal impact on certain local units of government. It would add a small cost to local governments that are currently not in compliance of using a designated assessor, using this legislation to get them into compliance. The cost would likely be lower than if they were to get into compliance without this law.

Fiscal Analyst: Bobby Canell

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.