

HOUSE BILL NO. 4979

September 14, 2023, Introduced by Reps. Hill, Miller, Hope, Morgan, Wilson, MacDonell, Paiz, Brixie and Arbit and referred to the Committee on Tax Policy.

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

1 liable to taxation in the assessing district, as provided in
2 section 10, in accordance with the constitution and laws of this
3 state. For an assessing district that amends its corrective action
4 plan pursuant to subsection (3)(c), its assessor of record must be
5 an advanced assessing officer or a master assessing officer.

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

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

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

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

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

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

28 (v) Information about any process that the assessor's office
29 may have to informally hear and resolve disputes brought by

1 taxpayers before the March meeting of the board of review.

2 (d) If a city or township building within the assessing
3 district is in an area with broadband internet access, provide
4 taxpayers online access to information regarding its assessment
5 services, including, but not limited to, parcel information, land
6 value studies and documentation, and economic condition factors. As
7 used in this subdivision, "area with broadband internet access"
8 means an area determined by the connect Michigan broadband service
9 industry survey to be served by fixed terrestrial service with
10 advertised speeds of at least 25 megabits per second downstream and
11 3 megabits per second upstream in the most recent survey available.

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

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

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

23 (h) Have all of the following:

24 (i) Properly developed and documented land values.

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

27 (iii) Properly developed and documented economic condition
28 factors.

29 (iv) An annual personal property canvass and sufficient

1 personal property records according to developed policy and
2 statutory requirements.

3 (v) A board of review that operates in accordance with this
4 act.

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

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

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

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

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

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

16 (b) No earlier than May 1 and no later than September 1 of the
17 calendar year immediately following the year of the notice
18 described in subdivision (a), or, in the case of a corrective
19 action plan approved by the state tax commission that extends
20 beyond 1 year, no earlier than May 1 and no later than September 1
21 of the calendar year that is the second calendar year following the
22 year of the notice described in subdivision (a), the state tax
23 commission shall conduct an initial follow-up review with the
24 assessing district and, within 90 days following that review,
25 provide the district with an evaluation of its progress in
26 implementing its corrective action plan and a notice of substantial
27 compliance or noncompliance with the requirements in subsection
28 (1).

29 (c) Except as otherwise provided in subdivisions (g) and (i),

1 an assessing district that has received a notice of noncompliance
2 as part of an initial follow-up review under subdivision (b) shall
3 elect to either contract with the designated assessor for the
4 county to serve as the district's assessor of record or amend its
5 corrective action plan with the approval of the state tax
6 commission to provide that the assessing district will employ or
7 contract with a new assessor of record, who ~~shall~~**must** be an
8 advanced assessing officer or a master assessing officer, to
9 achieve and maintain substantial compliance with the requirements
10 in subsection (1).

11 (d) If an assessing district amends its corrective action plan
12 pursuant to subdivision (c), no earlier than May 1 and no later
13 than September 1 of the following calendar year, the state tax
14 commission shall conduct a second follow-up review with the
15 assessing district and, within 90 days following that review,
16 provide the district with an evaluation of its progress in
17 implementing its corrective action plan and a notice of substantial
18 compliance or noncompliance with the requirements in subsection
19 (1).

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

24 (f) Except as otherwise provided in subdivision (g), if the
25 state tax commission provides an assessing district a notice of
26 noncompliance pursuant to a second follow-up review under
27 subdivision (d) or notifies an assessing district that it has
28 fallen out of substantial compliance less than 5 calendar years
29 after the calendar year a notice of substantial compliance was

1 issued under this subsection, the state tax commission may require
2 the assessing district to contract with the designated assessor for
3 the county to serve as the district's assessor of record. If the
4 state tax commission notifies an assessing district that it has
5 fallen out of substantial compliance with the requirements in
6 subsection (1) more than 4 calendar years after the calendar year a
7 notice of substantial compliance was issued, that notice of
8 noncompliance ~~shall~~**must** be treated as an initial determination of
9 noncompliance under this subsection.

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

24 (h) Unless earlier times are agreed to by the state tax
25 commission and the designated assessor, an assessing district that
26 is under contract with a designated assessor under this subsection
27 may petition the state tax commission no sooner than 3 years after
28 commencement of the contract to end its contract with the
29 designated assessor and may subsequently terminate the contract,

1 subject to state tax commission approval, no sooner than 5 years
2 after commencement of the contract. The state tax commission shall
3 approve termination of a contract under this subdivision if it
4 determines that the assessing district can achieve and maintain
5 substantial compliance with the requirements in subsection (1)
6 using a different assessor of record.

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

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

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

26 (j) A designated assessor may charge an assessing district
27 that is required to contract with the designated assessor under
28 this subsection, and that assessing district shall pay, for the
29 reasonable costs incurred by the designated assessor in serving as

1 the assessing district's assessor of record, including, but not
 2 limited to, the costs of overseeing and administering the annual
 3 assessment, preparing and defending the assessment roll, and
 4 operating the assessing office. The state tax commission shall
 5 develop guidelines, which, at a minimum, ~~shall~~**must** provide **a means**
 6 ~~for the ability of an~~ assessing district to protest a charge to the
 7 state tax commission and ~~the ability of a~~ **means for** the state tax
 8 commission to resolve disputes between the designated assessor and
 9 the assessing district regarding costs and charges.

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

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

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

1 (b) Except as otherwise provided in subdivision (d), if the
2 state tax commission determines that an individual named in a
3 petition submitted under subdivision (a) is capable of ensuring
4 that contracting assessing districts achieve and maintain
5 substantial compliance with the requirements in subsection (1), it
6 shall approve the petition.

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

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

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

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

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

1 (iii) If it determines at any time that the designated assessor
2 is not capable of ensuring that contracting assessing districts
3 achieve and maintain substantial compliance with the requirements
4 in subsection (1).

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

9 (iv) ~~(v)~~ An approved designation under this subdivision is
10 effective only until a new assessor has been designated and
11 approved under subdivisions (a) to (c).

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

27 (6) If a county does not appoint a designated assessor under
28 subsection (4) or no election is made under subsection (5) to opt
29 out of using a designated assessor, the state tax commission shall

1 **appoint an individual to serve as the designated assessor if the**
2 **local unit is not in substantial compliance under subsection (3)(f)**
3 **and a designated assessor is needed.**

4 (7) ~~(5)~~—As used in this section:

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

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

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

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

24 (e) "Master assessing officer" means an individual certified
25 by the state tax commission pursuant to section 10d as a Michigan
26 Master Assessing Officer(4) or, if the state tax commission changes
27 its certification designations, an individual certified by the
28 state tax commission to perform functions equivalent in scope, as
29 determined by the state tax commission, to those that previously

1 could have been performed by a Michigan Master Assessing
2 Officer(4).

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

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

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