

SENATE BILL NO. 20

January 17, 2023, Introduced by Senator MCBROOM and referred to the Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 34 (MCL 211.34), as amended by 1986 PA 105, and by adding sections 34f and 34g.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 34. (1) The county board of commissioners in each county
2 shall meet in April each year to determine **the** county equalized
3 value, which ~~equalization shall~~ **must** be completed and submitted
4 along with the tabular statement required by section 5 of ~~Act No.~~
5 ~~44 of the Public Acts of 1911, being section 209.5 of the Michigan~~

1 ~~Compiled Laws, 1911 PA 44, MCL 209.5,~~ to the state tax commission
2 before the first Monday in May. The business ~~which~~**that** the **county**
3 board **of commissioners** may perform ~~shall~~**must** be conducted at a
4 public meeting of the **county board of commissioners** held in
5 compliance with the open meetings act, ~~Act No. 267 of the Public~~
6 ~~Acts of 1976, as amended, being sections 15.261 to 15.275 of the~~
7 ~~Michigan Compiled Laws. 1976 PA 267, MCL 15.261 to 15.275.~~ Public
8 notice of the time, date, and place of the meeting ~~shall~~**must** be
9 given in the manner required by ~~Act No. 267 of the Public Acts of~~
10 ~~1976, as amended. the open meetings act, 1976 PA 267, MCL 15.261 to~~
11 **15.275.** Each year the county board of commissioners shall advise
12 the local taxing units ~~when~~**if** the state tax commission increases
13 the equalized value of the county as established by the ~~board of~~
14 county **board of** commissioners and each taxing unit, other than a
15 city, township, school district, intermediate school district, or
16 community college district, shall immediately reduce its maximum
17 authorized millage rate, as determined after any reduction ~~caused~~
18 ~~by~~**pursuant to** section 34d, so that ~~subsequent to~~**after** the
19 increase ordered by the state tax commission pursuant to ~~Act No. 44~~
20 ~~of the Public Acts of 1911, as amended, being sections 209.1 to~~
21 ~~209.8 of the Michigan Compiled Laws, 1911 PA 44, MCL 209.1 to~~
22 **209.8,** total property taxes levied for that unit ~~shall~~**do** not
23 exceed that which would have been levied for that unit at its
24 maximum authorized millage rate, as determined after any reduction
25 ~~caused by~~**pursuant to** section 34d, if there had not been an
26 increase in valuation by the state **tax commission.** If its state
27 equalized valuation exceeds its assessed valuation by 5.0% or more
28 in 1982 or by any amount in 1983 or any year thereafter, a city or
29 township shall reduce its maximum authorized millage rate, as

1 determined after any reduction ~~caused by~~ **pursuant to** section 34d,
 2 so that total property taxes levied for that unit do not exceed
 3 that which would have been levied based on its assessed valuation.

4 (2) The county board of commissioners shall examine the
 5 assessment rolls of the townships or cities and ascertain whether
 6 the real and personal property in the respective townships or
 7 cities has been equally and uniformly assessed at true cash value.
 8 If, on the examination, the county board of commissioners considers
 9 the assessments to be relatively unequal, it shall equalize the
 10 assessments by adding to or deducting from the valuation of the
 11 taxable property in a township or city an amount ~~which~~ **that** in the
 12 judgment of the county board of commissioners will produce a sum
 13 ~~which represents~~ **representing** the true cash value of that property,
 14 and the amount added to or deducted from the valuations in a
 15 township or city ~~shall~~ **must** be entered upon the records. The county
 16 board of commissioners and the state tax commission shall equalize
 17 real and personal property separately by adding to or deducting
 18 from the valuation of taxable real property, and by adding to or
 19 deducting from the valuation of taxable personal property in a
 20 township, city, or county, an amount ~~which~~ **that** will produce a sum
 21 ~~which represents~~ **representing** the proportion of true cash value
 22 established by the legislature. Beginning December 31, 1980, the
 23 county board of commissioners and the state tax commission shall
 24 equalize separately the following classes of real property by
 25 adding to or deducting from the valuation of agricultural,
 26 developmental, residential, commercial, industrial, and timber
 27 cutover taxable real property, and by adding to or deducting from
 28 the valuation of taxable personal property in a township, city, or
 29 county, an amount ~~as~~ **that** will produce a sum ~~which represents~~

1 **representing** the proportion of true cash value established by the
2 legislature. The tax roll and the tax statement ~~shall~~**must** clearly
3 set forth the latest state equalized valuation for each item or
4 property ~~which shall be determined~~ by using a separate factor for
5 personal property and a separate factor for real property as
6 equalized. Beginning December 31, 1980, the tax roll and the tax
7 statement ~~shall~~**must** clearly set forth the latest state equalized
8 valuation for each item or property ~~which shall be determined~~ by
9 using a separate factor for personal property and a separate factor
10 for each classification for real property as equalized. Factors
11 used in determining the state equalized valuation for real and
12 personal property on the tax roll ~~shall~~**must** be rounded up to not
13 less than 4 decimal places. Equalized values for both real and
14 personal property ~~shall~~**must** be equalized uniformly at the same
15 proportion of true cash value in the county. The county board of
16 commissioners shall also cause to be entered upon its records the
17 aggregate valuation of the taxable real and personal property of
18 each township or city in its county as determined by the county
19 board **of commissioners**. The county board of commissioners shall
20 also make alterations in the description of any ~~land~~**property** on
21 the rolls ~~as is necessary~~ to render the descriptions conformable to
22 the requirements of this act. After the rolls are equalized, each
23 ~~shall~~**must** be certified to by the chairperson and the clerk of the
24 **county** board **of commissioners** and be delivered to the supervisor of
25 the proper township or city, who shall file and keep the roll in
26 ~~his or her~~**the supervisor's** office.

27 (3) The county board of commissioners of a county shall
28 establish and maintain a department to survey assessments and
29 assist the **county** board of commissioners in the matter of

1 equalization of assessments, and may employ in that department
 2 **necessary** technical and clerical personnel. ~~which in its judgment~~
 3 ~~are considered necessary.~~ The personnel of the department shall
 4 **must** be under the direct supervision and control of a director of
 5 the tax or equalization department who may designate an employee of
 6 the department as ~~his or her~~ **the director's** deputy. The director of
 7 the county tax or equalization department ~~shall~~ **must** be appointed
 8 by the county board of commissioners. The county board of
 9 commissioners, through the department, may furnish assistance to
 10 local assessing officers in the performance of duties imposed upon
 11 those officers by this act, including the development and
 12 maintenance of accurate property descriptions, the discovery,
 13 listing, and valuation of properties for tax purposes, and the
 14 development and use of uniform valuation standards and techniques
 15 for the assessment of property. **Subject to section 34f, the county**
 16 **board of commissioners shall also establish and maintain a county**
 17 **board of revision. All of the following apply to a county board of**
 18 **revision:**

19 (a) The county board of revision shall serve the entire county
 20 and is responsible for the duties of a local board of review under
 21 this act insofar as they pertain to property tax matters described
 22 in section 34g(2) as to property that meets both of the following:

23 (i) Is classified under section 34c as commercial real
 24 property, industrial real property, developmental real property,
 25 commercial personal property, industrial personal property, or
 26 utility personal property.

27 (ii) Pursuant to section 24(1)(b), has an estimated assessed
 28 value of \$600,000.00 or more.

29 (b) The jurisdiction of the county board of revision, as

1 described in subdivision (a), is exclusive, and any final decision
 2 the county board of revision may make pursuant to section 34g(4)(f)
 3 is appealable directly to the circuit court of the county in which
 4 the subject property is located, as provided in section 34g(5).

5 (4) The supervisor of a township or, with the approval of the
 6 governing body, the certified assessor of a township or city, or
 7 the intermediate district board of education, or the board of
 8 education of an incorporated city or village aggrieved by the
 9 action of the county board of commissioners, in equalizing the
 10 valuations of the townships or cities of the county, may appeal
 11 from the determination to the ~~state-tax~~ tribunal in the manner
 12 provided by law. An appeal from the determination by the county
 13 board of commissioners ~~shall~~**must** be filed with the clerk of the
 14 tribunal by a written or printed petition ~~which shall set~~**that sets**
 15 forth in detail the reasons for taking the appeal. The petition
 16 ~~shall~~**must** be signed and sworn to by the supervisor, the certified
 17 assessor, or a majority of the members of the board of education
 18 taking the appeal, ~~shall~~**must** show that a certain township, city,
 19 or school district has been discriminated against in the
 20 equalization, and ~~shall pray~~**must request** that the ~~state-tax~~
 21 tribunal proceed at its earliest convenience to review the action
 22 from which the appeal is taken. The ~~state-tax~~ tribunal shall, upon
 23 hearing, determine if ~~in its judgment there is a showing that the~~
 24 equalization complained of is unfair, unjust, inequitable, or
 25 discriminatory. The ~~state-tax~~ tribunal ~~shall have~~**has** the same
 26 authority to consider and pass upon the action and determination of
 27 the county board of commissioners in equalizing valuations as it
 28 has to consider complaints relative to the assessment and taxation
 29 of property. The ~~state-tax~~ tribunal may order the county board of

1 commissioners to reconvene and to cause the assessment rolls of the
2 county to be brought before it, may summon the commissioners of the
3 county to give evidence in relation to the equalization, and may
4 take further action and may make further investigation ~~in the~~
5 ~~premises~~ as it considers necessary. The ~~state~~-tax tribunal shall
6 fix a valuation on all property of the county. If the ~~state~~-tax
7 tribunal decides that the determination and equalization made by
8 the county board of commissioners is correct, **it shall take no**
9 further action. ~~shall not be taken.~~ If the ~~state~~-tax tribunal,
10 after the hearing, decides that the valuations of the county were
11 improperly equalized, it shall proceed to make deductions from, or
12 additions to, the valuations of the respective townships, cities,
13 or school districts as ~~may be considered proper, and in so doing~~
14 ~~the tribunal shall have~~ **necessary, with** the same powers as the
15 county board of commissioners had in the first instance. The
16 deductions or additions ~~shall~~ **must** decrease or increase the state
17 equalized valuation of the local unit affected but ~~shall~~ **must** not
18 increase or decrease the total state equalized valuation of the
19 county in the case of an appeal under this section to the ~~state~~-tax
20 tribunal. If the tax tribunal finds that the valuations of a class
21 of property in a county were improperly equalized by that county
22 and determines that the total value of that class of property in
23 the county may not be at the level required by law, ~~prior to~~ **before**
24 entry of a final order, the tax tribunal shall forward its findings
25 and determination to the state tax commission. Within 90 days after
26 receiving the findings and determination of the tax tribunal, the
27 state tax commission shall determine whether the state equalized
28 valuation of that class of property in the county was set at the
29 level prescribed by law or should be revised to provide uniformity

1 among the counties and shall enter an order consistent with the
2 state tax commission's findings. The tax tribunal shall enter a
3 final order based upon the revised state equalized valuation, if
4 any, ~~which~~**that** is adopted by the state tax commission. The state
5 tax tribunal immediately after completing its revision of the
6 equalization of the valuation of the several assessment districts
7 shall report its action to the county board of commissioners and
8 board of education if the board has instituted the appeal by filing
9 its report with the clerk of the county board of commissioners. The
10 action of the ~~state tax tribunal in the premises shall constitute~~
11 **constitutes** the equalization of the county for the tax year.

12 ~~(5) For purposes of appeals pursuant to subsection (4) in 1981~~
13 ~~only, an agent of a supervisor, including an assessor, shall be~~
14 ~~considered to have the authority to file and sign a petition for an~~
15 ~~appeal, and any otherwise timely submitted petition in 1981 by an~~
16 ~~agent of a supervisor shall be reviewed by the tribunal as if~~
17 ~~submitted by the supervisor.~~

18 **Sec. 34f. (1) A county board of revision must consist of 3**
19 **members who serve for terms of 4 years beginning on January 1 of**
20 **each odd-numbered year. Each member of the county board of revision**
21 **must qualify by taking the constitutional oath of office within 10**
22 **days after the appointment. The county board of commissioners shall**
23 **appoint to the county board of revision the director of the county**
24 **tax or equalization department, an attorney, and another member. A**
25 **member other than the director of the county tax or equalization**
26 **department must meet both of the following qualifications to be**
27 **appointed:**

28 (a) By education, experience, or both, possess a substantial
29 level of property tax expertise determined pursuant to specific

1 qualifications prescribed by the state tax commission.

2 (b) Be certified by the state tax commission as eligible to
3 serve as a member of the county board of revision.

4 (2) The county board of commissioners may fill any vacancy
5 that occurs in the membership of the county board of revision. A
6 member of the county board of commissioners is not eligible to
7 serve on the county board of revision or to fill any vacancy on the
8 county board of revision.

9 (3) Two of the 3 members of a county board of revision
10 constitute a quorum for the transaction of business of the county
11 board of revision. The duties and responsibilities of the county
12 board of revision as provided in section 34g must be carried out by
13 the entire membership of the county board of revision.

14 Sec. 34g. (1) To appeal any of the matters described in
15 subsection (2), a petitioner must file a written request for an
16 informal preliminary meeting, as described in subsection (3), with
17 the county board of revision not later than 90 days after the
18 petitioner receives a notice of a change in assessment under
19 section 24c or a tax statement under section 44 based on that
20 assessment, whichever occurs first. Both of the following apply to
21 the filing of an appeal under this section:

22 (a) A person is not eligible to file an appeal under this
23 section until all taxes owed on the property subject to the dispute
24 are paid in full. If during the course of an appeal under this
25 section it is determined that a petitioner has not complied with
26 this subdivision, the petitioner's appeal must be dismissed with
27 prejudice. This subdivision does not apply to a petitioner that is
28 indigent, as that term is defined in section 1485 of the revised
29 judicature act of 1961, 1961 PA 236, MCL 600.1485.

1 (b) The county may charge the petitioner a reasonable filing
2 fee.

3 (2) An appeal under subsection (1) may raise a claim of error
4 as to any of the following:

5 (a) The assessed or taxable value of the property, or both.

6 (b) The classification of the property.

7 (c) The exempt status of the property.

8 (d) The person assessed as liable for taxes or assessments on
9 the property.

10 (e) A clerical, mathematical, or typographical mistake.

11 (f) The description of the property.

12 (g) The legality or constitutionality of a tax or assessment
13 on the property.

14 (3) If the county board of revision receives a written request
15 for an informal preliminary meeting under subsection (1), the
16 county board of revision shall schedule, at a time during business
17 hours that is convenient for the petitioner, an informal
18 preliminary meeting to resolve the appeal. At the meeting, the
19 petitioner shall provide documentation and information in support
20 of each claim of error alleged under subsection (2). For a
21 valuation dispute, if the petitioner relies on the income approach
22 to valuation, the petitioner must provide at the meeting all of the
23 documentation and information about income and expenses that the
24 county board of revision requests. The county board of revision
25 shall provide the petitioner with the property record card and
26 valuation statement at the meeting. Documentation and information
27 provided to the county board of revision under this subsection is
28 not subject to disclosure under the freedom of information act,
29 1976 PA 442, MCL 15.231 to 15.246. At the preliminary meeting, the

1 county board of revision may do all of the following:

2 (a) Determine all factual and legal issues, including, but not
3 limited to, the present use and the highest and best use of the
4 property, the use for which the property was designed, and the
5 classification of the property.

6 (b) Determine all sums in controversy and the particular
7 issues to which they relate.

8 (c) Determine the consolidation of appeals for a formal
9 dispositive hearing, the separation of issues, and the order in
10 which the issues will be heard.

11 (d) Determine any evidence that must be provided to the county
12 board of revision.

13 (e) Permit mediation of an appeal on the joint request of the
14 parties.

15 (f) Grant other relief that it considers necessary or
16 appropriate to dispose of the matter.

17 (4) If necessary, the county board of revision shall hold a
18 formal dispositive hearing on the appeal not later than 90 days
19 after the conclusion of the informal preliminary meeting held under
20 subsection (3). The county board of revision shall, by mail, give
21 at least 30 days' written notice of the date, time, and place fixed
22 for the hearing to the petitioner and the assessor of the city or
23 township where the property under appeal is located. All of the
24 following apply to a hearing held under this subsection:

25 (a) At the hearing, the petitioner may present testimony and
26 other evidence in support of its position regarding the matters on
27 appeal. The township or city where the property under appeal is
28 located may also present testimony and other evidence in support of
29 its position regarding the matters on appeal. The county board of

1 revision may adjourn or continue the hearing on a later date in
2 order to make a physical inspection or consider the evidence
3 presented.

4 (b) For an appeal as to the assessed value of property, the
5 county board of revision shall presume the assessment on the
6 assessment roll to be valid and shall not set aside that assessment
7 unless the petitioner shows by a preponderance of evidence that the
8 assessment is the result of an error of law or the adoption of
9 wrong principles.

10 (c) From the evidence before it, the county board of revision
11 shall determine all questions on appeal, including any questions as
12 to the exempt status of the property and whether its assessed value
13 is correct. If the assessed value is too high or low, the county
14 board of revision shall lower or raise the assessed value
15 accordingly and shall state on the record the correct assessed
16 value and that the assessed value, as corrected, is reasonable in
17 light of all the evidence presented.

18 (d) A majority of the members of the county board of revision
19 must be present at the hearing for purposes of having a quorum
20 needed to conduct the hearing, and a majority vote of the quorum is
21 necessary to decide the appeal. If there is a tie vote, the prior
22 determination of the city or township assessor must be sustained.

23 (e) The hearing must be video recorded at a reasonable cost to
24 be shared by the parties.

25 (f) The county board of revision shall decide the appeal
26 within 60 days after the hearing, shall provide its decision in
27 writing or stated in the record, and shall include a concise
28 statement of fact and conclusions of law, stated separately. A
29 failure of the county board of revision to issue a decision in the

1 time and manner provided in this subdivision must be considered a
2 decision to deny the appeal.

3 (5) A party to an appeal aggrieved by a decision of the county
4 board of revision under subsection (4) (f) may appeal that decision
5 to the circuit court for the county in which the subject property
6 is located, and the court shall review the decision of the county
7 board of revision and hear evidence to determine whether the
8 decision of the county board of revision was based on competent,
9 material, and substantial evidence on the record and on correct
10 valuation principles. The court shall review de novo whether the
11 county board of revision erred as a matter of law. An appeal to the
12 circuit court pursuant to this subsection must be filed within 35
13 days after the decision of the county board of revision under
14 subsection (4) (f) was made.

15 (6) The state tax commission shall promulgate rules pursuant
16 to the administrative procedures act of 1969, 1969 PA 306, MCL
17 24.201 to 24.328, as may be needed concerning any further
18 procedures governing the conduct of proceedings under this section.

19 Enacting section 1. This amendatory act does not take effect
20 unless Senate Bill No. 19 of the 102nd Legislature is enacted into
21 law.