

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.10g Audit program; audit of assessing districts; notice of noncompliance; corrective action plan; written petition to challenge determination; designated assessor; costs; definitions.

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

(a) Employ or contract with an assessor of record that oversees and administers an annual assessment of all property liable to taxation in the assessing district, as provided in section 10, in accordance with the constitution and laws of this 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 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 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 taxpayers online access to information regarding its assessment services, including, but not limited to, parcel information, land value studies and documentation, and economic condition factors. As used in this subdivision, "area with broadband internet access" means an area determined by the connect Michigan broadband service industry survey to be served by fixed terrestrial service with advertised speeds of at least 25 megabits per second downstream and 3 megabits per second upstream in the most recent survey available.

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

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

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

(h) Have all of the following:

(i) Properly developed and documented land values.

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

(iii) Properly developed and documented economic condition factors.

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

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

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

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

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

(2) The state tax commission shall develop and implement an audit program to determine whether an assessing district is in substantial compliance with the requirements in subsection (1). If, after December 31, 2021, the state tax commission determines that an assessing district is not in substantial compliance with the

requirements in subsection (1), the state tax commission may initiate the process described in subsection (3) to ensure that the assessing district achieves and maintains substantial compliance with those requirements.

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

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

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

(c) Except as otherwise provided in subdivisions (g) and (i), an assessing district that has received a notice of noncompliance as part of an initial follow-up review under subdivision (b) shall elect to either contract with the designated assessor for the county to serve as the district's assessor of record or amend its corrective action plan with the approval of the state tax commission to provide that the assessing district will employ or contract with a new assessor of record, who must be an advanced assessing officer or a master assessing officer, to achieve and maintain substantial compliance with the requirements in subsection (1).

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

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

(f) Except as otherwise provided in subdivision (g), if the state tax commission provides an assessing district a notice of noncompliance pursuant to a second follow-up review under subdivision (d) or notifies an assessing district that it has fallen out of substantial compliance less than 5 calendar years after the calendar year a notice of substantial compliance was issued under this subsection, the state tax commission may require the assessing district to contract with the designated assessor for the county to serve as the district's assessor of record. If the state tax commission notifies an assessing district that it has fallen out of substantial compliance with the requirements in subsection (1) more than 4 calendar years after the calendar year a notice of substantial compliance was issued, that notice of noncompliance must be treated as an initial determination of noncompliance under this subsection.

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

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

contract under this subdivision if it determines that the assessing district can achieve and maintain substantial compliance with the requirements in subsection (1) using a different assessor of record.

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

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

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

(j) A designated assessor may charge an assessing district that is required to contract with the designated assessor under this subsection, and that assessing district shall pay, for the reasonable costs incurred by the designated assessor in serving as the assessing district's assessor of record, including, but not limited to, the costs of overseeing and administering the annual assessment, preparing and defending the assessment roll, and operating the assessing office. The state tax commission shall develop guidelines, which, at a minimum, must provide a means for an assessing district to protest a charge to the state tax commission and 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 (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 that contracting assessing districts achieve and maintain substantial compliance with the requirements in subsection (1), it shall approve the petition.

(c) 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 not capable of ensuring that contracting assessing districts achieve and maintain substantial compliance with the requirements in subsection (1), it shall reject the petition and request the submission of additional interlocal agreements under subdivision (a) until a suitable assessor has been presented.

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

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

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

(ii) If the designated assessor was designated and approved based on the designated assessor's employment status and that status materially changes.

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

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

(5) A county may elect to forgo the use of a designated assessor as provided in subsection (4) by providing

the state tax commission with an interlocal agreement electing to opt out of using a designated assessor. The interlocal agreement must be executed by the board of commissioners for that county and a majority of the assessing districts in that county. For those counties that opt out of use of a designated assessor, the state tax commission shall appoint a designated assessor to act as the assessor of record as required for any assessing district within the county under the provisions of subsection (3). The election to forgo the use of a designated assessor applies to those counties that have previously submitted an interlocal agreement to the state tax commission as required under subsection (4) and those counties that did not have an interlocal agreement filed with the state tax commission.

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

(7) 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, 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. It is the opposite of substantial compliance and must be determined based on a holistic evaluation of compliance with the requirements in subsection (1), taking into account the anticipated overall impact of the deficiencies on the assessing district's ability to perform the assessment function. A finding of noncompliance may not be based on isolated technical deficiencies.

(g) "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. It is the opposite of noncompliance.

(8) Not later than December 28, 2020, the state tax commission shall adopt and publish guidelines to implement this section. The guidelines must include, at a minimum, minimum standards and model policies to be followed for substantial compliance with the requirements of subsection (1) and must identify those deficiencies that may lead to a finding of noncompliance and those deficiencies that are technical. The state tax commission may update the guidelines as needed to implement this section.

History: Add. 2018, Act 660, Imd. Eff. Dec. 28, 2018;—Am. 2024, Act 12, Imd. Eff. Mar. 12, 2024.

Compiler's note: Enacting section 1 of Act 660 of 2018 provides:

"Enacting section 1. It is the intent of the legislature to appropriate sufficient money to address start-up and training costs associated with this amendatory act, including, but not limited to, necessary costs incurred to train board of review members, increase the number of assessors qualified to serve as assessors of record, facilitate initial designated assessor designations, respond to assessor requests for technical assistance, enhance staff and programming within the state tax commission to improve technical support for assessors of record, and transition some assessment services to designated assessors."

Popular name: Act 206