



**Michigan Association
of Equalization Directors**

County Equalization Department Handbook

2024 - Draft

Introduction

The MAED handbook was created to be used as a guide for its membership. This handbook attempts to give the basic framework and practices for the Equalization Director and Department. The authors of this handbook realize that every county has its own unique challenges and there is no “one size fits all” document that will meet the needs for all of the 83 counties in Michigan. With that in mind, this handbook will serve the membership as a guide for how to complete the mandated functions of the Equalization Department using the practices within our industry. In instances where multiple methods or perspectives are shared on a topic, it is up to the reader to determine which practice works best for their application. While this is not meant to be an instruction manual, the goal is for each county to be able to have this handbook as a reference resource for the Equalization Department.

A special thank you to the following MAED members for their contribution to this handbook: Brian Busscher, Shila Kiander, Tony Meynard, Kristen Sieloff, Josh Simmons, Laurie Spencer, Phillip Wall, and Eric Harger. While the author/s of each section is identified when known, thank you to those who contributed anonymously.

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STATUTORY FUNCTIONS

A. Equalization

The State Tax Commission is authorized by Article 9, Section 3 of the Constitution of Michigan to determine and establish the uniform valuation of real and personal property through the system of equalization. Equalization is completed in a three-part process; local, county and state.

County Equalization is mandated by Section 211.34 of the General Property Tax Act of the State of Michigan. This act states: "The county board of commissioners of a county shall establish and maintain a department to survey assessments and assist the board of commissioners in the matter of equalization of assessments and may employ in that department technical and clerical personnel which in its judgment are considered necessary. The personnel of the department shall be under the direct supervision and control of a director of the tax or equalization department who may designate an employee of the department as his or her deputy. The director of the county tax or equalization department shall be appointed by the county board of commissioners. The county board of commissioners, through the department, may furnish assistance to local assessing officers in the performance of duties imposed upon those officers by this act, including the development and maintenance of accurate property descriptions, the discovery, listing, and valuation of properties for tax purposes, and the development and use of uniform valuation standards and techniques for the assessment of property."

B. Apportionment

MCL211.34d(2) On or before the first Monday in May of each year, the assessing officer of each township or city shall tabulate the tentative taxable value as approved by the local board of review and as modified by county equalization for each classification of property that is separately equalized for each unit of local government and provide the tabulated tentative taxable values to the county equalization director. The tabulation by the assessing officer shall contain additions and losses for each classification of property that is separately equalized for each unit of local government or part of a unit of local government in the township or city. If as a result of state equalization, the taxable value of property changes, the assessing officer of each township or city shall revise the calculations required by this subsection on or before the Friday following the fourth Monday in May. The county equalization director shall compute these amounts and the current and immediately preceding year's taxable values for each classification of property that is separately equalized for each unit of local government that levies taxes under this act within the boundary of the county. The county equalization director shall cooperate with equalization directors of neighboring counties, as necessary, to make the computation for units of local government located in more than 1 county. The county equalization director shall calculate the millage reduction fraction for each unit of local government in the county for the current year. The financial officer

for each taxing jurisdiction shall calculate the compounded millage reduction fractions beginning in 1980 resulting from the multiplication of successive millage reduction fractions and shall recognize a local voter action to increase the compounded millage reduction fraction to a maximum of 1 as a new beginning fraction. Upon request of the superintendent of the intermediate school district, the county equalization director shall transmit the complete computations of the taxable values to the superintendent of the intermediate school district within that county. At the request of the presidents of community colleges, the county equalization director shall transmit the complete computations of the taxable values to the presidents of community colleges within the county.

(3) On or before the first Monday in June of each year, the county equalization director shall deliver the statement of the computations signed by the county equalization director to the county treasurer.

(4) On or before the second Monday in June of each year, the treasurer of each county shall certify the immediately preceding year's taxable values, the current year's taxable values, the amount of additions and losses for the current year, and the current year's millage reduction fraction for each unit of local government that levies a property tax in the county.

(5) The financial officer of each unit of local government shall make the computation of the tax rate using the data certified by the county treasurer and the state tax commission. At the annual session in October, or, for a county or local tax collecting unit that approves under section 44a(2) the accelerated collection in a summer property tax levy of a millage that had been previously billed and collected as in a preceding tax year as part of the winter property tax levy, before a special meeting held before the annual levy on July 1, the county board of commissioners shall not authorize the levy of a tax unless the governing body of the taxing jurisdiction has certified that the requested millage has been reduced, if necessary, in compliance with section 31 of article IX of the state constitution of 1963.

The STC has published a document titled "Responsibilities of the Equalization Director". This outlines the duties of the Equalization Director. ***See Appendix A for the STC Requirements of the Equalization Director.***

The STC has created an Equalization Essential Duties Checklist to remind Equalization Departments of the statutory deadlines for required forms. ***See Appendix B for the STC Equalization Essential Duties Checklist.***

The MAED has created an Equalization Activity Calendar that includes statutory and non-statutory duties. This is more of a help for time management within the department. ***See Appendix C for Equalization Activity Calendar.***

The Michigan Department of Technology, Management, and Budget has approved a retention schedule for county Equalization Departments. ***See Appendix D for the County Equalization Department Retention Schedule.***

COUNTY EQUALIZATION SALES STUDY

??? & Brian Busscher

Each county is unique in its relationship of size to market participation and numbers of valid sales transactions. When preparing your sales studies, several questions must be addressed well before you begin the process:

- 1) Are there enough sales to properly analyze for this property classification?
- 2) What type of study have we done in the past for this property classification and is that relevant to this study period?
- 3) Have we considered sales outside of the county borders if that is appropriate?
- 4) Are we prepared to change gears quickly and implement an appraisal study if we won't have a sufficient sampling of sales?

In order to use a sales study to determine ratios, there must be a sufficient sampling of sales. What is "sufficient sampling"? MAED has established this table to be used as a guide for determining if your sample size is sufficient:

TABLE TO DETERMINE THE % OF TOTAL TO BE SELECTED FOR A SAMPLE STUDY	
NO. IN CLASS	% OF TOTAL
0-12	20*
13-18	18
19-25	16
26-37	15
38-50	14
51-75	13
76-100	11
101-150	10
151-200	10
201-300	9
301-400	8
401-600	7
601-800	6
801-1200	5
1201-1600	5
1601-2400	4
2401-3200	4
3201-4600	3
4601-6400	3
6401-9600	2
9601-12800	1.5
12801-	1.5

*Depending on number in class, a minimum of 5 parcels

Refer to IAAO standard on ratio studies.

See Appendix E for IAAO Standard on Ratio Studies.

In larger counties, there are typically enough sales transactions to perform sales studies in the residential class for most if not all of the local units. Macomb County, for example, follows the suggested sample size shown in the table above. In addition to having a sufficient sampling of sales, you must have sales in each of the study periods for the study you are using (12 month or 24 month). Adherence to the CAMA Data Standards when entering sales is important to ensure that each sale has been properly identified in terms of instrument type, terms of sale, verification, and L-4015 selection (which determines if a sale is in the study). Below is a general guide:

CONVENTIONAL/CREATIVE	Used for arm's length transactions which will be included in sales ratio study, land value analysis and ECF analysis
NOT USED	Used for arm's length transactions which will not be included in sales ratio study, but may be used for land value analysis and ECF analysis
REFERENCE	Used for sales that are not arm's length and will not be included in sales ratio study, land value analysis or ECF analysis

The *CAMA Data Standards* is a State Tax Commission document containing statewide standards to be used by all assessors and equalization directors within their unit(s). Topics within the document include property class codes, taxable status codes, property exemption codes, terms of sale, instrument of sale, sale verification, school district codes and government unit codes. These standards are approved by the STC annually at their December meeting. **See STC website or MAED website for most current CAMA Data Standards.**

Due to the number of residential sales throughout the county, sales lists are sent out to local units for review, broken down into the last two 6-month study periods. Macomb County typically does not add or subtract sales from previous study periods within the 24-month study. In June, the October through March sales are run and verified for proper coding and then sent to local units in late July or August for their review. The sales in this period are finalized in September. Shortly thereafter, the sales from April through September are also run and verified for proper coding to be sent on to the local unit for their review. The turnaround time is very quick for this study period. Sales in this period are finalized in October.

Once all the sales within the current study periods for the local unit in each property class have been properly qualified and analyzed, the results of the analyses will be summarized on the L-4015 report. This report lists the totals for each study period. If running the report through BS&A software, the report also gives statistical information about the sales within each period. This report must be sent to assessors by December 1st each year.

The totals are entered on Treasury form **2793 (Year) 24-month and 12-Month Sales Ratio Study for Determining the (Year) Starting Base**. This form is a combination of the L-4017 (24-month sales study) and the L-4047 (12-month sales study). Both sections must be completed each year. Here is an example of a completed form for the 2019 residential sales study in Lenox Township:

2019 24 and 12 Month Sales Ratio Study for Determining the 2020 Starting Base

This form is utilized with your Sales Ratio Study to determine the ratio and true cash value amounts entered on Form 603, *Analysis for Equalized Valuation*.
NOTE: PAGE 2 CONTAINS INSTRUCTIONS THAT SHOULD BE REVIEWED PRIOR TO COMPLETING THIS FORM

County Name: MACOMB	City or Township Name: LENOX TOWNSHIP
Classification of Property (Ag, Com, Res, etc.): 4 01 Residential Sales Study	

2017 to 2018 Adjustment Modifier

1. Enter the assessed valuation after adjustment from the 2018 form L-4023 line 405.....	1.	<u>203,715,800</u>
2. Enter the assessed valuation before adjustment from the 2018 form L-4023 line 403.....	2.	<u>201,267,323</u>
3. 2017 to 2018 Adjustment Modifier. Divide line 1 by line 2	3.	<u>1.0122</u>

2018 to 2019 Adjustment Modifier

4. Enter the assessed valuation after adjustment from the 2019 form L-4023 line 405.....	4.	<u>217,772,940</u>
5. Enter the assessed valuation before adjustment from the 2019 form L-4023 line 403.....	5.	<u>205,534,100</u>
6. 2018 to 2019 Adjustment Modifier. Divide line 4 by line 5	6.	<u>1.0595</u>

2017 to 2019 Adjustment Modifier

7. 2017 to 2019 Adjustment Modifier. Multiply line 3 by line 6	7.	<u>1.0724</u>
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24 Month Sales Study

A	B	C	D	E	F	G	H
Year of Assessment	Sales Period	Number of Sales	Total Assessed Value for Sales	Applicable Adjustment Modifier	Adjusted Assessed Value	Total Adjusted Prices	Adjusted % Ratio (col. F ÷ col. G)
2017	4/17 - 9/17	51	4,282,800	1.0724	4,592,875	9,503,051	48.33%
2017	10/17 - 3/18	41	3,342,400	1.0724	3,584,390	7,453,399	48.00%
12 Month Total Sales		<u>92</u>	12 Month Total Sales		<u>8,177,265</u>	<u>16,956,450</u>	<u>48.23%</u>
2018	4/18 - 9/18	55	5,003,300	1.0595	5,300,996	11,586,964	45.75%
2018	10/18 - 3/19	45	3,509,900	1.0595	3,718,739	8,072,400	46.07%
12 Month Total Sales		<u>100</u>	12 Month Total Sales		<u>9,019,735</u>	<u>19,659,364</u>	<u>45.88%</u>
24 Month Total Sales		<u>192</u>	24 Month Total Sales		<u>17,197,000</u>	<u>36,615,814</u>	Use as L-4018 Ratio
*24 Month Mean Adjusted Ratio							47.06%

*** Important:**

For sales from April 2017 through March 2018, divide the 12 month total 'Adjusted Assessed Value' by the 'Total Prices for Sales' to get the 12 month 'Adjusted % Ratio'. Repeat this process for sales from April 2018 through March 2019. Finally, sum the two 'Adjusted % Ratios' and divide the result by 2 to get the 'Mean Adjusted Ratio'. The 'Mean Adjusted Ratio' in column H is carried to Form 603 (L-4018).

12 Month / Single Year Sales Study

A	B	C	D	E	F	G	H
Year of Assessment	Sales Period	Number of Sales	Total Assessed Value for Sales	Applicable Adjustment Modifier	Adjusted Assessed Value	Total Prices for Sales	Adjusted Ratio % (col. F ÷ col. G)
2018	10/18 - 3/19	45	3,509,900	1.0595	3,718,739	8,072,400	46.07%
2019	4/19 - 9/19	62	5,214,300	1.0000	5,214,300	12,241,885	42.59%
12 Month Total Sales		<u>107</u>	12 Month Total Sales		<u>8,933,039</u>	<u>20,314,285</u>	
** 12 Month Aggregate Adjusted Ratio							43.97%

**** Important:**

For sales from October 2018 through September 2019, divide the 12 month total 'Adjusted Assessed Value' by the 'Total Prices for Sales' to get the '12 Month Aggregate Adjusted % Ratio'. The 'Aggregate Adjusted Ratio' in column H is carried to Form 603 (L-4018).

2017 March Board of Review valuations are compared with sales transacted during the last nine months of 2017 and those transacted in the first three months of 2018.

2018 March Board of Review valuations are compared with sales transacted during the last nine months of 2018 and those transacted in the first three months of 2019.

2019 March Board of Review valuations are compared with sales transacted during April through September of 2019.

One of the most important parts of the sales study is communicating with the local assessors. Several revisions of both the L-4015 and 2793 can be sent. This starts with

the preliminary study for the assessor to review. It is up to the assessor to review and communicate with the Equalization Director (or department) any contentions they have.

Contentions could include missing sales. This can be because of unrecorded documents filed with the assessor and/or PTAs that are filed at the local level and not with the Equalization Department. It also could include sales that should be removed because of the verification process at both the local and county levels.

Both directors and assessors should follow the Assessment/Sales Ratio Study Guidelines and only those sales that are proven to not be arms-length transactions should be removed. **See Appendix F for the STC Assessment/Sales Ratio Study Guidelines.**

When running and analyzing the L-4015, setting the ratio parameters must be considered. Below are some common ways to set the ratio parameters for the L-4015:

- Flat ratio parameters (i.e. 80/20 or 90/10) – any individual sale ratio that falls outside the chosen parameters (higher than 80 or lower than 20 is automatically labeled an ‘outlier’ and removed from the study. The advantage to this method is its simplicity, but this simplicity in a rapidly changing market can mean good market indicating sales are excluded from the study and perhaps skewing the results.
- Statistical parameters
 - Standard deviations – running the study with all applicable sales included in the study to determine the Standard Deviation. Then all sales falling outside (typically) 2 Standard Deviations (i.e. 95%) are marked as ‘outliers’ and excluded from the study. This method can be an effective tool when the sales under examination fit the normal distribution on the bell curve.
 - Interquartile Range Method – this method may be preferable in instances where the sales do NOT fit the normal distribution on the bell curve. The range is determined by using the median to establish the central tendency and then establishing ‘fences’ to exclude potential outliers.
- No parameters – Sales ratios that are higher or lower than expected are examined for applicability to the study. They are removed not on the basis of being outliers but on the merits of what is causing them to be outliers. For example, if a sale has a low ratio it is examined to determine if there is omitted property and if found, removed from the study on that basis. This method is more practical when the ratio study has a large sample size.

Regardless of the method chosen the Director should be mindful to be uniform in their practice of including/excluding sales for the ratio study. This is supported by MTT Docket No. 345838, Deerfield Township v County of Livingston, the Final Conclusion and Judgement stated, *“The guidelines established by the State Tax Commission are designed to provide standardized techniques to achieve uniformity of assessments by the various units within the county. Since the county equalization studies are performed for the purpose of comparing the average level of assessment in the units in the county, if they are performed using the same studies, data, gathering techniques, and guidelines as to all units, the county equalization studies should achieve a high degree of uniformity*

between units.” See Appendix G for the Final Opinion and Judgement of MTT Docket No. 345838.

Both directors and assessors should pay close attention to make sure the totals from final L-4015's are used for the final 2793, and the ratio from the final 2793 is used on the L-4018.

The Director may find it beneficial to relay the studies and ratios to the assessors using this MEG system. The Director can upload the L-4015 and 2793 into MEG, and then notify the assessors that their study has been uploaded and can be viewed there. This ensures that the State, County, and local governments are all using the same information and not guessing whether they have the most recent study in their possession.

COUNTY EQUALIZATION APPRAISAL STUDY

When there is not a sufficient sampling of sales to use a sales ratio study, an appraisal study is used. An appraisal study compares the previous year assessment to the appraisal developed by the equalization department. The assessments and appraisals are totaled at the bottom, and the aggregate totals are used to develop a ratio of assessment to true cash value (appraised value) for the property class. There are many different parts to developing the appraisals for this type of study. Similar to appraisals done by assessors, land values and ECF's must be determined here as well.

Very early on in the year, the planning for an appraisal study begins. The first step is to determine the appropriate number of sample properties to be appraised for each property class using an appraisal study within each local unit. In Macomb County, we follow the same sample size table used in the sales study:

TABLE TO DETERMINE THE % OF TOTAL TO BE SELECTED FOR A SAMPLE STUDY	
NO. IN CLASS	% OF TOTAL
0-12	20*
13-18	18
19-25	16
26-37	15
38-50	14
51-75	13
76-100	11
101-150	10
151-200	10
201-300	9
301-400	8
401-600	7
601-800	6
801-1200	5
1201-1600	5
1601-2400	4
2401-3200	4
3201-4600	3
4601-6400	3
6401-9600	2
9601-12800	1.5
12801-	1.5

*Depending on number in class, a minimum of 5 parcels

Refer to IAAO standard on ratio studies.

In addition to determining the number of samples needed, larger counties like Macomb County also breaks down the number of parcels within each occupancy type so that a representative sampling can be chosen for each occupancy within the property classification. In smaller counties, breaking down the study by occupancy may not be practical. Here is an example of the appraisal sample size used and breakdown of sample selection for each property type for Lenox Township in the agricultural, commercial and industrial real property classes for 2019:

2019 Lenox Township Required Samples by Occupancy within Property Class									
AGRICULTURAL									
	Parcel Count	365	Req %	Number					
			8%	29					
Ag Improved	41.64%	152	55.26	21					
Ag Vacant	33.70%	123	39.47	15					
<20 Acres	27.12%	99	5.26	2					
		374	100.00	38	10.41	% of Class			
COMMERCIAL									
	Parcel Count	173	Req %	Number					
			10%	17					
% of Study	Building Type	Study	Class	% of Total Class					
41.38%	Commercial Vacant	12	67	38.73%					
0.00%	Apt 10+ Units		1	0.58%					
13.79%	Apt<10 Units	4	13	7.51%					
0.00%	Auto Dealerships			0.00%					
0.00%	Banks		2	1.16%					
3.45%	Car Washes	1	1	0.58%					
0.00%	Flex Mall		1	0.58%					
3.45%	Gas Stations	1	6	3.47%					
0.00%	Garage/Repair		2	1.16%					
0.00%	Industrial 20K +		4	2.31%					
3.45%	Industrial<20K	1	3	1.73%					
0.00%	Manufactured Housing		2	1.17%					
0.00%	Mobile Home Park		1	0.58%					
6.90%	Misc Types	2	7	4.05%					
3.45%	Office Medical	1	2	1.16%					
0.00%	Office Non-Medical		3	1.73%					
6.90%	Res Conversion	2	10	5.78%					
6.90%	Restaurant	2	5	2.89%					
0.00%	Retail < 5K		16	9.25%					
3.45%	Retail 5K + SF	1	7	4.05%					
0.00%	Strip Center		2	1.16%					
0.00%	Tavern		1	0.58%					
0.00%	Utility		2	1.16%					
6.90%	Warehouse	2	14	8.09%					
	BIG BOX	2							
100.00%		29	172	16.76%					
				% Studied					
INDUSTRIAL									
	Parcel Count	53	Req %	Number					
			13%	7					
% of Study	Building Type	Study	Class	% of Total Class					
38.46%	Industrial Vacant	5	20	36.36%					
0.00%	Apt 10+ Units			0.00%					
0.00%	Apt<10 Units			0.00%					
0.00%	Auto Dealerships			0.00%					
0.00%	Banks			0.00%					
0.00%	Car Washes			0.00%					
7.69%	Flex Mall	1	1	1.82%					
0.00%	Gas Stations			0.00%					
0.00%	Garage/Repair		1	1.82%					
0.00%	Industrial 20K +		2	3.64%					
30.77%	Industrial<20K	4	12	21.82%					
0.00%	Manufactured Housing			0.00%					
0.00%	Mobile Home Park			0.00%					
0.00%	Misc Types			0.00%					
0.00%	Office Medical			0.00%					
0.00%	Office Non-Medical			0.00%					
0.00%	Res Conversion		2	3.64%					
0.00%	Restaurant			0.00%					
0.00%	Retail < 5K			0.00%					
0.00%	Retail 5K + SF			0.00%					
0.00%	Strip Center			0.00%					
0.00%	Tavern			0.00%					
15.38%	Utility	2	12	21.82%					
7.69%	Warehouse	1	5	9.09%					
100.00%		13	55	24.53%					
				% Studied					

Once the number of samples needed for each occupancy type has been determined, selection of samples can begin. Throughout the years, Macomb County has created study years designated by letter (A, B, C, etc.) for a cycle period of 4-5 years. Properties within the study year are interchanged so that no study year includes the same properties as the last time it was used. Other parcels are added to the selected samples for the study year, such as properties which have sold. Each year the department reviews specific property types throughout the county as a project. Project parcel examples would be apartment rent studies or a review of big box properties with those having recent tribunal appeals included in one study year and those without appeals the following year.

Once samples have been selected, appraisers are assigned the work for each community. The Real Property Manager then performs various studies for land values

and ECF's from recent sales. The rates are calculated for the land tables and ECF neighborhoods established for agricultural, commercial, industrial and residential property classes within the county.

As the appraisers complete their work, it is reviewed by the Real Property Manager and then added to the L-4015a report. Here are the completed pages from the 2019 industrial study for Lenox Township:

Michigan Department of Treasury
4504 (4-07) Page 1

Appraisal Study Listing (L-4015a)
Issued under authority of Public Act 206 of 1993

County Of MACOMB COUNTY	City/Township LENOX TWP	Appraisal Study INDUSTRIAL 2019-20
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Parcel Code	Assessed Value	Appraised Value	Ratio	Comments
19-06-05-200-009	160,400	346,840	46.25	
19-06-11-200-008	72,100	168,760	42.72	
19-06-11-200-015	246,400	495,473	49.73	
19-06-11-200-018	309,700	635,413	48.74	
19-06-13-300-011	143,900	264,137	54.48	
19-06-32-400-032	124,300	228,247	54.46	
26-06-28-451-002	393,800	719,262	54.75	
26-06-33-179-003	191,200	407,704	46.90	
26-06-33-255-018	16,700	31,277	53.39	
26-06-33-301-008	191,200	378,767	50.48	
26-06-33-301-009	126,400	265,005	47.70	
26-06-33-451-011	173,100	371,326	46.62	

Totals:	12	2,149,200	4,312,211	49.84
Class Totals:	301	7		
	302	5		

*** ** Statistics for this group (12 in sample) *** **

Statistical Mean= 49.684 Median= 49.235 Maximum= 54.751 Minimum= 42.723

*** ** Statistics about Mean *** **

Normalized Average Deviation = 0.06436 (Coefficient of Dispersion)
Average Squared Deviation = 15.28582 (Variance)
Square Root of Squared Deviation = 3.90971 (Standard Deviation)
Normalized Standard Deviation = 0.07869 (Covariance)
2 Standard Deviation Range (Low) = 41.86494 (High) = 57.50377

*** ** Statistics about Median *** **

Normalized Average Deviation = 0.06485 (Coefficient of Dispersion)
Average Squared Deviation = 15.50600 (Variance)
Square Root of Squared Deviation = 3.93777 (Standard Deviation)
Normalized Standard Deviation = 0.07988 (Covariance)
2 Standard Deviation Range (Low) = 41.35957 (High) = 57.11064

Price Related Differential (PRD): 0.99688 PRD > 1 regressive, < 1 progressive.

If you look back to the sample selection sheet, it suggested seven (7) samples were required for the industrial class according to the MAED standards for selecting samples. The sheet indicated that thirteen (13) properties were selected for the appraisal study. After reviewing the completed appraisals, twelve (12) were used in the study. The final conclusion from analyzing these twelve properties resulted in a ratio of 49.84 for the industrial class.

In addition to the ratio indication, the L-4015a report also provides some useful statistical information for the assessor. As an example, for this sampling a price related differential (PRD) of 0.99688 gives an indication that the properties within the sampling are generally assessed uniformly and equitably when comparing high value and low value properties. There is only a slight progressive vertical bias within this sampling.

The next step is to record this information onto the L-4018. The industrial information from the L-4015a is entered on the industrial line and the residential study information from the 2793 form is entered on the residential line. The previous year's assessed value is applied against the converted ratio for industrial ($22,613,100 \div 0.4984$) and residential ($224,887,840 \div 0.4706$) to calculate this year's beginning true cash values to be entered onto lines 301 and 401 of the L-4023.

Michigan Department of Treasury 603		L-4018R					
State Tax Commission Analysis for Equalized Valuation of Real Property							
County Name MACOMB COUNTY		City/Township Name LENOX TOWNSHIP				Study Year 2019	Equalization Year 2020
Assessment Roll Classification		Sample			% Ratio Assessments to Appraisals	True Cash Value	Remarks: Type of Study for Each Class
Class of Real Property	Assessed Value	No. of Parcels	True Cash Value	Assessed Value			
100 Agricultural	44,567,700	51	14,210,796	6,699,600	47.14%	94,543,275	AS
200 Commercial	57,543,800	33	17,719,264	8,526,500	48.12%	119,583,957	AS
300 Industrial	22,613,100	12	4,312,211	2,149,200	49.84%	45,371,388	AS
400 Residential	224,887,840	192			47.06%	477,874,713	S2
500 Timber-Cutover							NC
600 Developmental							NC
TOTAL - REAL	349,612,440	288			47.41%	737,373,333	
AS: Appraisal Study		CS: Combined Sales & Appraisal Study		S1: One Year Sales Study		RV: Record Verification	
NW: New Class		RA: Reappraisal		S2: Two Year Sales Study		AU: Audit	
NC: None Classified				OH: One Hundred % Study		CT: Class Transfer	
ES: Estimated Values (Explain)							
Remarks:							

COUNTY EQUALIZATION PERSONAL PROPERTY STUDY

Kristen Sieloff

Macomb County is somewhat unique in the way they perform their personal property studies. Where some counties only utilize a statement review process, Macomb County also adds an audit component. In order to do this successfully, each step of the process is very carefully organized and managed. The first step is to conduct a sample area canvass. Canvassing takes several weeks and is typically done during the first two weeks of January. Once this is complete, determining the number of samples begins.

Macomb County uses the same sample size table for the personal property as used for real property sales and appraisal studies. Each year the number of personal property accounts is updated and the number of statements needed is listed for commercial and industrial personal property. We do a 100% study for utility personal property, so we require copies of all statements. The following is a summary of the total samples used for the 2019 study:

Community	Statements					Audits				Required/Used					
	Entered		Used		Entered	Entered		Used		Com		Ind		Util	
	Com	Ind	Com	Ind	Utilities	Com	Ind	Com	Ind	Req	Used	Req	Used	Req	Used
CENTER LINE	30	16	28	16	5	11	1	9	1	27	37	3	17	5	5
EASTPOINTE	52	4	42	4	6	10	2	8	2	45	50	1	6	6	6
FRASER	42	23	39	22	3	7	4	7	4	40	46	16	26	3	3
MEMPHIS	46	1	46	1	2	3	0	3	0	7	49	1	1	2	2
MT. CLEMENS	48	1	44	1	4	14	2	12	2	41	56	3	3	4	4
NEW BALT	25	4	25	3	2	11	3	10	3	27	35	3	6	2	2
RICHMOND CITY	28	3	20	3	4	8	1	8	1	21	28	1	4	4	4
ROSEVILLE	74	22	68	22	6	23	5	20	3	68	88	15	25	6	6
SCS	85	4	74	4	8	34	1	27	1	72	101	3	5	8	8
STERLING HTS	143	35	135	34	10	37	13	31	13	114	166	31	47	10	10
UTICA	38	1	31	1	4	8	1	5	1	31	36	1	2	4	4
WARREN	175	49	139	42	23	49	16	20	11	123	159	35	53	23	23
ARMADA TWP	13	4	12	4	12	3	2	2	0	13	14	4	4	12	12
BRUCE TWP	21	15	19	14	14	6	3	4	3	24	23	8	17	14	14
CHESTERFIELD	64	24	64	24	13	18	6	15	4	50	79	14	28	13	13
CLINTON TWP	164	129	121	129	14	63	12	41	12	126	162	20	141	14	14
HARRISON TWP	38	9	38	6	2	10	4	7	4	32	45	7	10	2	2
GRS PTE SHR	2	0	1	0	2	0	0	0	0	1	1	0	0	2	2
LENOX TWP	30	11	25	8	28	7	2	7	2	23	32	3	10	28	28
MACOMB TWP	74	13	74	13	21	23	4	20	4	46	94	8	17	21	21
RAY TWP	14	0	12	0	23	4	0	3	0	14	15	0	0	23	23
RICH TWP	8	4	8	4	17	1	1	1	1	8	9	1	5	17	17
SHELBY TWP	115	21	113	21	12	36	11	29	9	92	142	18	30	12	12
WASH TWP	58	14	57	14	20	12	4	11	4	42	68	4	18	20	20
Totals	1387	407	1235	390	255	398	98	300	85	1087	1535	200	475	255	255
Sub Total	Entered					Required				Used					
	2545					1542				2265					

This table is another tool we use to summarize our sample sizes for personal property studies. It helps us to know what the percentage of the population the sample sizes we use are for each property class type. We can track this information to ensure that our sample sizes maintain consistency within our studies from year to year. We tend to use more than the sample size document recommends. The totals shown here include both audits and statement reviews.

CVT	Community	COMMERCIAL PERSONAL			INDUSTRIAL PERSONAL			COM / IND COMBINED			UTILITY PERSONAL	TOTAL PERS PROP
		# of parcels	sample size	% class studied	# of parcels	sample size	% class studied	% needed for study (comb)	sample size	% combined classes	100% of class is sample size	sample size
01	Center Line	329	37	11.2%	19	17	89.5%	8%	54	15.5%	5	59
02	Eastpointe	939	50	5.3%	6	6	100.0%	5%	56	5.9%	6	62
03	Fraser	658	46	7.0%	164	26	15.9%	6%	72	8.8%	3	75
04	Memphis	46	49	106.5%	1	1	100.0%	10%	50	106.4%	2	52
05	Mt Clemens	913	56	6.1%	24	3	12.5%	3%	59	6.3%	4	63
06	New Baltimore	343	35	10.2%	20	6	30.0%	8%	41	11.3%	2	43
07	Richmond	252	28	11.1%	6	4	66.7%	8%	32	12.4%	4	36
08	Roseville	1,355	88	6.5%	149	25	16.8%	5%	113	7.5%	6	119
09	St Clair Shores	1,467	101	6.9%	13	5	38.5%	5%	106	7.2%	8	114
10	Sterling Hgts	3,048	166	5.4%	404	47	11.6%	3%	213	6.2%	10	223
11	Utica	401	36	9.0%	2	2	100.0%	4%	38	9.4%	4	42
12	Warren	4,183	159	3.8%	496	53	10.7%	3%	212	4.5%	23	235
13	Armada Twp	132	14	10.6%	22	4	18.2%	10%	18	11.7%	12	30
14	Bruce Twp	264	23	8.7%	70	17	24.3%	8%	40	12.0%	14	54
15	Chesterfield	980	79	8.1%	151	28	18.5%	5%	107	9.5%	13	120
16	Clinton	3,085	162	5.3%	233	141	60.5%	3%	303	9.1%	14	317
17	Harrison	379	45	11.9%	56	10	17.9%	7%	55	12.6%	2	57
18	Grosse Pte Shrs	8	1	0.0%	0	0	0.0%	0%	1	0.0%	2	3
19	Lenox	257	32	12.5%	19	10	52.6%	9%	42	15.2%	28	70
20	Macomb	932	94	10.1%	74	17	23.0%	5%	111	11.0%	21	132
21	Ray	139	15	10.8%	2	0	0.0%	10%	15	10.6%	23	38
22	Richmond Twp	67	9	13.4%	5	5	100.0%	13%	14	19.4%	17	31
23	Shelby	2,265	142	6.3%	169	30	17.8%	4%	172	7.1%	12	184
24	Washington	709	68	9.6%	25	18	72.0%	6%	86	11.7%	20	106
	Totals	23,151	1,535	6.6%	2,130	475	22.3%		2,010	8.0%	255	2,265

The equalization department sends out two letters requesting information for the personal property studies. The first is a letter to the local units requesting copies of their filed personal property statements. We include the sample count chart so each unit knows how many we need. The letter states the method of getting them to us, as scanned copies or actual copies to be dropped off or picked up. Here is an example of the letter sent out for 2020:



Mark A. Hackel
County Executive

EQUALIZATION DEPARTMENT
One South Main, 6th Floor
Mount Clemens, Michigan 48043
Phone: (586)-469-5260 Fax: (586) 469-5423
www.macombgov.org/equalization

Kristen M. Sieloff
Director

Sandy Birkenshaw, Manager
Real Property Division

Mary Smith, Manager
Personal Property Division

January 13, 2020

SUBJECT: Personal Property Statements and Audits

The Equalization Department is requesting copies of the 2020 Personal Property Statements and the 2020 Affidavit & Statement for Eligible Manufacturing Personal Property & Essential Services Assessment from your community. Please attach **ALL** leasehold improvement forms as they are needed for correct calculations. **Do not include any Leasing Companies, businesses that filed Form 5076 or Form 5278 that doesn't have any information on the Ad Valorem side.** As a reminder, please do not send in statements that are ESA only, estimated, 0 AV or 'same as last year'. Please make sure if there are leasehold improvements to include a copy of the items. The number that we are requesting from each community is attached.

If you would please scan and upload them to our SFTP Site:

Site: [sftp.macombgov.org](ftp://sftp.macombgov.org)
Username: equalization
Password: #Equalization1

or copy and send them to the Equalization Department as soon as it is convenient, it would be appreciated. If not, someone will contact you in regards to picking them up around March 20th. As a reminder, please scan your personal property statements as pdf files. Only **ONE** statement per pdf file so they can be attached to the individual record. Please also include a copy of your EMPP list for your community.

When you receive the Utility Personal Property Statements and have the **Current Assessed Value** placed on them, please scan and upload them to our SFTP Site or copy and send them to this department as soon as possible so that we may review the figures prior to March BOR.

On the SFTP site is a copy of the Personal Property Audits that will be conducted in your jurisdiction this summer.

To avoid duplication of audits and confusion to the taxpayer, it is imperative that you review this list and return it to the Equalization Department by March 2nd with any changes. Your cooperation is greatly appreciated.

If you have any questions regarding the contents of this letter, please do not hesitate to send an email or call directly at (586)466-4156.


Sincerely,
Mary B. Smith
Manager/Auditor
Personal Property Division

We also send letters to the businesses which have been selected for an audit. There are additional parameters to the businesses chosen for audit:

- Most recent audit cannot be within the past 6-7 years.

- Businesses chosen for audit in the past but didn't respond to request for information at least 2 years prior to current year.
- Businesses that have never been audited before and have been in business at least 2 years.
- Businesses that have a current assessment (that assessment may be 0 due to Small Taxpayer Exemption).
- Recommended for audit by local unit.

Here is a copy of the audit letter we use:

	<p>EQUALIZATION DEPARTMENT 1 S. Main, 6th Floor Mount Clemens, Michigan 48043 Phone: (586) 469-5260 ♦ Fax: (586) 469-0813 www.macombgov.org/equalization</p>			
<p>Mark A. Hackel County Executive</p>	<p>March 2, 2020</p>	<p>Kristen M. Sietoff Director</p>		
<p>C B S BORING & MACHINE CO 34487 DOREKA FRASER MI 48026</p>	<p>03-250-34487-00</p>	<p>Sandy Birkenshaw, Manager Real Property Division</p> <p>Mary Smith, Manager Personal Property Division</p>		
<p>Macomb County Business Owner:</p> <p>In accordance with Section 34 of the General Property Tax Laws of Michigan, the Macomb County Equalization Department annually engages in the study of Personal Property Valuations. Therefore, to insure that all taxpayers have been equitably assessed, it is necessary to verify the Personal Property Statement that was required to be filed via an audit. The auditor will need to have access to: the current Personal Property Statement, depreciation schedule, balance sheet as of 12/31/19 and any other pertinent documentation that was used to prepare the Personal Property Statement so that we can establish the original cost and year of acquisition of all assets at this location. If you are sending the information, we are requesting that the supporting documents be sent in an excel spreadsheet format. If you are unable to send the documents in an excel spreadsheet, please make sure the information is legible.</p> <p>Please select one of the following, sign and return this letter to: Equalization Department, 1 S Main St, 6th Floor, Mt. Clemens, MI 48043 fax to 586-469-0813 or email mary.smith@macombgov.org by March 27, 2020.</p> <p><input type="checkbox"/> 1. My financial records are located at this office. <input type="checkbox"/> 2. My financial records are located at my accountants/corporate office. <input type="checkbox"/> 3. I will send the financial records that are requested by April 30.</p> <p>DO YOU OWN ANOTHER BUSINESS? Location _____</p> <p>If you selected 1 above, you will be contacted at a later date for an audit at your business. If you selected 2 above, please complete the information below. Your signature authorizes the Macomb County Equalization Department to examine the records of this business. A separate appointment will be scheduled with your corporate office/accountant to examine your records. If you selected 3 above, email, fax or send the required information (see above) by April 30. If we don't receive your response by March 27 or your financial records by April 30, an audit will be scheduled at your place of business. If you have any questions, call Mary Smith at 586-469-5260 or email mary.smith@macombgov.org.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><u>Accountant/Corporate Office Info:</u></p> <p>Name _____</p> <p>Firm _____</p> <p>Address _____ Suite # _____</p> <p>City, State, Zip _____</p> <p>(Area Code) Phone _____</p> </td> <td style="width: 50%; vertical-align: top;"> <p><u>Authorization:</u></p> <p>Owner/Manager's Signature _____</p> <p>Owner/Manager's Printed Name _____</p> <p>Official Title _____</p> <p>(Area Code) Phone _____</p> </td> </tr> </table>			<p><u>Accountant/Corporate Office Info:</u></p> <p>Name _____</p> <p>Firm _____</p> <p>Address _____ Suite # _____</p> <p>City, State, Zip _____</p> <p>(Area Code) Phone _____</p>	<p><u>Authorization:</u></p> <p>Owner/Manager's Signature _____</p> <p>Owner/Manager's Printed Name _____</p> <p>Official Title _____</p> <p>(Area Code) Phone _____</p>
<p><u>Accountant/Corporate Office Info:</u></p> <p>Name _____</p> <p>Firm _____</p> <p>Address _____ Suite # _____</p> <p>City, State, Zip _____</p> <p>(Area Code) Phone _____</p>	<p><u>Authorization:</u></p> <p>Owner/Manager's Signature _____</p> <p>Owner/Manager's Printed Name _____</p> <p>Official Title _____</p> <p>(Area Code) Phone _____</p>			

Once the local units have returned the copies of the filed personal property statements, they can be entered into BS&A. As audits are completed, these are entered into the

For entry onto the L-4018P, it's slightly different when using a combined statement and audit study in that there are two lines of entry for each type of study, and then the combined totals for assessed and true cash value within the property class are converted to calculate the ratio for the property class. Audits are entered on the top line (AU) and statement reviews (record verifications – RV) on the second line. For example, in Lenox Township for industrial personal (6,466,300 ÷12,923,069), 50.04 is the resulting ratio:

Michigan Department of Treasury 602		L-4018P					
State Tax Commission Analysis for Equalized Valuation of Personal Property							
County Name MACOMB COUNTY		City/Township Name LENOX TOWNSHIP				Study Year 2019	Equalization Year 2020
Assessment Roll Classification		Sample			% Ratio Assessments to Appraisals	True Cash Value	Remarks: Type of Study for Each Class
Class of Real Property	Assessed Value	No. of Parcels	True Cash Value	Assessed Value			
150 Agricultural							NC
250 Commercial		7	459,253	227,500	49.54%		AU
		25	9,086,964	4,543,600	50.00%		RV
	7,371,000	32	9,546,217	4,771,100	49.98%	14,747,899	
350 Industrial		2	170,776	90,300	52.88%		AU
		8	12,752,293	6,376,000	50.00%		RV
	8,566,500	10	12,923,069	6,466,300	50.04%	17,119,305	
450 Residential							NC
550 Utility							
	23,986,800	28	47,974,866	23,986,800	50.00%	47,974,866	OH
TOTAL - PERSONAL	39,924,300	70			50.00%	79,842,070	
AS: Appraisal Study		CS: Combined Sales & Appraisal Study		S1: One Year Sales Study		RV: Record Verification	
NW: New Class		RA: Reappraisal		S2: Two Year Sales Study		AU: Audit	
NC: None Classified				OH: One Hundred % Study		CT: Class Transfer	
ES: Estimated Values (Explain)							
Remarks:							

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STRATIFICATION

Laurie Spencer

Stratification is the division, for purposes of analysis, of a sample of observations into two or more subsets according to some criterion or set of criteria. In ratio studies, stratification is the sorting of parcels into relatively homogeneous groups based on use, physical characteristics or location. Stratification permits analysis of mass appraisal performance within and between property groups. Equalization Departments and assessors often stratify even if we are not thinking about it in those terms. Equalization Departments stratify properties by jurisdiction and classification. Assessors stratify by construction class, neighborhood, size and age.

Stratifying properties into neighborhoods or other homogeneous clusters can help achieve linearity. Linearity is most simply thought of as data that is a straight line when graphed. For example, for the variable square feet of living area, linearity requires each square foot of living area to add equally to value. As square footage increases so does value.

Another effective tool for analyzing relationships between variables are breakdowns by strata. For example: sales prices by age range, construction class or neighborhoods. Analyses of this kind are useful in revealing potential stratification criteria, data interactions and outliers.

For geographic stratification boundaries are drawn along rivers and other natural barriers, major streets, and subdivision lines to reflect major differences in locations. Separate models are then specified for each such area. This is particularly effective when housing types and styles are relatively uniform within areas. This sort of stratification is frequently used to develop ECF neighborhoods although we rarely think of this as stratification.

Cluster analysis can also be used for stratification. Cluster analysis is a statistical technique for combining items based on analysis of their similarities and differences. In mass appraisal, cluster analysis can be used to combine properties into relatively homogeneous strata based on location and physical characteristics such as age, size, style and construction quality.

Within the cost approach, stratification by construction class helps evaluate the accuracy of base rates. Stratification by size groups indicates whether cost models appropriately reflect economies of scale. Stratification by age groups helps monitor the accuracy of depreciation tables.

Stratification is also used in land valuation. Stratification is the sorting of sales and other market data into homogeneous groups. In land valuation, strata should reflect geographic areas subject to different market influences, variations in zoning and other land use controls and probable use. These sorting criteria ensure that land values will reflect market data for parcels with similar or competitive uses in the same area.

Stratification is used in ECF analysis, especially in the residential class. The assessor stratifies improvements into homogeneous groups. Residential can be stratified by occupancy (i.e. one-family residential, two family residential, etc.).

Stratification can be used in Equalization studies and the L-4018R. There are frequently different property types within a property classification. If these properties are combined and treated as one group in an equalization study, it is likely that the value of the class will be calculated incorrectly. Stratification of the two property types on the form 603 (L-4018R) solves the conflict.

Occasionally, a study will contain both waterfront and non-waterfront properties. If the study does not consist of property in relationship to the number in the class, a skewed ratio may be developed i.e. heavily waterfront weighted. Waterfront property frequently carries a significant amount of value and should either be analyzed separately from or stratified within a study that includes non-waterfront property. For example: the importance of the many small (but very valuable) pieces of property in Leelanau County only becomes evident when you look at the taxable value by acreage in 3D. Waterfront property is only 9.3% of the county's total acreage, but constitutes 53.7% of the total taxable value. A skewed study could very easily occur without stratification.

An example of stratification in an appraisal study would be to first determine the total assessed value of the waterfront by adding up the assessments in the current assessment roll. The same procedure is used for non-waterfront. Each type is placed on a line of the L-4018R. Under the heading Residential, label the first gray field "Waterfront" and the second gray field "Non-Waterfront". Assessed value of waterfront is placed in the next column (Assessed Value) waterfront. Assessed value of non-waterfront is placed in the next column (Assessed Value) non-waterfront. Under the SAMPLE section of the form, indicate the number of parcels in each appraisal sample, the true cash value of the sample and the assessed value of the sample. Each of the appraisal studies will then have a ratio of assessments to appraisals calculated. Divide the assessed values of the stratified waterfront properties by the ratio determined for the waterfront properties and place the value in the TRUE CASH VALUE column. Calculate the same for the non-waterfront properties. Please note: the total assessed value of waterfront and non-waterfront should be the same as reported on the previous year's form L-4023, line 408.

Sales stratification mirrors the appraisal study. However, a required preliminary step must be performed. It is necessary to create a L-4017 for each of the stratified property types to create an adjustment multiplier. Each of the ratios on the L-4017 will then be transferred to the L-4018R. The TCV are then calculated and entered. BS&A Assessing .Net does not currently calculate the correct cost modifiers for a stratified study- the modifiers are for the whole class. To find the numbers to calculate the L-4017 adjustment modifiers in BS&A Assessing .Net use the marked parcels option by stratified type and run the L-4021 on the marked parcels in the database to determine adjustments. Adjustments of marked

parcels can be found on the L-4022 and the L-4023 by running them with marked parcels selected.

BS&A Assessing .Net has a feature that works for stratification if one of the stratified criteria is at 50%. It is located under Misc.; Misc. (Eq. Fields); mark exclude from equalization and if excluded, put TCV of that selection in. This used to be done for DNR parcels when they were part of the Ad-Valorem roll.

If ratios are different in a stratified study use a spreadsheet or hand enter in the L-4018. Go to the L-4023 and make sure the ratio is correct. Also, make sure the TCV is correct.

Another stratification type is a combination study or stratification of a sales study and an appraisal study. Each is a separate and distinct sub-population such as waterfront and non-waterfront. For example, sales study in waterfront and an appraisal study in non-waterfront. Each stratification is entered on a separate line of the L-4018R. In this type of study, each approach is given equal weight, and the results are averaged. Page 3 of the new STC L-4018R is titled *Combined Study Worksheet* with instructions.

Stratification can also be done on a large property or MTT decision. If a classification is dominated by a single large property it is advisable to stratify the large parcel from the rest of the population and place it on the L-4018 on a separate line. This situation may also arise when a large property receives a decision from the MTT.

The ultimate goal of assessing property should be a fair and proper distribution of the tax burden.

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COMBINED STUDIES

Combined studies, though seldom used, are a study methodology in which the results of a sale study and an appraisal study are merged. In this type of study, each approach is given equal weight and the results are averaged. For example, if the sales study yields a ratio of 40.00% and the appraisal study is at 48%, the combined study result would be 44.00% ($40.00 + 48.00 = 88.00 / 2 = 44.00$). The single ratio of 44.00% is then used on the L-4018 to project true cash value. Page 3 of the new STC L-4018R is titled *Combined Study Worksheet* with instructions.

In order to be valid, a ratio study must be derived from sales or appraisals that are representative of the class of property as a whole. A representative ratio of assessed value to true cash value (appraisal ratio) or assessed value to sale price (sale ratio) is required in order to accurately project value for the overall class via the L-4018. Ideally, the aggregate ratio of the sales or appraisals being used in the ratio study should be representative of the aggregate ratio of the properties in the class as a whole.

The best procedure is to use all sales or all appraisals in any one class study. Occasionally, it might be necessary or beneficial to use both sales and appraisals in a single class. There may not be enough sales to use a sales study but using available sales adds objectivity to the study and reduces the required number of appraisals. On the other hand, combining sales and appraisals mixes two market indicators. If sales and appraisals are combined, an analysis should be performed to test the consistency of measures of central tendency derived from the sales ratios compared to the same measures derived from the appraisal ratios. There should not be a significant difference between ratios developed by a sales study or by an appraisal study. The sampling methods for the two types must be compatible with each other.

The objective of a ratio study is to determine appraisal performance for the population of properties. As long as sold and unsold parcels are appraised in the same manner and the data describing them is coded consistently in the CAMA system, statistics calculated in a sales ratio study can be used to infer appraisal performance for unsold properties. However, if parcels that sell are selectively reappraised or data changed in CAMA based on their sales price or by using on-line real estate listings prior to a sale and if such parcels are in the ratio study, sales ratio study uniformity inferences will not be accurate (appraisals will appear more uniform than they are). For example, to reach a sales price, the Class of Construction is changed to an A from a C. But other similar Class C homes are not changed. Chasing sales is not allowed. In this situation, measures of appraisal level will also be unsupportable unless similar unsold parcels were appraised by ECFs and land values that produces the same overall percentage of market value as the parcels that sold.

ASSESSMENT ROLL AUDITS

??? & Brian Busscher

County Equalization is mandated by Section 211.34 of the General Property Tax Act of the State of Michigan. This act states: The county Board of Commissioners of a county shall establish and maintain a department to survey assessments and assist the board of commissioners in the matter of equalization of assessments and may employ in that department technical and clerical personnel which in its judgment are considered necessary.

Auditing assessment rolls is one of the most important duties of the County Equalization Department. Auditing is sometimes referred to as balancing or settlement. Auditing the assessment roll consists of:

- Reviewing the L-4021 to assure that New, Loss and Adjustments are correctly applied to each parcel for Equalization purposes
- Reviewing Additions and Losses for Headlee purposes
- Balancing the ending numbers from the prior year's assessment roll and the beginning numbers for the current year's assessment roll
- Printing the L-4023 to report the final ratios for each classification in each local unit
- Reviewing Special Act rolls for accuracy

Equalization employees who perform these audits should have a complete understanding of New, Loss, Adjustments, Additions and Losses, and how they affect both equalization and millage rollback fractions.

Procedures for the assessment roll audits may differ by county, however there should be established procedures that are followed.

Pre-MBOR Audits

Most County Equalization Departments offer Pre-MBOR audits for the local unit assessment rolls. Pre-MBOR audits are best performed before the assessment change notices are printed. During this audit, the auditor confirms that the assessor has met ratio in each classification by reviewing the L-4023. This review helps assure the assessor has correctly entered the TCV for each classification and that they have correctly applied New, Loss, Adjustments, Additions and Losses. If these errors are found early, the assessor can correct them before the assessment change notices are mailed.

While Equalization Directors authority is limited in scope to the items on a 4021 some departments do a courtesy review that extends beyond the 4021. This audit is for the benefit of the assessor in notifying them of possible oversights and issues that may cause problems in the future if not addressed. Directors should be aware that assessors are not required to make all these changes, but if a good relationship exists between the director and the assessors these audits are often very much appreciated. Some examples of items reviewed:

- Splits – confirming that the TV from the parent parcels transferred to the child parcels. In many jurisdictions the assessors communicate splits to the County. In these situations it is good to confirm that all parcels the assessor said they were going to create were created.
- Parcel numbering compliance – Each county will have a recommended parcel numbering system. If a new/split parcel is found to be non-compliant it is much easier to fix before MBOR.
- School district changes – these are rare and it is good to confirm that if they occurred they were intentional – often times they are not.
- Mathieu Gast - Most units don't use Gast – but for those who do, this is a nice check to make sure the exemption is removed at sale and correctly added as new/additions.
- Running a “Possible calculation errors report” – this can help identify a number of issues. Assessor should be running this and correcting these issues prior to this audit, but for those that do not this is an easy way to catch a lot of problems.
- Veteran/Poverty Exemptions – confirming that these are correctly added back to the roll. Often when an exemption is applied assessor may forget to add them back for the following year's roll.
- Missed uncappings – there are a number of ways to audit these with a simple report. Understand that this audit will not catch every incorrect uncapping but will catch many of the obvious ones.
- IFT's/Abatements/Special Acts
 - New certificates – a list of new certificates can be found on the STC website. Directors can easily confirm that these have been adequately accounted for and confirm the correct 'Tax Classification' is selected. Failure to do this can easily lead to a factored roll.
 - Expiring certificates - a list of expiring certificates can be found on the STC website. Directors can easily confirm that these have been removed from the special roll and the value added correctly to the Ad Valorem roll.
 - If applicable, make sure parcel numbers are consistent with the counties parcel numbering system.
 - confirming these parcels all have the correct Tax classification.
- Vacant vs. Improved – some Equalization departments select their appraisal studies on a vacant vs. Improved basis so having this information correct in the assessor's roll is important.
- PA 42 Building Value – see “QFP Data Entry Instructions from BSA” for instructions on the correct way to enter these in the BSA software.
- “Flat Value” parcels – while not considered an 'override', these parcels do not get adjusted to the market and should be avoided in most circumstances.
- ECF's – verify if the ECF's entered appear to be entered correctly. ECF's of 1.00 are possible but may warrant a conversation with the assessor to verify the value entered was intentional. Verifying that ECF's are appropriate to the class (meaning

the roll uses Residential ECF's for Residential class, and Commercial ECF's for Commercial class) is also helpful.

- Income Approach Parcels – Review of these parcels can be fairly broad but should at least review the changes to the tax rate as a result of changing millage rates.

See Appendix H for a sample of audit procedures.

Post-MBOR Audit

Assessment rolls and related forms must be turned into the Equalization Department on the Wednesday following the first Monday in April or 10 days following the adjournment of the Board of Review, whichever comes first. If the Equalization Department has already completed a Pre-MBOR audit, this audit is much easier. At this point, if corrections need to be made to the application of new, loss and adjustments, the Equalization Director has the authority to make the corrections and print and their own L-4022.

During either audit, it is important to communicate with the assessor. Best practice is for the Equalization Department to provide a checklist to the assessors well in advance of the expected documentation as well as a timeline for responses.

Here is an example from a county of what they found during a Post-MBOR Audit. “We found a parcel when auditing special acts that was coded Ad Valorem instead of DNR Group. Our Equalization numbers are now off. This will have to be corrected before tax bills are mailed because it would go out as a summer tax bill if not corrected and the DNR would not pay. We have a land bank sale not coded correctly. The system will not then distribute the tax dollars correctly. I would say most of our serious issues are special acts parcels. They are difficult to find and we cannot find all of the issues in the short time we have for a PRE MBOR audit.”

See Appendix I for a sample of Post-MBOR balancing/settlement checklist.

FACTORS

Laurie Spencer & Brian Busscher

The law requires the County Board of Commissioners to examine the assessment rolls of the Cities and Townships within the county each year and determine whether each class of real and personal property in each City and Township has been equally and uniformly assessed at a level of 50 percent of true cash value. The Equalization Department completes this requirement by auditing the assessment rolls of each local unit. If necessary, the County Board of Commissioners must add to or deduct from the value of a class of property within a City or Township so that the total value of that class of property is set at 50 percent of the class's true cash value. If you find yourself in a situation where you must factor a roll a good reference is **Bulletin 11 of 2011**.

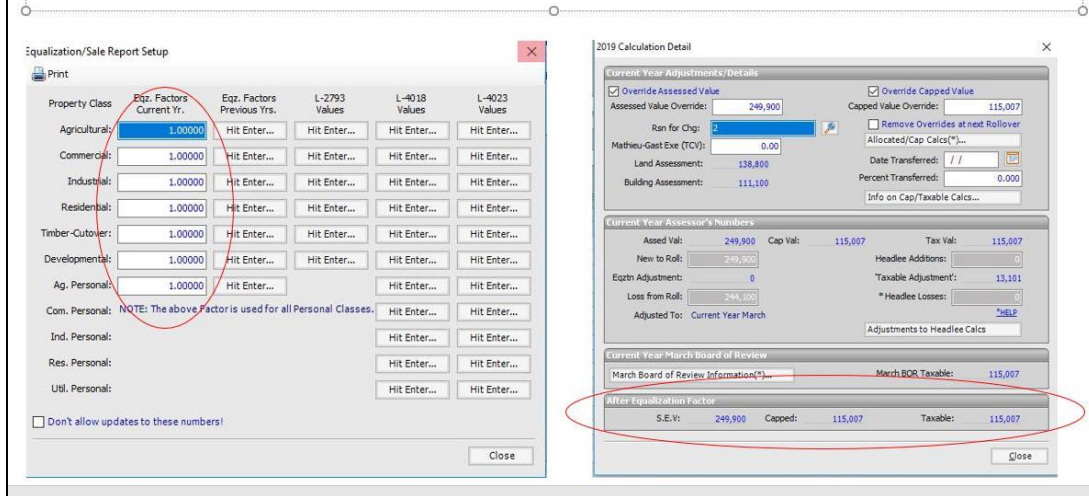
The County Board of Commissioners adds to or deducts from the value of a class of property by applying a County equalization factor to the value of the class as determined by the City or Township assessor.

Form L-4023 shows the final ratios by class and is used to determine if a factor needs to be applied. It is important that directors communicate with the assessor as soon as possible as this affects many reports both at the local and county levels.

There are several steps that need to be taken when a factor must be applied.

- **Calculating the factor:**
 - **Class TCV (Per L4018) x .50% = County Equalized Value (CEV)**
 - **CEV / MBOR Assessed = Factor**
 - **Note: If all inputs are correct in BSA, the L4023 from BSA should produce the correct indicated factor as well.**
- Apply the factor in BS&A at county level & make sure assessor has done it in their database before they roll over. It is suggested that you have the assessor provide a backup of their database after the factor is applied, along with all other documentation required.

Make a copy of database before entering factor for reference – rerun taxable reports & L-4025 for L-4028 – must be entered in both Equalization & Assessing Database. The state gets both the assessed and the CEV when uploaded.



- 3127 – Certification of Recommended County Equalization Valuations by Equalization Director (this should print out of BS&A once the factor is entered)
- L-4024 – Statement of Acreage and Valuation – Equalization Report
- The unit will have two L4025s (In BSA these are the L4025 report and L4025SEV)
- L-4025 Report -This report is the values prior to application of the factor.
- L-4025SEV Report -after the factor is applied based on SEV, this is used for the L-4028s and L-4034s
- L-4046 – Taxable Valuations report based on SEV. This will be different than the 4626 submitted by assessor at close of board of review. FYI – from what other directors said in prior years when they had factors, when you print the apportionment report out of the State Website (eEqualization now – not sure how MEG will handle it), it uses the 4626 TV numbers uploaded from the assessor and not the 4046.

Per Bulletin 11 of 2011 taxpayers can appeal the factored values to the MTT following the same schedule as like classed properties (May 31 and July 31). Taxpayers should be notified of their factored assessment as soon as possible after application of the factor. Failure to timely notify may result in extending their appeal window to 35 days from notification – which in some cases would be the summer bill.

Remember: Next year totals go from MBOR to MBOR, once you roll over, the prior year's MBOR numbers are beginning numbers. After you equalize and roll over your database you will want to back into government unit options. In the Equalization sale report set up screen right beside where you entered the factors is a column labeled Equalization previous years. Make sure that factor carried over into that previous year tab. The next thing you will want to make sure of is, when you do your studies for next year on those

factored units, you want to compare your sales or appraisals to the March board of review Assessed values not the Values after applying the factor. BS&A handles this very well but it is something you will want to double check.

EQUALIZATION FORMS

Equalization is simply the process to ensure that all taxable property under a jurisdiction is assessed at the same percentage of market value. By definition it is the process of making property taxation equal or uniform.

Volume III of the State Tax Commission's Michigan Assessors Manual states the following regarding the Equalization Process in Michigan.

"The Michigan Legislature has outlined the steps to meet these requirements in the General Property Tax Act (GPTA). The GPTA assessment/equalization process has three levels of responsibility: Local Unit of Government (Assessor & BOR), County (Equalization) and State (Equalization).

The assessment and equalization process begins with the local unit assessor. Each local assessor is statutorily required to determine the assessable and taxable status of all real and tangible personal property within the local unit's jurisdiction. Taxable status is determined as of December 31, Tax Day (MCL 211.2(2)).

The second phase of the assessment/equalization process is County Equalization. Once the roll is final and certified at the local level, it is delivered to the Equalization Department of the County in which the local unit is located. The statutory responsibility of reviewing each assessment roll for the local units within each individual County rests with the County Board of Commissioners. The Board of Commissioners (through the Equalization Department) in each County must determine whether the six classes of real property and total personal property have been equally and uniformly assessed.

The third level of responsibility in the assessment/equalization process is State Equalization. The State Tax Commission's role is to determine and establish the uniform valuation of the six classes of real property and the total personal property between Michigan's 83 counties."

In order for each level to complete their responsibility each must complete forms and reports and file them in a timely manner to the appropriate jurisdiction. In our profession we call them the L-Forms. "L" stands for Local Government forms. The Department of Treasury began using a new form numbering system and now each L-form has a form number that does not use a sequence or relate to the old L-Form number. In most cases, both the old L-Form number and the new form number is printed on the form.

The form numbers are important to know for at least three reasons:

- *Some forms progress in numerical order such as the major equalization steps flowing in order from forms L-4015 to L-4024. Knowing the number of the form for a task will help fit the sequence of work together logically.*

- *As in any profession, slang/jargon has developed for equalization. The “L” form numbers are a type of shorthand used by many people to refer to the work they are doing at a particular time or to refer to the source of the information they are discussing, and some forms have the same or similar name, so the use of the form number minimizes confusion especially if the “L” form number is used. i.e. L-4018 and L-4023 are both titled Analysis for Equalization, so if you use the “L” form number it minimizes confusion with the numbers.*

This portion of the handbook covers the forms required for Equalization and after Equalization. This handbook was created to provide a definition and narrative for the forms used for Equalization, and not a step-by-step guide for CAMA software.

NOTE: The ***italicized*** information contained in this section was taken from the MAA 2011 course material titled, “Taking the Mystery Out Of the Equalization Process”.

L-4015 (4618) Sales Study List

Prepared by: County Equalization Department

Filed with: Assessors & State Tax Commission

Due Date: Preliminary to assessors June, Revised Preliminary to Assessors & PSD November 1, Final to assessors December 1 with study results, Final to STC December 31.

This form is used to list the sales of a given classification for each of the years included in the sales study. Separate lists are prepared for conventional sales from the non-conventional sales based on financing terms, so each type of sales can be summarized.

Each year of the sales study should be listed separately. The assessment year used in comparison with the sales price should be the assessment after March Board of Review for that year.

Often when using CAMA software, all sales are not listed on the final form. The ability to list all sales should be maintained. During the analysis and determination process ALL sales should be listed and reviewed. The decision whether to list a sale on the L4015 is done at during data processing from documents and revised during the verification and qualification process.

Each County Equalization Department should establish procedures for processing sales data, verification and qualification of sales to be used in sales studies. Use of the Assessment/Sales Ratio Study Guidelines as published by the Department of Treasury should be adhered to. Staff that processes sales should be trained in assessment administration and CAMA software. It is imperative that the person processing sales data understand how the sales information is used.

It is recommended that the equalization director deliver a preliminary L-4015 with the local assessors for each classification that a sales study will be used to project the TCV in June. Best practice is to provide a copy of the Department of Treasury Assessment/Sales Ratio Study Guidelines to the assessor and provide an opportunity for feedback. It is also recommended that the Equalization Director prepare finalized Form L-4015 and form 2793 for the 2-year section that was previously delivered in June to each local unit assessor by the end of September.

Computation: *The L-4015 requires dividing the assessed value by the sale price for the % ratio column entry. The useable entries in the assessed value and sales value columns should be totaled for each year and for both years together. A percent ratio of these totals is computed for an “unadjusted” percent. The totals by time period are reported on the L-4017/L-4047 (2793).*

The time periods are listed as follows

- April 1 through September 30 – two years prior
- October 1 through March 31 – two years prior
- April 1 through September 30 – prior year
- October 1 through March 31 – prior year
- March 31 through September 30 – current year

Current STC Bulletin No. 9 of 2017 12-Month and 24 Month Sales Ratio Studies
 Current STC Bulletin No. 11 of 1985 Creative Financing Sales

Michigan Department of Treasury 4818 (Rev. 01-18)										L-4015		
Sales Study List										Page ____ of ____		
Issued under authority of Public Act 206 of 1893.												
County				City/Township				Classification of Appraisal Study				
Sales Study Year		Classification				Indicate if a One Year (S1) or Two year (S2) Sales Study is Used <input type="checkbox"/> S1 <input type="checkbox"/> S2						
Con. Sale = Confidential Sale Indicator Adj. Sales = Adjusted Sales Price Inst. = Type of Instrument Fin. = C (Conventional Financing); CR (Creative Financing)												
Date (MM/YY)	Liber & Page	Parcel ID Number	Grantor	Grantee	Con. Sale	Inst.	Fin.	Assessed Value	Sale Price	Adj. Sales	Ratio	Comments
PAGE TOTAL												

L-4017/L-4047 (2793) 24 and 12 Month Sales Ratio Study

Prepared by: County Equalization Department

Filed with: Assessors & STC

Due Date: Assessors December 1 with study results, Final to STC December 31

This form adjusts the “unadjusted” or raw percentage increase from sales on the L-4015 to adjusted percentages that give the assessor credit for adjustments made to the class in the previous assessment cycles. This is the form that is used to calculate the starting ratio for classes which have sufficient sales data to render a meaningful and reliable prediction of the level of assessment in a class.

This form is designed to show clearly the calculation of the equalization adjustment factors and the ratios from sales data following in progressive steps to the determination of the class starting ratio. The L-4017 is computed by the equalization department or STC as a means of calculating the starting ratio for a class. The Average Adjusted Ratio at the bottom of the form is entered in the “% Ratio Assessments to Appraisals” column on the L-4018 for each class having a sales ratio study to project True Cash Value (TCV).

It is recommended that the Equalization Director prepare finalized Form L-4015 and form 2793 for the 2-year section that was previously delivered in June to each local unit assessor by the end of September. In November, the one-year section of the 2793 should be reconciled separately for sales through the end of September.

The 24-month sales study is used unless there is significant* evidence of a declining market. In that case, the local assessor must initiate the use of a 12-month sales study by November 1.

24-month time period:

April 1 of the prior two years through March 31 of the current assessment year

12-month time period:

October 1 of the prior year through September 30 of the current assessment year

Sales studies must contain a sufficient** number of valid arms-length sales so that a conclusion can be reached, and the results of the study are indicative of the real estate market being studied.

Computation: *This form clearly identifies the calculating steps to be taken, the form requires the previous 2 years’ L-4023 forms and the current L-4015 forms to be used as source documents.*

*Significant evidence may include but is not limited to: a) A reduced number of market sales without a reduction in the number of listings b) An increase in the number of

foreclosure sales c) A loss of major employer(s) d) A single year sales study ratio higher than the standard 24-month ratio, in combination with items a through c above.

**Sufficient has been interpreted by MAED to mean at a minimum there has to be sales data in each of the time periods. Please see the sample size section of the handbook.

Current STC Bulletin No. 9 of 2017 12-Month and 24 Month Sales Ratio Studies

2019 24 and 12 Month Sales Ratio Study for Determining the 2020 Starting Base

This form is utilized with your Sales Ratio Study to determine the ratio and true cash value amounts entered on Form 603, *Analysis for Equalized Valuation*
NOTE: PAGE 2 CONTAINS INSTRUCTIONS THAT SHOULD BE REVIEWED PRIOR TO COMPLETING THIS FORM

County Name:	City or Township Name:
Classification of Property (Ag, Com, Res, etc.)	1 Agricultural Sales Study

2017 to 2018 Adjustment Modifier

1. Enter the assessed valuation after adjustment from the 2018 form L-4023 line 105.....	1.	
2. Enter the assessed valuation before adjustment from the 2018 form L-4023 line 103.....	2.	
3. 2017 to 2018 Adjustment Modifier. Divide line 1 by line 2	3.	0.0000

2018 to 2019 Adjustment Modifier

4. Enter the assessed valuation after adjustment from the 2019 form L-4023 line 105.....	4.	
5. Enter the assessed valuation before adjustment from the 2019 form L-4023 line 103.....	5.	
6. 2018 to 2019 Adjustment Modifier. Divide line 4 by line 5	6.	0.0000

2017 to 2019 Adjustment Modifier

7. 2017 to 2019 Adjustment Modifier. Multiply line 3 by line 6	7.	
--	----	--

24 Month Sales Study

A	B	C	D	E	F	G	H
Year of Assessment	Sales Period	Number of Sales	Total Assessed Value for Sales	Applicable Adjustment Modifier	Adjusted Assessed Value	Total Adjusted Prices	Adjusted % Ratio (col. F ÷ col. G)
2017	4/17 - 9/17						0.00%
2017	10/17 - 3/18						0.00%
12 Month Total Sales		-			-	-	0.00%
2018	4/18 - 9/18			0.0000			0.00%
2018	10/18 - 3/19			0.0000			0.00%
12 Month Total Sales		-			-	-	0.00%
24 Month Total Sales		-			-	-	
*24 Month Mean Adjusted Ratio							0.00%

*** Important:**

For sales from April 2017 through March 2018, divide the 12 month total 'Adjusted Assessed Value' by the 'Total Prices for Sales' to get the 12 month 'Adjusted % Ratio'. Repeat this process for sales from April 2018 through March 2019. Finally, sum the two 'Adjusted % Ratios' and divide the result by 2 to get the 'Mean Adjusted Ratio'. The 'Mean Adjusted Ratio' in column H is carried to Form 603 (L-4018).

12 Month / Single Year Sales Study

A	B	C	D	E	F	G	H
Year of Assessment	Sales Period	Number of Sales	Total Assessed Value for Sales	Applicable Adjustment Modifier	Adjusted Assessed Value	Total Prices for Sales	Adjusted Ratio % (col. F ÷ col. G)
2018	10/18 - 3/19	-	-	0.0000		-	0.00%
2019	4/19 - 9/19			1.0000			0.00%
12 Month Total Sales		-			-	-	
** 12 Month Aggregate Adjusted Ratio							

**** Important:**

For sales from October 2018 through September 2019, divide the 12 month total 'Adjusted Assessed Value' by the 'Total Prices for Sales' to get the '12 Month Aggregate Adjusted % Ratio'. The 'Aggregate Adjusted Ratio' in column H is carried to Form 603 (L-4018).

2017 March Board of Review valuations are compared with sales transacted during the last nine months of 2017 and those transacted in the first three months of 2018.

2018 March Board of Review valuations are compared with sales transacted during the last nine months of 2018 and those transacted in the first three months of 2019.

2019 March Board of Review valuations are compared with sales transacted during April through September of 2019.

L-4018 Real & Personal (603) Analysis for Equalized Valuation

Prepared by: County Equalization Department

Filed with: Assessors, PSD & STC

Due Date: Assessors & PSD December 1, Final to STC December 31

This form has a nearly identical name to form L-4023. The L-4018 is used to project TCV for the following cycle of the assessment /equalization process. The purpose of the L-4018 is to determine the revised (projected) TCV of each class of property, real and personal, in an assessing unit. The form is completed by the Equalization Director. The results of all studies in all classes are summarized on the L-4018. The L-4018 is the "bridge" document between County Equalization and the assessor. This document is the culmination of the CED work in determining the True Cash Value for the classification for the new assessment year. It is the assessors beginning point for revisiting TCV and assessments. It is very critical that the work be accurate and timely.

The form is straightforward in content: AV from the current year, a summary of the study parcel county, TCV, and AV of the parcels in the sample. Then the ratio of the appraisal study for the ratio from the applicable L-4017 from the sales ratio study is entered in the "% Ratio Assessments to Appraisals" column. TCV is calculated by dividing the AV by the Study Ratio. The forms are submitted, with the study information, by the Equalization Director to the STC.

Computation: *The assessed value is divided by the study ratio to yield the projected TCV of the class. 50.00% is the goal. Divide 50.00 by the study ratio to yield the factor of increase or decrease.*

Note: It cannot be stressed enough that last years ending assessed total must be this years beginning totals on the L-4018, L-4022 and L-4023.

In some cases, it may be necessary to stratify or combine a study on the L4018. Please see the Stratification and Combination section of the handbook for further details.

State Tax Commission Analysis for Equalized Valuation of Real Property

County Name		City/Township Name (check appropriate box)		Study Year / Equalization Year		
		<input type="checkbox"/> City <input type="checkbox"/> Township				
Assessment Roll Classification						
Class of Real Property	Study Type	Stratified Study	Combined Study	Sample		Remarks
				Assessed Value	True Cash Value	
100 Agricultural						
200 Commercial						
300 Industrial						
400 Residential						
500 Timber-Cutover						
600 Developmental						
TOTAL - REAL						
Study Type Codes						
AS: Appraisal Study		NC: None Classified		OH: One Hundred % Study		S2: Two Year Sales Study
NW: New Class		RA: Reappraisal		ES: Estimated Values (Explain):		

INSTRUCTIONS, Page 1:
 Enter county name.
 Enter Unit name and check the appropriate box for township or city.
 Enter study year followed by equalization year.
 For the following, enter into the appropriate field within each classification of real property, the study results of each study conducted.
Study type: Enter the two character code/s that best identify the study type/s used to obtain the projected true cash value for the classification. NOTE: The two character codes to be used can be found under the "Study Type Codes" heading of this form.
Stratified Study: If a stratified study is used, check this box and follow the instructions on page 2 of this form.
Combined Study: If a combined study is used, check this box and follow the instructions on page 3 of this form.
Assessed Value: Enter the current year's ending Assessed Value of the classification from the 2164 (L-4023).
No. of Parcels: Enter the number of parcels included in the study sample.
Sample Assessed Value: Enter the assessed value of the appraisal study sample when study type "AS" is used. If "OH" is also selected this value must match Assessed Value of the classification. NOTE: No data entry required if using a sales study, stratified study or combined study.

Sample True Cash Value: Enter the true cash value of the appraisal study sample when study type "AS" is used. NOTE: No data entry required if using a sales study, stratified study or combined study.
% Ratio Assessments to Appraisals: Enter the ratio by dividing the "Assessed Value" by the "True Cash Value" of the appraisal study sample when study type "AS" is used. The ratio will be rounded to four decimals and displayed using two decimals (0.4975 displayed as 49.75). NOTE: If using a sales study, enter the applicable ratio from the form 2793 (L-4017/L-4047). If using a stratified or combined study, then the resulting "Study % Ratio" for the classification is used from page 2 for a Stratified Study or from page 3 for a Combined Study.
Projected True Cash Value: Enter the projected true cash value by dividing "Assessed Value" of the classification by the "% Ratio Assessment to Appraisals". NOTE: If using a stratified or combined study, then the total projected true cash value for the classification is used from page 2 for a Stratified Study or from page 3 for a Combined Study.
Remarks: Enter brief remarks relating to the study if applicable.
Study Type Codes: If "ES" was selected as a study type, please give a brief explanation why the estimated value was used.
INSTRUCTIONS: County Summary (Total Recap)
 Enter county name.
 Enter study year followed by equalization year.

For the following, enter into the appropriate field within each classification of real property, the study results of each study conducted.
Study type: No entry required.
Stratified Study: No entry required.
Combined Study: No entry required.
Assessed Value: Enter the total current year's ending Assessed Value of the classification from the 2164 (L-4023). This is the sum of all the assessed value for the classification from the current year individual unit 2164's (L-4023's).
No. of Parcels: Enter the total number of study parcels included in the classification.
Sample Assessed Value: No entry required.
Sample True Cash Value: No entry required.
% Ratio Assessments to Appraisals: Enter the ratio by dividing the total Assessed Value of the classification by the total Projected True Cash Value of the classification. The ratio will be rounded to four decimals and displayed using two decimals (0.4975 displayed as 49.75).
Projected True Cash Value: Enter the total Projected True Cash Value by summing the projected true cash values of the individual units in the classification.
Remarks: Enter brief remarks relating to the study if applicable.

L-4113 (3215) Certification of Equalization Study By Equalization Director

Prepared by: County Equalization Director

Filed with: State Tax Commission

Due Date: December 31

This form is to certify that the County Equalization Study was prepared under the direct supervision by the Equalization Director. By signing this document, the Equalization Director is certifying that the studies were completed in compliance with Michigan Compiled laws and the rules of the State Tax Commission.

This Certification is submitted along with:

1. A real and personal STC form 603 (L-4018R) and 602 (L-4018P) for each unit
2. A county summary (total recap) of the STC form 603 (L-4018R) and 602 (L-4018P) true cash value and assessed value for real and personal property by classification for the county.
3. Land Value Grid (LVG) and analysis.
4. Economic Condition Factor (ECF) determination and analysis.
5. STC form 4504 (L-4015a and L-4015) Appraisal and/or Sales listings by unit.
6. STC form 2793 (L-4017 and L-4047) 24 and 12 Month Sales Ratio for Determining the 2020 Starting Base, for sales studies by local unit.
7. STC form 3215 (L-4113) - Certification of Equalization Study by Equalization Director (attached)

Current STC Bulletin No. 7 of 1997

Certification of Equalization Study by Equalization Director

Issued under authority of MCL 211.148. Filing is mandatory.

Complete this certification form and submit it, along with the County Equalization Study, to the State Tax Commission **annually by December 31**.

All documents must be submitted via e-mail to equalization@michigan.gov.

COUNTY INFORMATION		
County Name		
Equalization Director Name	Certification Level Required for County	
CERTIFICATION		
<i>I certify that the County Equalization Study for the county indicated above was prepared under my direct supervision in my role as Equalization Director. In compliance with Michigan Compiled Laws 211.148, and the rules of the State Tax Commission, I am certified as an assessor at the level required for this county.</i>		
Equalization Director Signature	Date	Certification Level (MMAO, MAAO or MCAO)

Publication of the Current Year's Tentative Equalization Ratios & Multipliers

Prepared by: County Equalization Director

Filed with: State Tax Commission

Due Date: Third Monday in February

There is no official form number for this publication. The county equalization director is required to publish in a newspaper, the tentative equalization ratios and estimated SEV multipliers for the current year for each local assessing unit, and to provide a copy to each assessor and board of review in the county.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DATE: January 16, 2020
TO: County Equalization Directors
CC: Field Operations Staff
FROM: Property Services Division, Daniel Holland, Manager
SUBJECT: 2020 Tentative Equalization Ratios and Estimated Multipliers

This is a reminder that County Equalization Departments are required to publish the current year's Tentative Equalization Ratios & Multipliers in a newspaper and to provide a copy of that publication to the State Tax Commission no later than the third Monday in February (due to the holiday, the deadline is Friday, February 14, 2020.)

Please submit to Equalization@michigan.gov.

4606 Electronic Signature Declaration for Annual State Equalization Reports
For Electronic Filing of Forms L-4023, L-4024, L-4046, L-4402 and L-4626

Prepared by: County Equalization Director must be notarized

Filed with: Michigan Department of Treasury

Due Date: February 28

Each county has its own secure, online account which can be accessed with a personal identification number (PIN). The Pin serves as an electronic signature, therefore eliminating the need to submit paper reports. After reports are approved and signed, the Equalization Director uses the PIN in the state system to electronically submit data.

Reset Form

2020 Electronic Signature Declaration for Annual State Equalization Reports For Electronic Filing of Forms L-4023, L-4024, L-4046, L-4402, and L-4626

INSTRUCTIONS: Any County Equalization Director who wishes to use an electronic signature on annual equalization reports or wishes to gain access to their secure county online account, must properly complete this form and submit it by USPS mail to the Property Services Division to the mailing address located at the bottom of this form. Upon receipt of a properly completed form, the Property Services Division will issue a unique Username via USPS mail to the County Equalization Director's official mailing address that is on file with the State Tax Commission. The Property Services Division will then issue via email a Personal Identification Number (PIN) within five (5) business days to the County Equalization Director' official email address that is on file with the State Tax Commission. This PIN will then be used in lieu of an original signature when filing annual equalization reports electronically.

County Name on Report and Office Address (City, State, ZIP Code)	Name of Equalization Director
	E-mail Address
	Telephone Number

THIS FORM IS CONFIDENTIAL AND INFORMATION ON THIS FORM IS TO BE USED ONLY IN THE EQUALIZATION PROCESS.

DECLARATION	
I, _____, being duly sworn, depose and say that the equalization forms submitted using the personal <small>(print legibly)</small> identification number assigned to me by the Property Services Division, which contain the county property information required under MCL 209.1 et. seq. and MCL 211.1 et. seq. to be reported for state equalization purposes for the reporting period for the county for which such account has been created, are true and accurate to the best of my knowledge.	
In addition, by affixing my signature below, I do hereby affirm that I am a person duly authorized to procure a confidential personal identification number on behalf of the County, by virtue of the authority granted to me as County Equalization Director.	
Equalization Director Signature (must be actual signature)	Date
REQUIRED NOTARIZATION	
Subscribed and sworn to before me this _____ day of _____, 20_____.	
Notary Public, State of _____	County _____
Signature of Notary Public _____	My Commission Expires _____
Printed Name of Notary Public _____	Acting in the County of _____
FOR PROPERTY SERVICES DIVISION USE ONLY	
Username _____	Date of Username Issuance _____

Please return the signed and completed form by regular mail no later than February 28. If you have any questions, visit www.michigan.gov/stateequalization or contact the Property Services Division at 517-335-4410.

Send this **original** declaration by USPS mail to:
Michigan Department of Treasury
Property Services Division
PO Box 30790
Lansing, MI 48909

L-4021 (606) Assessment Roll Changes Worksheet

Prepared by: Local Assessor

Filed with: County Equalization Department

Due Date: The Wednesday Following the 1st Monday in April or 10 days following the adjournment of the MBOR, whichever comes first.

The assessor uses this form to calculate the change from year to year for each parcel's assessment. It notes the type of change and the reason for the change. It is imperative that the Loss, New, and Adjustment be accounted for, so an audit trail is created for changes in assessed value.

Each individual parcel that has a change in its assessed value or a change in the taxable status from the prior year must be listed on the form L-4021. Regardless if the assessment is increased or decreased, the difference between the current year assessed value and the prior year assessed value must be identified and the reason noted. There may be cases where an individual parcel's assessed value does not change, but the property classification has been changed or a parcel's new and loss are the same so there is no change in the assessment. The parcel must be listed on the form L-4021.

The audit of the L-4021 by the County Equalization Department is one of their fundamental duties. Many CEDs offer an opportunity to their local units to complete a Pre-MBOR audit. This L-4021 audit has been expanded in many jurisdictions to include balancing of all values, Additions & Losses, PRE status and uncappings. While it is not mandated, many local units proved a backup prior to the mailing of assessment change notices to assure the roll totals balance and each class is equalized.

Computation: *It is vital for an assessor to have a complete understanding of the following equations and the "Headlee" corollary.*

The Assessing Equation:

Previous MBOR Value – Loss +/- Adjustments + New = Current Assessment

In other words, if the current assessment differs from the previous assessment, there must be Loss, Adjustment or New involved. Be careful of computer programs that plug any difference between these assessed values automatically to the adjustment column.

The Capped Value Equation:

(Prior Year Taxable Value – Losses) X (IRM or 1.05) + Additions = Current Year Capped Value

The Headlee Corollary:

Check the instructions provided with from L-4022 and determine if some or all of the assessing Loss is Losses for tax limitation purposes. Check similarly for some or all of New to be tax limitation Additions. In most cases, Losses cannot exceed Loss, and Additions cannot exceed New.

L-4022 (607) Report of Assessment Roll Changes and Classification

Prepared by: Local Assessor

Filed with: County Equalization Department & State Tax Commission

Due Date: The Wednesday Following the 1st Monday in April or 10 days following the adjournment of the MBOR, whichever comes first.

This report is a recap of the L-4021s and shows the assessed values for the prior year, the current assessed values and the loss, net adjustments, and new by class. Each class of real and personal property is individually summarized on the L-4022. The prior year assessment and the current year assessment totals are sometimes called starting and ending values. It is important to compare the ending values from the previous year's L-4022 to make sure they are exactly the same as the starting values for the current year's L-4022 for each class. It is also recommended to include the number of parcels for each class.

This report requires the signature and certificate number of the certified assessor and is filed after the BOR with the STC and the County Equalization department. The STC receives the original and the equalization department receives a copy along with the assessment roll and the back-up L-4021. The L-4022 is audited back to the L-4021s, is verified by the Equalization Department, and is reviewed by the district field staff.

After the audit of the L-4021, if the Equalization Director determines that the New, Loss and/or Adjustments were not applied correctly, they will produce a corrected L-4022 and file it with the State Tax Commission.

Note: It cannot be stressed enough that last years ending assessed total must be this years beginning totals on the L-4018, L-4022 and L-4023.

2019 Report of Assessment Roll Changes and Classification

INSTRUCTIONS: Assessing officers are required to report the total assessed value for each class of property and the assessment roll changes for each class of property for County and State Equalization. This form is issued under authority of PA 206 of 1993. This report shall be signed by the assessing officer and filed with the State Tax Commission and the County Equalization Department immediately following adjournment of the Board of Review - Administrative Rule 209.26(6b). **REPORT ONLY ASSESSED VALUES ON THIS FORM.**

		City or Township (Indicate which)				
Real Property	Parcel Count	2018 Board of Review	Loss	+ or (-) Adjustment	New	2019 Board of Review
100 Agriculture						
200 Commercial						
300 Industrial						
400 Residential						
500 Timber - Cutover						
600 Developmental						
800 Total Real	Parcel Count	2018 Board of Review	Loss	+ or (-) Adjustment	New	2019 Board of Review
Personal Property						
150 Agriculture						
250 Commercial						
350 Industrial						
450 Residential						
550 Utility						
850 Total Personal	Parcel Count	2018 Board of Review	Loss	+ or (-) Adjustment	New	2019 Board of Review
Total Real and Personal						
Informational Items						

No. of Exempt Parcels: _____ Amount of 2019 Loss from Charitable Exemption granted for first time in 2019 under MCL 211.7o: _____

CERTIFICATION

I hereby certify that all the information contained within this document is true and accurate to the best of my knowledge, information and belief.

Assessing Officer Signature	Date	Assessing Officer Printed Name	Certification Number
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The completed form must be signed by the local unit assessor who is the assessor of record with the State Tax Commission. The form may be submitted in one of the following manners:

- 1) Mail the ORIGINAL completed form, with the ORIGINAL assessor of record signature to the State Tax Commission, PO Box 30471, Lansing, MI 48909
- 2) E-mail the completed form with the assessor of record signature to Equalization@michigan.gov.

The assessor must submit the first copy of the completed form to the County Equalization Department. The form is to be reviewed and approved by County Equalization. If there are errors found by County Equalization, the errors are to be corrected and a revised copy is to be immediately submitted to the State Tax Commission.

The assessor of record must retain a copy of the completed form. If after submitting the completed form to the State Tax Commission and County Equalization, the assessor of record discovers there are errors within the form, the assessor of record shall correct the form and submit the revised copy to the County Equalization Department. The revised form must be identified as a revised copy. Once the revised copy is reviewed and approved by County Equalization, the revised copy must be immediately submitted to the State Tax Commission.

INSTRUCTIONS FOR FORM 607 (L-4022)

Public Act 381 of 1978 prescribes six real property and five personal property classifications.

REAL PROPERTY: Agricultural (Ag.), Commercial (C.), Industrial (Ind.), Residential (R.), Timber - Cutover (T.C.) and Developmental (D.). These Real Property classes are equalized separately.

PERSONAL PROPERTY: Agricultural (Ag. P.), Commercial (C.P.), Industrial (Ind. P.) Residential (R.P.) and Utilities (Util. P.). All classes of Personal Property are equalized together as one class.

Each assessing officer must report total assessed value, assessed value of losses, assessed value of adjustments and new assessed value for each class of property. All entries are to be the assessed values as approved by the Board of Review. Form 606 (L-4021) and supporting Form 607 (L-4022) shall be filed with the County Equalization Director for review and audit by the State Tax Commission

REAL PROPERTY

NEW — Assessment increases because of added true cash value not accounted for in the starting ratio on Form 603 (L-4018R), including:

1. Description on roll for first time or returned from exempt status.
2. Building or other improvement put on description.
3. New additions and improvements.
4. Further completion of new construction. (For example: partially complete building assessed at \$2,500 last year; assessment raised to \$3,500 this year because completed; the \$1,000 increase is NEW.)
5. Platted land. (For example: a 40 acre parcel was assessed last year for \$10,000; the land has been platted into 200 lots at \$300 each or \$60,000; the increased assessment would be NEW \$50,000. If property had been classified Agricultural, there would be \$60,000 NEW in Residential and \$10,000 LOSS in Agricultural.)
6. Increased land value or improved economic conditions. **Note:** Increases in assessments from one year to the next due to inflationary increases in value are to be reported on Form 607 (L-4022), if not included in the equalization study report on Form 603 (L-4018R).

(The New listed on Form 607 (L-4022) may not qualify for Additions on Form 609 (L-4025). See instructions on L-4025.)

Also, the amount of the NEW for equalization purposes for a particular item may not be the same as the amount of the ADDITION for the cap for that same item. For example, an IFT NEW FACILITY whose exemption has expired comes on the ad valorem roll at 50% of true cash value, but the ADDITION may be less than 50%.

LOSS — Assessment decreases because of loss of true cash value not accounted for on Form 603 (L-4018R), including:

1. Description removed from roll (annexation).
2. Building or other improvements destroyed or removed or exempt.
3. Part of a building removed or destroyed (**Note:** Tax Day is December 31).
4. Losses from change of description (such as in item 5 under NEW).
5. Land reverted to state or otherwise exempt.

ADJUSTMENTS — All changes in the assessment roll OTHER than those caused by changes in true cash value which qualify as NEW or LOSS, including:

1. Individual assessments raised or lowered to establish uniformity and meet the 50 percent requirement.

INSTRUCTIONS FOR FORM 607 (L-4022) — CONTINUED

PERSONAL PROPERTY

NEW — Assessment increases because of added true cash value not accounted for on Form 602 (L-4018P), including:

1. First time on roll. (For example: a new commercial tenant.)
2. Additional equipment or furnishings. (For example: a business acquired additional equipment so the total true cash value of the equipment and furnishings increased from \$50,000 to \$80,000. The assessment therefore was raised from \$25,000 last year to \$40,000 and the \$15,000 increase is NEW.)
3. Change in law, reducing exemptions (Inventory, termination of Public Act 198 of 1974 certificate, etc.).

LOSS — Assessment decreases because of loss of true cash value not accounted for on Form 602 (L-4018P), including:

1. Removal from roll (Out of business, etc.).
2. Fire losses or other damage. (**Note:** Tax Day is December 31).
3. Decrease in true cash value of equipment, pipelines, furnishings, equipment, etc.
4. Change in law, increasing exemptions (Inventory, air, water or PA 198 of 1974 certificate, etc.).

All changes in the assessment roll OTHER than those caused by changes in true cash value which qualify as NEW or LOSS, including:

ADJUSTMENTS — Individual assessments raised or lowered to establish uniformity.

IMPORTANT NOTICE

Capped and Taxable Values have no role in the determination of County or State Equalized Valuations. **DO NOT REPORT CAPPED OR TAXABLE VALUES ON FORMS 607 (L-4022), 2164 (L-4023) OR 608 (L-4024). STC FORM 607 (L-4022) MUST BE CERTIFIED BY THE ASSESSOR OF RECORD BY SIGNING THE COMPLETED REPORT. UNSIGNED FORMS WILL BE RETURNED TO THE ASSESSOR.**

L-4023 (2164) Analysis for Equalized Valuation

Prepared by: County Equalization Director

Filed with: State Tax Commission

Due Date: third Monday in April

This is the form that has the same name as the L-4018. The form L-4023 is a very critical calculation document in establishing recommended County equalized valuations. The value from the L-4022s are spread on the L-4023 in the assessed value columns on the left side of the form. It is important to enter the assessed values first for each class.

Calculation: The assessed value on line 1 and the calculations should be taken directly from the L-4018. The assessed value on line 1 must match exactly the ending value from the preceding year's L-4018 for that class. Be sure to calculate the subtotals on lines 3 and 5. If the value has changed during the year due to July or December BOR changes, MTT, or STC order changes; those changes must be included within the L-4021 assessment equation as new, loss or adjustment. The first line in each class is completed by entering the ratio and true cash value from the L-4018 that was computed during the past December and submitted to the STC. The next step is the calculation of TCV for loss, which is deducted from the beginning value at the beginning ratio. Copy the ratio from the L-4018 to line 2, divide the loss by the ratio and enter the TCV of the loss in the TCV column on line 2. Subtract TCV line 2 from TCV line 1 and enter in the TCV column on line 3. Copy this TCV result to line 5 of the TCV column.

Line 4 should have the adjustment value from the L-4022 with nothing being calculated in the ratio or TCV side of line 4. Line 5 is the value after losses and the adjustment being either added or subtracted from the beginning totals. The line 5 TCV is the same value as line 3, the ratio is calculated by dividing the AV on line 5 by the TCV on line 5. Put more simply, line 5 is calculation the ratio. Line 6 has the value from the L-4022 inserted on the assessed value side and the ratio from line 5 is brought to line 6 in the ratio column. Divide the assessed value by the ratio to determine the TCV on line 6. Line 8 assessed value is calculated by adding line 5 with line 6. The same applies to the TCV side and again the assessed value is divided by the TCV to arrive at a total ratio for the classification.

If this ratio is between 49.00 and 50.00, the class can be equalized as assessed. If it is not, there are some extra steps to complete. In either case, multiply the TCV by 50% to give the computed equalized value. If the unit has a ratio on line 8 between 49.00 and 50.00, the equalization factor shall be 1.0000. The recommended equalized value will be equal to the assessed value for that class. If the ratio is outside of 49.00 and 50.00, the equalization factor is calculated by dividing the computed equalized value (50% of the TCV) by the total AV. This gives a factor that when multiplied by the assessed value will equal or slightly exceed the equalized value. This equalization factor is the class factor which converts each assessment on the assessment roll to the equalized value for the tax roll. This value, Assessed Value X Equalization Factor, will be the recommended

equalized value for this class. These calculations are performed for each class of real property.

Line 7 on form L-4023 is often not used. It is used if a reappraisal is completed or if an assessor has reclassified many properties from one class to another, then the Equalization Director should use Line 7 when bringing the value into the new class. The assessed value of the property transferring classes should be listed in the Assessed Value column. The ratio entered in the ratio column is from the former class of property's Loss row, line 2. The TCV is calculated and the new class totals are entered on line 8.

The bottom of the first page of the L-4023 has a recap of the computed 50% of TCV and the Recommended Equalized Value for Real and Personal Property. Page 2 has a Total Real line 800 and page 3 has a Total Personal line 850.

The above procedure is the same for the personal property L-4023, except there is only one factor determined for the total personal class. The ratios are determined by class, but the total personal assessed value is divided by the total true cash value for the personal property ratio. The factor is found by the same method as the real and the same criteria for qualifying for 1.0000 applies, even though only one factor is calculated for the entire class of property.

Note: It cannot be stressed enough that last years ending assessed total must be this years beginning totals on the L-4018, L-4022 and L-4023.

The information for this form can either be hand entered or exported from BS&A and uploaded into the Department of Treasury website. After this form is completed and signed, it is filed with the Department of Treasury electronically using the Equalization Directors PIN.

Analysis for Equalized Valuation

Issued under authority of Public Act 206 of 1893.

INSERT THE CORRECT CODE IN THE REMARKS FIELD OF THE APPROPRIATE CLASSIFICATION AS NECESSARY

Real Property Codes:		Personal Property Codes:	
AS: Appraisal Study	ES: Estimated (L-4023)	AU: Audit	CS: County Study
NW: New Class	RA: Complete Reappraisal	ES: Estimated (L-4023)	NW: New Class
S1: One Year Study	S2: Two Year Study	RV: Record Verification	

County No.	County Name	City or Township No.	City or Township Name	Year
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Real Property	Number of Parcels	Assessed Value	% Ratio	True Cash Value	Remarks
100					
101	Agricultural				
102	Loss				
103					
104	Adjustment				
105					
106	New				
107					
108	Total Agricultural				
109	Computed 50% of TCV Real Agriculture			Equalization Factor	
	Recommended CEV Real Agriculture				
200					
201	Commercial				
202	Loss				
203					
204	Adjustment				
205					
206	New				
207					
208	Total Commercial				
209	Computed 50% of TCV Real Commercial			Equalization Factor	
	Recommended CEV Real Commercial				
300					
301	Industrial				
302	Loss				
303					
304	Adjustment				
305					
306	New				
307					
308	Total Industrial				
309	Computed 50% of TCV Real Industrial			Equalization Factor	
	Recommended CEV Real Industrial				
809	Computed 50% of TCV, Total 6 Classes Real				
	Recommended CEV, Total 6 Classes Real				
859	Computed 50% of TCV, Total Personal Property				
	Recommended CEV, Total Personal Property				

County No.	County Name	City or Township No.	City or Township Name	Year
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Real Property	Number of Parcels	Assessed Value	% Ratio	True Cash Value	Remarks
400					
401	Residential				
402	Loss				
403					
404	Adjustment				
405					
406	New				
407					
408	Total Residential				
409	Computed 50% of TCV Real Residential			Equalization Factor	
	Recommended CEV Real Residential				
500					
501	Timber-Cutover				
502	Loss				
503					
504	Adjustment				
505					
506	New				
507					
508	Total Timber-C.O.				
509	Computed 50% of TCV Real Timber-C.O.			Equalization Factor	
	Recommended CEV Real Timber-C.O.				
600					
601	Developmental				
602	Loss				
603					
604	Adjustment				
605					
606	New				
607					
608	Total Develop.				
609	Computed 50% of TCV Real Develop.			Equalization Factor	
	Recommended CEV Real Developmental				

Real Property	Number of Parcels	Assessed Value	% Ratio	True Cash Value	Factor
800	Total Real (Sum of lines '08)				

County No.	County Name	City or Township No.	City or Township Name	Year
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Personal Property	Number of Parcels	Assessed Value	% Ratio	True Cash Value	Remarks
150					
151	Agricultural				
152	Loss				
153					
154	Adjustment				
155					
156	New				
157					
158	Total Agricultural				
250					
251	Commercial				
252	Loss				
253					
254	Adjustment				
255					
256	New				
257					
258	Total Industrial				
350					
351	Industrial				
352	Loss				
353					
354	Adjustment				
355					
356	New				
357					
358	Total Industrial				
450					
451	Residential				
452	Loss				
453					
454	Adjustment				
455					
456	New				
457					
458	Total Residential				
550					
551	Utility				
552	Loss				
553					
554	Adjustment				
555					
556	New				
557					
558	Total Utility				
Personal Property	Number of Parcels	Assessed Value	% Ratio	True Cash Value	Factor
850	Total Personal (Sum of lines '58)				

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L-4024 (608) Statement of Acreage and Valuation

Prepared by: County Equalization Director

Filed with: Board of Commissioners & State Tax Commission

Due Date: BOC Tuesday following the second Monday in April, STC first Monday in May

Often referred to as the Equalization Report, the County Equalization Director prepares the L-4024 which shows the assessed and equalized values for Real and Personal Property by class for each unit in the County and a County total.

The L-4024 form must be signed by the Chairman of the Board of Commissioners, County Clerk and the County Equalization Director.

The information for this form can either be hand entered or exported from BS&A and uploaded into the Department of Treasury website. After this form is completed and signed, it is filed with the Department of Treasury electronically using the Equalization Directors PIN.

COUNTY OF _____

REPORT OF EQUALIZATION
BY
COUNTY BOARD OF COMMISSIONERS

APRIL SESSION _____

Received and filed at Michigan Department of
Treasury, State Tax Commission.

Secretary, State Tax Commission

Instructions for Completing this form.

It is necessary that the acreage of each township be listed.

The figures in column 7 of pages 2 and 3 must equal the sum of the figures listed in columns 1 through 6.

The figures in column 6 of page 1 must equal the sum of columns 2 and 4.

The figures in column 7 of page 1 must equal the sum of columns 3 and 5.
If multiple pages are necessary, please recap county totals on top sheet of each page.

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L-4037 (2691) Assessment Roll Certification (County)

Prepared by: County Equalization Director

Filed with: State Tax Commission

Due Date: Third Monday in April

After the rolls are equalized, each shall be certified to by the chairperson and the clerk of the board and be delivered to the supervisor of the proper township or city, who shall file and keep the roll in his or her office.

State Tax Commission Assessment Roll Certification
(County Board of Commissioners, CBC)

This form is issued under the authority of the General Property Tax Act, P.A. 208 of 1893, MCL 211.34. Attach original copy to the assessment roll with copies provided to the local unit and county clerk.

PART 1: ASSESSOR AND LOCAL UNIT INFORMATION
(When complete, this form is to be filed with the local unit of government)

Assessing Officer Name	Certification Number	Certification Level (MCAO, MAAO, MMAO)	Tax Year
Local Unit of Government Name	City or Township	County Name	

PART 2: CBC ASSESSED VALUE AS EQUALIZED - Ad Valorem

ADDING OR DEDUCTING	THE SUM OF	FROM OR TO	PROPERTY CLASS	GIVING ASSESSED VALUE AS EQUALIZED
			Real Agriculture	
			Real Commercial	
			Real Industrial	
			Real Residential	
			Real Timber Cutover	
			Real Developmental	
			TOTAL REAL PROPERTY	
			TOTAL PERSONAL PROPERTY	
			TOTAL REAL & PERSONAL PROPERTY	

PART 3: COUNTY BOARD OF COMMISSIONERS CERTIFICATION

We hereby certify that the information contained within this County Board of Commissioners Assessment Roll Certification is true and accurate to the best of our knowledge, information and belief. We further certify that the County Board of Commissioners have examined the Assessment Roll of the above mentioned local unit of government and have determined the equalized valuations of the taxable Ad-Valorem and Special Act property to be accurate.

Chairperson of the County Board of Commissioners Signature	Date
Clerk of the County Board of Commissioners Signature	Date

4626 Assessing Officer's Report of Taxable Value as of State Equalization in May

Prepared by: Local Assessor

Filed with: County Equalization Department, CED uploads to STC

Due Date: Assessor with CED immediately after the close of March Board of Review, CED to STC 3rd Monday in April

While the form title indicates that the Taxable Values reported are as of State Equalization in May, the values on this form are as of the close of March Board of Review. The form is exported from BS&A as a CSV file.

Once received, the CED must use the "PreLoad Prep Tool" to identify and fix issues that interfere with a successful upload of a 4626 submission. You must contact the State to obtain a copy of the PreLoad Prep Tool if you don't have your county's saved. The tool will check for correct tax year, correct submission format, correct local unit coding and school coding, taxable value balance (Total LU TV vs. Total School district TV), and missing village values.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DATE: March 5, 2020
TO: Local Assessing Officer of Record
RE: Form 4626 – The 2020 Assessing Officer’s Report of Taxable Values as of State Equalization in May

PLEASE READ THE ENTIRE CONTENT OF THIS COMMUNICATION TO ENSURE 4626 IS SUBMITTED PROPERLY

This memo serves to notify you that the above mentioned form 4626 should be submitted immediately after the close of March Board of Review to your local equalization department using one of the three submission options below:

Filing Options – Pick One:

1. **BS&A Users:** Read **REVISED** enclosed instructions.

-OR-

2. **Manatron/Thomson Reuters Users:** Check with your software provider for instructions on producing the acceptable CSV file needed for county upload to the online eEqualization system.

-OR-

3. **Other:** A Microsoft Office Excel version of this form has been created and is available on the State of Michigan website at; 1) the **Forms and Instructions** section of our website under the **Assessors** category, or 2) at www.michigan.gov/stateequalization. It is listed under the **Related Material** heading of the State Equalization website and is titled **2020 4626 Assessing Officer’s Report of Taxable Values as of State Equalization**. When downloading the Excel spreadsheet from the web, please select to Save the file to your computer before opening it. Once the file is saved to your computer open it directly from the computer location where you saved it.

Do not submit the 4626 to the State of Michigan. Submit the 4626 directly to your county equalization dept. along with the L-4021 and L-4022 submissions.

If you have questions or have any difficulty accessing the Excel file after you have read all instructions, you may obtain assistance from the Property Services Division by calling Jessica Erhardt (517) 335-7556.

Sincerely,

Jessica Erhardt, Departmental Technician
Property Services Division

www.michigan.gov/treasury

3127 Certification of recommended County Equalized Valuations by Equalization Director

Prepared by: County Equalization Director

Filed with: Property Services Division, Michigan Department of Treasury

Due Date: Fifteen days of submission of the Recommended County Equalized Valuations to the County Board of Commissioners

The Equalization Director of each county shall certify the Recommended County Equalized Valuations on STC form 3127. These are the valuations recommended by the County Equalization Director to the County Board of Commissioners in his/her county. This certification requires that the equalization director be properly certified.

After this form is completed and signed, it is filed with the Department of Treasury electronically using the Equalization Directors PIN.

Current STC Bulletin No. 7 of 1997

**CERTIFICATION OF RECOMMENDED COUNTY EQUALIZED
VALUATIONS BY EQUALIZATION DIRECTOR**

*This form is issued under the authority of MCL 211.148.
Filing is mandatory.*

TO: State Tax Commission
FROM: Equalization Director of _____ County
RE: State Assessor Certification of Preparer of the required Recommended County Equalized
Valuations

The Recommended County Equalized Valuations for the above referenced county and year were prepared under my direct supervision and control in my role as Equalization Director.

I am certified as an assessor at the level required for the county by Michigan Compiled Laws 211.10d and the rules of the State Assessors Board.

The State Assessors Board requires a Level ____ State Assessor Certification for this county.

I am certified as a Level ____ State Certified Assessing Officer by the State Assessors Board.

The following are my total Recommended County Equalized Valuations for each separately equalized class of property in _____ County:

Agricultural _____	Timber-Cutover _____
Commercial _____	Developmental _____
Industrial _____	Total Real Property _____
Residential _____	Personal Property _____
	Total Real and Personal Property _____

Please mail this form to the address below within fifteen days of submission of the Recommended County Equalized Valuations to the County Board of Commissioners.

Mr. Harold Anderson, Manager
Local Assessment Review
P.O. Box 30471
Lansing, Michigan 48909-7971

A copy of this form will be forwarded to the State Assessors Board.

Signature of Equalization Director	Date
------------------------------------	------

L-4027i (3689) Interim Status Report

Prepared by: County Equalization Director

Filed with: State Tax Commission **using the MEG system.**

Due Date: June 30 & if revised, August 31, October 31 & December 31

This form is the county's equalization plan of study activity for the current year. The purpose of this form is to notify the STC of the County's equalization plan. The Interim Status Report provides a baseline to monitor county progress and early detection of protentional county issues.

The data entered on page 1 is to reflect the equalization study as it will be when complete on December 31. The first section on Page 2 is to provide the actual status at the time the Interim Status Report is submitted. The following two sections on page 2 are to provide the planned status of the equalization study for these two dates: August 31 & October 31.

If, on August 31, October 31 or December 31, the actual progress of the study is significantly* different than was initial reported, the CED shall submit an amended plan with an explanation as to why the county ahs amended the study plan.

*Significantly different has been interpreted by MAED to mean a change in the type of study (sales or appraisal) or use of a 12 month sales study instead of a 24 month study. Minor sales information is not considered significant.

Actual Status as of June 30th	100			200			300			400			500			600			Personal Property					
	# of parcels in study	# of parcels completed	% Complete	# of parcels in study	# of parcels completed	% Complete	# of parcels in study	# of parcels completed	% Complete	# of parcels in study	# of parcels completed	% Complete	# of parcels in study	# of parcels completed	% Complete	# of parcels in study	# of parcels completed	% Complete	# of parcels in study	# of parcels completed	% Complete			
Parcel Selection	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%			
Field Work	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%			
Appraisal Data Entry	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%			
Other Categories	% Complete			% Complete			% Complete			% Complete			% Complete			% Complete			N/A					
Sales Data Entry	0%			0%			0%			0%			0%			0%			0%			0%		
Land Value Study	0%			0%			0%			0%			0%			0%			0%			0%		
ECF Study	0%			0%			0%			0%			0%			0%			0%			0%		
Planned Interim Status of Study August 31st	100			200			300			400			500			600			Personal Property					
Parcel Selection	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%			
Field Work	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%			
Appraisal Data Entry	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%			
Other Categories	% Complete			% Complete			% Complete			% Complete			% Complete			% Complete			N/A					
Sales Data Entry	0%			0%			0%			0%			0%			0%			0%			0%		
Land Value Study	0%			0%			0%			0%			0%			0%			0%			0%		
ECF Study	0%			0%			0%			0%			0%			0%			0%			0%		
Planned Interim Status of Study October 31st	100			200			300			400			500			600			Personal Property					
Parcel Selection	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%			
Field Work	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%			
Appraisal Data Entry	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%			
Other Categories	% Complete			% Complete			% Complete			% Complete			% Complete			% Complete			N/A					
Sales Data Entry	0%			0%			0%			0%			0%			0%			0%			0%		
Land Value Study	0%			0%			0%			0%			0%			0%			0%			0%		
ECF Study	0%			0%			0%			0%			0%			0%			0%			0%		

3689 (Rev 06-11-19) This page is for overall comments and other relevant information regarding certification levels, staffing, CAMA and contact information
 Issued under authority of P.A. 206 of 1993, Administrative Rule R 209.41
 Date Amended: _____ Study Year: _____ for _____
 County #: _____ County Name: _____

Section 1 - Land Value and ECF Study: Enter comments for each classification in the applicable fields provided below.

Real Property Classification	Land Value Study Comments	ECF Study Comments
100		
200		
300		
400		
500		
600		

Additional Overall Comment for Current Year Land Value and ECF Study Status at Large:

Does the County Equalization Department have adequate procedures in place to identify, inventory, conduct audits or record verifications of personal property; monitor local unit compliance with current directives in the handling of personal property; and result in a realistic estimated TCY projection for all non-exempt personal property where situs is within the county?
 Yes No
 Comments: _____

Boundry Changes - Have there been or are you aware of any boundry changes, new cities, annexations new or in progress?
 Yes No
 Comments: _____

Section 2 - CED Certification Level Required - No. of Study's Required - Equalization Director - Current Staffing Level Status - Computer Assisted Mass Appraisal Software - GIS Capabilities

See the current approved STC required county certification levels for the complete requirements and possible exceptions

Local Units	The Total Number Of		Equalization Director Status		Current Staffing Level Status					CAMA - GIS Status				
	Parcels	Studies Required	Number of Years Worked in the	Certification Level	Enter the # of Persons (Including Director) In Each of the 5 Category Fields Below									
			Position	Assessment Field	Required	Held	MCAO 2	MAAO 3	MMAO 4	Clerical	Other	Total # Staff	Software Version	GIS
0	0	0										0		

Section 3 - Contact Information, Plan, Name, Date and Certification: Enter the applicable information in the fields provided below.

Office Hours	Address	Phone Number	Email Address	Comments

Amended Plan: Reason for Amendment: _____
 Original Plan: L-40271 Certification: _____

Please return form by e-mail in Excel format to Equalization@michigan.gov
 Print Name - Equalization Director _____ Date _____
 Certification Level: _____

L-4046 (2795) Taxable Valuations

Prepared by: County Equalization Department

Filed with: State Tax Commission

Due Date: 4th Monday in June

This form reports the Taxable Value totals for each taxing jurisdiction as of State Equalization.

The information for this form can either be hand entered or exported from BS&A and uploaded into the Department of Treasury website. After this form is completed and signed, it is filed with the Department of Treasury electronically using the Equalization Directors PIN.

Taxable Valuations, _____ **County - Page 1 of 2**

Issued under the General Property Tax Act, Section 211.27d. Filing is mandatory.

Read the instructions below before completing this form.

Statement of taxable valuation in the year 2008 File this form with the State Tax Commission on or before the fourth Monday in June.

Real Property Taxable Valuations as of the Fourth Monday in May. (Do not Report Assessed Valuations or Equalized Valuations on This Form.)							
Township or City	(Col. 1) Agricultural	(Col. 2) Commercial	(Col. 3) Industrial	(Col. 4) Residential	(Col. 5) Timber-Cutover	(Col. 6) Developmental	(Col. 7) Total Real Property
Total for County							

INSTRUCTIONS: This form is used to report total Taxable Valuations, broken down by classification, for each township and city within the county. The Taxable Valuations reported here are the final Taxable Valuations as of the fourth Monday in May, NOT the Tentative Taxable Valuations. Final Taxable Valuations may be different from Tentative Taxable Valuations when a township or city receives a county and/or state equalization factor more or less than was used to calculate Tentative Taxable Valuations.

NOTE: Where there is a partial Homeowner's Principal Residence Exemption or partial qualified agricultural property exemption, split the taxable value between Homeowner's Principal Residence (column 10) and Non-Homestead (column 13).

Report the Taxable Valuations for the six classifications of real property in columns 1 through 6 on page 1. Then enter the Total Taxable Valuations for real property in column 7 on page 1.
Report the Taxable Valuations for personal property in column 8, page 2.
Add the total Taxable Valuations for real property (column 7, page 1) and personal property (columns 8, page 2) and enter in column 9 on page 2.
Report the Total Taxable Valuations of entire township or city for Homeowner's Principal Residence, Qualified Agricultural property and Qualified Forest Property in column 10, and Non-Homestead and Non-Qualified Agricultural Personal Property, and Non-Qualified Forest property except Commercial and Industrial Personal Property, in column 13. Report the Total Taxable Value of Commercial Personal Property in column 11. Report the Total Taxable Value of Industrial Personal property in column 12.

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HEADLEE and APPORTIONMENT FORMS

The Equalization Department is responsible for calculating all millage rollback fractions required by law (Headlee, Truth in Assessing, Truth in County Equalization and Truth in Taxation) for all Taxing Authorities within the County. Following this process, the department compiles all millage to be levied within the county and submits the apportionment report to the County Board for their examination and approval and a copy to the State Tax Commission

This portion of the handbook covers the forms required for the Headlee Amendment and Apportionment. This handbook was created to provide a definition and narrative for the forms, and not a step by step guide for CAMA software.

L-4025 (609) Report of Taxable Valuations Including Additions, Losses and Totals as Approved by the Board of Review

Prepared by: Assessor

Filed with: Equalization Department

Due Date: A date after the close of the current March MBOR but before the 1ST Monday in May (most directors have selected the close of MBOR as the date for filing this report)

This form is used to report taxable values used to calculate millage rollbacks required by MCL211.34a (Headlee) and by MCL 211.24e (Truth in Taxation). The following must be reported by class, for each taxing jurisdiction which levies a property tax in the jurisdiction.

1. Total Previous Taxable Value
2. Taxable Value of Losses
3. Taxable Value of Additions
4. Total Current Taxable Value

The Equalization Department must analyze each assessment to arrive at an accurate tabulation of taxable values of losses and taxable values of additions, as defined in P.A. 415 of 1994. This is done during Pre-MBOR and Post-MBOR audit of the L-4021.

On form L-4025, the information above is broken down for each local school district into two separate categories:

1. All properties in the local school district (Total Taxable Value)
2. Non-homestead properties in the local school district
The "non-homestead" category excludes the taxable value, additions, and losses for parcels that for the current year that:
 - Have a partial or full homeowner's principal residence exemption
 - Have a partial or full qualified agricultural property exemption
 - Have a qualified forest reserve exemption
 - Are classified as industrial personal property
 - Are classified as commercial personal property
 - Are qualified parcels in a renaissance zone, including a tool and die recovery zone
 - Receive any other type of partial or full exemption from the millage.

The totals from the L-4025 are brought forward to the L-4034 and L-4028.

Note: The Non-homestead totals will not balance to any other report as partial exemptions are not prorated. The only report this will balance to is the L-4028. The beginning numbers (total TV only) should batch the ending numbers on the prior year's L-4025 & L-4028.

Note: The totals on the L-4025 are MBOR totals. In the case an Equalization Factor must be applied to a class, a second L-4025 will have to be printed using the Taxable Values based on the SEV. For more information on applying factors please see the Equalization Factor section of the handbook.

Current Bulletin – Every year the STC issues a Bulletin titled MILLAGE REQUESTS AND MILLAGE ROLLBACKS. The directions for completing form L-4025 are found in this bulletin.

Report of Taxable Valuations Including Additions, Losses and Totals as Approved by the Board of Review

INSTRUCTIONS: MCL Section 211.34d requires the assessing officer to tabulate the total taxable valuations and the amount of losses and additions, for each classification of property (which is separately equalized) on or before the first Monday in May for each unit of government that levies taxes within its boundaries.

Type of Property (Check one)

<input type="checkbox"/> Agricultural Real	<input type="checkbox"/> Timber Cutover Real
<input type="checkbox"/> Commercial Real	<input type="checkbox"/> Developmental Real
<input type="checkbox"/> Industrial Real	<input type="checkbox"/> Total Personal
<input type="checkbox"/> Residential Real	

County	City or Township
--------	------------------

	Previous Year's Taxable Valuation	Previous Year's Taxable Valuation of Losses (Not Reclassified, Splits, etc.)	Current Year's Taxable Valuation of Additions (Not Reclassified, Splits, etc.)	Current Year's Taxable Valuation
List school districts on page 2.				
1. Total City or Township				
2. Villages				
3. Authorities				
4. Other				

**L-4025 SEV (610) Calculation of Taxable Valuations Including Additions, Losses and Totals
For Units Which Were Not Equalized As Assessed**

Prepared by: Assessor

Filed with: Equalization Department

Due Date: ASAP after a factor is applied

In the case an Equalization Factor must be applied to a class, a second L-4025 will have to be printed using the Taxable Values based on the SEV. For more information on applying factors please see the Equalization Factor section of the handbook.

2020 Calculation of Taxable Valuations Including Additions, Losses and Totals For Units Which Were Not Equalized As Assessed In 2019 or 2020

This form is issued as provided by Section 211.34(d) M.C.L. Filing of this form is mandatory. Failure to complete this form is punishable under Section 211.119, M.C.L.

Type of Property (Check one)

<input type="checkbox"/> Agricultural Real	<input type="checkbox"/> Timber Cutover Real
<input type="checkbox"/> Commercial Real	<input type="checkbox"/> Developmental Real
<input type="checkbox"/> Industrial Real	<input type="checkbox"/> Total Personal
<input type="checkbox"/> Residential Real	

SEV Multipliers (Use multipliers with not less than 4 digits past decimal point)

2019: _____ 2020: _____

County	City or Township	Total 2019 Taxable Valuation	2019 Taxable Valuation of Losses (Except Reclassified, etc.)	2020 Taxable Valuation of Additions (Except Reclassified, etc.)	Total 2020 Taxable Valuation
List School Districts on page 2.					
1. Total City or Township					
2. Villages					
3. Authorities					
4. Other					

L-4034 Millage Reduction Fraction Calculations Worksheet

Prepared by: Equalization Department (not specifically assigned)

Filed with: County Treasurer, local taxing jurisdictions

Due Date: With the L4028 3rd Monday in May (In the case a State factor is applied, the Friday following the 4th Monday in May)

The L-4034 worksheet is used to compute the section 211.34d (“Headlee”) Millage Reduction Fraction, the section 211.34 Truth in Assessing or Truth in County Equalization Rollback Fraction and the section 211.24e Truth in Taxation Base Tax Rate Fraction.

The computations for the L-4034 are prescribed by statute and are on the following page. The totals from the L-4025 are used for the L-4034. The calculated Millage Reduction Fraction, Truth in Assessing, Truth in Equalization, and Truth in Taxation fractions are all brought forward to the L-4028.

Assessors and local taxing jurisdictions can use the L-4034 to verify the L-4028 and to complete the L-4029.

Current Bulletin – Every year the STC issues a Bulletin titled MILLAGE REQUESTS AND MILLAGE ROLLBACKS. The directions for completing form L-4034 are found in this bulletin.

Step 1

TAX LIMITATION ROLL BACK
ALL UNITS

$$\text{Current year MRF} = \frac{(\text{prior year's TV} - \text{losses}) \times \text{IRM}}{\text{current year's TV} - \text{additions}}$$

If the total value of existing taxable property in a local taxing unit increases faster than the U.S. Consumer Price Index (CPI) from one year to the next, the maximum authorized tax rate in the jurisdiction must be "rolled back" (reduced). (*Article IX, Sec. 31 of the Michigan Constitution*) The MRF is permanent and can only be reversed by a vote of the electors.

Step 2

TRUTH IN EQUALIZATION
ROLLBACK
COUNTIES & VILLAGES

$$\text{Equalization Roll-back Fraction} = \frac{\text{total TV (Based on CEV)}}{\text{total TV (Based on SEV)}}$$

In counties in which the SEV exceeds the CEV, county and village maximum authorized tax rates must be reduced so that yields based on SEV will not exceed the amounts that would have been collected had the rates been applied to the CEV. (*Act No. 243, PA of 1975*)

Step 2

TRUTH IN ASSESSMENT
ROLLBACK
CITIES & TOWNSHIPS

$$\text{Assessment Roll-back Fraction} = \frac{\text{total TV (Based on AV)}}{\text{total TV (Based on SEV)}}$$

In cities and townships in which the SEV exceeds the AV, the city or township maximum authorized tax rates must be reduced so that yields based on SEV will not exceed the amounts that would have been collected had the rates been applied to the CEV. (*Act No. 213, PA of 1981*)

Step 3

TRUTH IN TAXATION ROLLBACK
ALL UNITS

$$\text{Base Tax Rate Fraction} = \frac{\text{Prior year total TV} - \text{losses}}{\text{Current year total TV} - \text{additions}}$$

Any increase in the total value of existing taxable property in a local taxing unit must be offset by a corresponding decrease in the tax rate actually levied so that the yield does not increase from one year to the next. The rollback may be reversed by either (a) complying with Section 16 of the Uniform Budgeting and Accounting Act (*MCL 141.436*) or (b) by complying with the requirements of "Truth in Taxation" (*MCL 211.24e*) The BTRF is NOT permanent.

2019 Millage Reduction Fraction Calculations Worksheet
Including Millage Reduction Fraction Calculations Not Specifically Assigned to the County
Equalization Director by Law

County	Taxing Jurisdiction
--------	---------------------

2018 Total Taxable Value..... _____

Losses _____

Additions _____

2019 Total Taxable Value Based on SEV _____

2019 Total Taxable Value Based on Assessed Value (A.V.) _____

2019 Total Taxable Value Based on CEV _____

NOTE: The last two items above are only needed when it is necessary to calculate a Truth in Assessing or Truth in County Equalization Rollback Fraction.

1. Section 211.34d, MCL, "Headlee" (for each unit of local government)

$$\frac{(2018 \text{ Total Taxable Value} - \text{Losses}) \times \text{Inflation Rate of } 1.024}{(2019 \text{ Total Taxable Value Based on SEV} - \text{Additions})} = \text{_____}$$

2019 Millage Reduction Fraction (Headlee). Round to 4 decimal places in the conventional manner. If number exceeds 1.0000, line through and enter 1.0000.

See State Tax Commission Bulletins No. 3 of 1995 and 19 of 2002 regarding the calculation of losses and additions.
 See also the Supplements to STC Bulletin No. 3 of 1995 contained in STC Bulletin No. 3 of 1997.

2a. Section 211.34, MCL, "Truth in Assessing" (for cities and townships if S.E.V. exceeds A.V. for 2019 only)

$$\frac{2019 \text{ Total Taxable Value Based on Assessed Value for all Classes}}{2019 \text{ Total Taxable Value Based on SEV for all Classes}} = \text{_____}$$

2019 Rollback Fraction (Truth in Assessing)
Round to 4 decimal places in the conventional manner.

See State Tax Commission Bulletin 3 of 2019 for more information regarding this calculation.

2b. Section 211.34, MCL, "Truth in County Equalization" (for villages, counties and authorities if S.E.V. exceeds C.E.V. for 2019 only)

$$\frac{2019 \text{ Total Taxable Value Based on CEV for all Classes}}{2019 \text{ Total Taxable Value Based on SEV for all Classes}} = \text{_____}$$

2019 Rollback Fraction (Truth in County Equalization)
Round to 4 decimal places in the conventional manner.

See State Tax Commission Bulletin 3 of 2019 for more information regarding this calculation.

3. Section 211.24e, MCL, "Truth in Taxation" (for each taxing jurisdiction that levied more than 1 mill for operating purposes in 2018 only).

$$\frac{(2018 \text{ Total Taxable Value} - \text{Losses})}{(2019 \text{ Total Taxable Value Based on SEV} - \text{Additions})} = \text{_____}$$

2019 Base Tax Rate Fraction (Truth in Taxation)
Round to 4 decimal places in the conventional manner.

Use the same amounts for additions and losses as were used for the 211.34d ("Headlee") rollback.

NOTE: The truth in taxation BTRF is independent from the cumulative millage reductions provided by sections 211.34d and 211.34. The Base Tax Rate equals the BTRF X 2018 Operating Rate levied.

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L-4028 (612) Millage Reduction Fraction Computation

Prepared by: Equalization Department

Filed with: Local Governments, Surrounding County Equalization Department (that shares and intercounty taxing jurisdiction), State Tax Commission

Due Date 3rd Monday in May (In the case a State factor is applied, the Friday following the 4th Monday in May)

The L-4028 is used report the section 211.34d (“Headlee”) Millage Reduction Fraction, the section 211.34 Truth in Assessing or Truth in County Equalization Rollback Fraction and the section 211.24e Truth in Taxation Base Tax Rate Fraction for each taxing jurisdiction located exclusively within a single county.

The valuation totals from the L-4025 and the millage reduction fraction totals from the L-4034 are brought forward to the L-4028. The millage reduction fraction totals are applied accordingly on the L-4029.

Note: The reduction in base tax rate for the Truth-In-Taxation must include the distribution of the Convention Facilities Tax and the Cigarette Tax/Health and Safety Fund Act. Each year the Revenue Sharing and Grants Division sends this information to the chair of the BOC of every county.

L-4028 IC (613) Millage Reduction Fraction Computation (Intercounty)

Prepared by: Equalization Department

Filed with: County Treasurer, State Tax Commission, Intercounty Taxing Jurisdictions

Due Date: 1st Monday in June

The L-4028 IC is used report the section 211.34d (“Headlee”) Millage Reduction Fraction, the section 211.34 Truth in Assessing or Truth in County Equalization Rollback Fraction and the section 211.24e Truth in Taxation Base Tax Rate Fraction for intercounty taxing jurisdictions.

When the valuation information has been obtained from the equalization directors of all the counties which are included within the boundary of the intercounty fractional taxing jurisdictions listed, the millage reduction fractions can be calculated for those intercounty jurisdictions.

The valuation totals from the L-4025 and the millage reduction fraction totals from the L-4034 are brought forward to the L-4028. The millage reduction fraction totals are applied accordingly on the L-4029.

2020 Complete Millage Reduction Fraction Computation

This form is issued under authority of Sections 211.34d and 211.150, M.C.L. Filing of this form is mandatory. Failure to file is punishable under Section 211.119, M.C.L.

INSTRUCTIONS: The valuations on this form are for a single county. When this valuation information has been obtained from the equalization directors of all the counties which are included within the boundary of the intercounty fractional taxing jurisdictions listed, the 2020 millage reduction fractions can be calculated for those intercounty jurisdictions. The valuation information required by 211.34d, MCL, is the same information needed for P.A. 5 of 1982, Section 211.24e, MCL "Truth in Taxation." A different formula is used for Section 24e than is used for Section 34d, but the 2019 Taxable Value, 2020 Taxable Value, Taxable Value of Losses, and Taxable Value of Additions are the same quantities used in both formulas. **This form is to be filed with the State Tax Commission and with each unit of local government which has taxable property located in more than one county.**

County		2019 Taxable Value as of 5/28/2019	2020 Taxable Value as of 5/26/2020	Taxable Value of Losses	Taxable Value of Additions	2020 Millage Reduction Fraction (1)
Code Number	Taxing Jurisdiction					

(1) If this calculation results in a number greater than 1.0000, enter 1.0000.

L-4029 (614) Tax Rate Request

Prepared by: Every Taxing Jurisdiction

Filed with: County Clerk, Equalization Department, Township/City Clerk

Due Date: September 30

Form L-4029 is used to calculate the maximum allowable millage levy after possible reduction by the MCL 211.34d (“Headlee”) millage reduction fraction and the MCL 211.34 “Truth in Assessing” or “Truth in County Equalization” rollback fraction. Form L-4029 is not used to calculate the MCL 211.24e “Truth in Taxation” base tax rate fraction, however, if required the BTRF must be applied to the Maximum Allowable Millage Levy.

The valuation totals from the L-4025 and the millage reduction fraction totals from the L-4034 are brought forward to the L-4028. The millage reduction fraction totals are applied accordingly on the L-4029. The Millage Requested to be Levied is brought forward to the L-4402.

Current Bulletin – Every year the STC issues a Bulletin titled MILLAGE REQUESTS AND MILLAGE ROLLBACKS. The directions for completing form L-4029 are found in this bulletin and on page 2 of the form.

See Appendix J for Truth in Taxation Instructions.

**Instructions For Completing
Form 614 (L-4029) 2020 Tax Rate Request,
Millage Request Report To County Board Of Commissioners**

These instructions are provided under MCL Sections 211.24e (truth in taxation), 211.34 (truth in county equalization and truth in assessing), 211.34d (Headlee), and 211.36 and 211.37 (apportionment).

Column 1: Source. Enter the source of each millage. For example, allocated millage, separate millage limitations voted, charter, approved extra-voted millage, public act number, etc. Do not include taxes levied on the Industrial Facilities Tax Roll.

Column 2: Purpose of millage. Examples are: operating, debt service, special assessments, school enhancement millage, sinking fund millage, etc. A local school district must separately list operating millages by whether they are levied against ALL PROPERTIES in the school district or against the NON-HOME group of properties. (See State Tax Commission Bulletin 2 of 2020 for more explanation.) A local school district may use the following abbreviations when completing Column 2: "Operating ALL" and "Operating NON-HOME". "Operating ALL" is short for "Operating millage to be levied on ALL PROPERTIES in the local school district" such as Supplemental (Hold Harmless) Millages and Building and Site Sinking Fund Millages. "Operating NON-HOME" is short for "Operating millage to be levied on ALL PROPERTIES EXCLUDING PRINCIPAL RESIDENCE, QUALIFIED AGRICULTURAL, QUALIFIED FOREST AND INDUSTRIAL PERSONAL PROPERTIES in the local school district" such as the 18 mills in a district which does not levy a Supplemental (Hold Harmless) Millage.

Column 3: Date of Election. Enter the month and year of the election for each millage authorized by direct voter approval.

Column 4: Millage Authorized. List the allocated rate, charter aggregate rate, extra-voted authorized before 1979, each separate rate authorized by voters after 1978, debt service rate, etc. (This rate is the rate before any reductions.)

Column 5: 2019 Millage Rate Permanently Reduced by MCL 211.34d ("Headlee") Rollback. Starting with taxes levied in 1994, the "Headlee" rollback permanently reduces the maximum rate or rates authorized by law or charter. The 2019 permanently reduced rate can be found in column 7 of the 2019 Form L-4029. For operating millage approved by the voters after April 30, 2019, enter the millage approved by the voters. For debt service or special assessments not subject to a millage reduction fraction, enter "NA" signifying "not applicable."

Column 6: Current Year Millage Reduction Fraction. List the millage reduction fraction certified by the county treasurer for the current year as calculated on Form 2166 (L-4034), *2020 Millage Reduction Fraction Calculations Worksheet*. The millage reduction fraction shall be rounded to four (4) decimal places. The current year millage reduction fraction shall not exceed 1.0000 for 2020 and future years. This prevents any increase or "roll up" of millage rates. Use

1.0000 for new millage approved by the voters after April 30, 2020. For debt service or special assessments not subject to a millage reduction fraction, enter 1.0000.

Column 7: 2020 Millage Rate Permanently Reduced by MCL 211.34d ("Headlee") Rollback. The number in column 7 is found by multiplying column 5 by column 6 on this 2020 Form L-4029. This rate must be rounded DOWN to 4 decimal places. (See STC Bulletin No. 11 of 1999, Supplemented by Letter of 6/7/2000.) For debt service or special assessments not subject to a millage reduction fraction, enter "NA" signifying "not applicable."

Column 8: Section 211.34 Millage Rollback Fraction (Truth in Assessing or Truth in Equalization). List the millage rollback fraction for 2020 for each millage which is an operating rate. Round this millage rollback fraction to 4 decimal places. Use 1.0000 for school districts, for special assessments and for bonded debt retirement levies. For counties, villages and authorities, enter the Truth in Equalization Rollback Fraction calculated on STC Form L-4034 as TOTAL TAXABLE VALUE BASED ON CEV FOR ALL CLASSES/TOTAL TAXABLE VALUE BASED ON SEV FOR ALL CLASSES. Use 1.0000 for an authority located in more than one county. For further information, see State Tax Commission Bulletin 2 of 2020. For townships and cities, enter the Truth in Assessing Rollback Fraction calculated on STC Form L-4034 as TOTAL TAXABLE VALUE BASED ON ASSESSED VALUE FOR ALL CLASSES/TOTAL TAXABLE VALUE BASED ON SEV FOR ALL CLASSES. The Section 211.34 Millage Rollback Fraction shall not exceed 1.0000.

Column 9: Maximum Allowable Millage Levy. Multiply column 7 (2020 Millage Rate Permanently Reduced by MCL 211.34d) by column 8 (Section 211.34 millage rollback fraction). Round the rate DOWN to 4 decimal places. (See STC Bulletin No. 11 of 1999, Supplemented by Letter of 6/7/2000.) For debt service or special assessments not subject to a millage reduction fraction, enter millage from Column 4.

Column 10/Column 11: Millage Requested to be Levied. Enter the tax rate approved by the unit of local government provided that the rate does not exceed the maximum allowable millage levy (column 9). A millage rate that exceeds the base tax rate (Truth in Taxation) cannot be requested unless the requirements of MCL 211.24e have been met. For further information, see State Tax Commission Bulletin 2 of 2020. A LOCAL School District which levies a Supplemental (Hold Harmless) Millage shall not levy a Supplemental Millage in excess of that allowed by MCL 380.1211(3). Please see the memo to assessors dated October 26, 2004 regarding the change in the collection date of certain county taxes.

Column 12: Expiration Date of Millage. Enter the month and year on which the millage will expire.

Truth in Taxation Checklist Example

!!ATTENTION!!

THIS FORM IS NOW MANDATORY TO BE COMPLETED AND RETURNED TO THE EQUALIZATION DEPARTMENT. FAILURE TO RETURN THIS FORM COULD RESULT IN THE VAN BUREN COUNTY BOARD OF COMMISSIONERS NOT APPROVING YOUR MILLAGE RATES FOR TAX COLLECTION

VAN BUREN COUNTY	
CHECK LIST FOR 2020 COUNTY APPORTIONMENT	
<small>* Form must be returned to the County Equalization Department signed and completed with L-4029 form</small>	
Our Tax Authority has completed the following steps as required by M.C.L. 211.24e ((Truth-in-Taxation)):	
<input type="checkbox"/>	A Separate Truth-in-Taxation hearing is NOT necessary. Our Tax Authority complies with Section 16 of the Uniform Budgeting and Accounting Act. <i>Enter date your public hearing to adopt your budget was held _____</i>
<input type="checkbox"/>	Our Tax Authority is exempt from M.C.L. 211.24e because we levied 1 mill or less in the concluding tax year for operating purposes
<input type="checkbox"/>	Our Board of Commission or Council or Authority has met and adopted a resolution proposing an additional operating millage rate and proposing a hearing date. <i>Enter date the said resolution was adopted _____</i>
<input type="checkbox"/>	Our Board of Commission or Council or Authority has published a hearing notice containing the proposed additional millage rate and percentage increase in operating revenue which would be generated from permitted ad valorem tax levies at least 6 days before the hearing date. <i>Enter date hearing notice was published _____</i>
<input type="checkbox"/>	Our Board of Commission or Council or Authority held a Truth in Taxation public hearing pursuant to the hearing notice. <i>Enter date of Truth in Taxation public hearing _____</i>
<input type="checkbox"/>	Our Board of Commission or Council or Authority has adopted a resolution adopting additional operating millage which does not exceed that which appeared in the hearing notice published at least 10 days earlier. <i>Enter date the said resolution was adopted _____</i>
_____ Taxing Jurisdiction (city, township, etc.)	
_____ Clerk or Secretary	
_____ Chairperson, President or Supervisor	
Dated this _____ day of _____ 2020	

L-4402 (1020) Statement Showing Taxable Valuations and Mills Apportioned by the County Board of Commissioners

Prepared by: Equalization Department (or other Department assigned by the BOC)

Filed with: State Tax Commission

Due Date: October Session of BOC, State Tax Commission December 1

Form L-4402 contains information relative to the Taxable Value, Millage Rates, Special Assessments, etc. levied within each township and city in each county. The responsibility of apportionment, or certification and spread of all tax rates upon the taxable value within each county rests on the Board of Commissioners (MCL 211.37). The GPTA provided for the establishment of a department (The Equalization Department) to survey assessments and assist the county board of commissioners in performance of this duty.

The Equalization Department, on behalf of the board of commissioners is responsible for review and audit of the L-4029 to verify that the millage requested by each taxing jurisdiction is lawful in accordance with the GPTA. This duty is handled different in each county. Some counties require proof of Truth in Taxation hearings with the filing of the L-4029, others do not. Policies and procedures should be created for review and audit of the L-4029 to assure the correct millage is apportioned. (MCL 211.24e)

It cannot be stated enough how important the correct application of additions and losses is. Failure to properly identify Additions property often results in an over reduction in millage rates which results in Loss of revenue to the local units. The failure to identify Losses correctly can result in an under reduction of millage rates which is illegal under the Headlee amendment. While the Equalization Director has no legal means to correct the Additions and Losses, a complete and in-depth audit of the L-4021 will provide an opportunity for communication with assessors to correctly apply the values before the close of the MBOR.

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OTHER FORMS

Besides the mandated Equalization and Apportionment forms required by statute, the Equalization Department is required to complete and file “other” reports to various departments in the state.

It has often been said (by employees of the state) it is easier to get the answer from 83 directors than from the 1,516 different local units throughout the state.

The following forms are requested annually. At times information is requested from the State. Equalization Directors should timely file reports as requested.

Exempt Property

Prepared by: Equalization Department or County Clerk

Filed with: The office of Revenue and Tax Analysis

Due Date: When requested (usually the 3rd week of February)

The Office of Revenue and Tax Analysis uses the estimates to prepare the report required under P.A. 72 of 1979. They ask for the help of local government officials because the data is not compiled elsewhere.

This report has often been used to generate proposals for tax reform, but those proposals generally fade into obscurity once the details are discussed. There is no specific use other than completing the report. With that said, the public policy process is enhanced as policy makers have more information about the impact of previous policy decisions.

In theory, if assessors had all of their exempt parcels listed and valued within their database, Equalization Departments could complete this form with accuracy. However, most assessors do not have exempt parcels valued, let alone listed. It is up to the Equalization Department to determine the best way to complete this form.

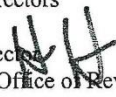
While we (Equalization Departments) may not see the immediate effect of this report, completing this form helps lawmakers make tax related decisions.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DATE: January 3, 2020
TO: County Equalization Directors
FROM: Howard Heideman, Director 
Tax Analysis Division, Office of Revenue and Tax Analysis
SUBJECT: 2018 and 2019 County Tax Credits, Deductions, and Exemptions

I would like to ask for your assistance with the annual compilation of the *State of Michigan, Executive Budget Appendix on Tax Credits, Deductions, and Exemptions*. Public Act 72 of 1979 requires the Governor to submit to the Legislature, with the *Executive Budget*, a report on specific tax credit, deduction, and exemption items. We are currently compiling the fiscal year 2021 *Appendix* to be sent to the Legislature with the *Executive Budget*.

Enclosed you will find a form for tax-exempt property for both 2018 and 2019 taxes. For consistency purposes, please round your tax-exempt property value estimates to the nearest thousand.

Please complete the enclosed form by February 21, 2020, and return via e-mail to Scott Darragh at DarraghS@michigan.gov, or via mail to:

Office of Revenue and Tax Analysis
Michigan Department of Treasury
430 W. Allegan
Lansing, MI 48922

If you have further questions, please contact Scott at (517) 241-2148. Thank you for your assistance.

Enclosures

**COUNTY TAX CREDIT, DEDUCTION, AND
EXEMPTION ESTIMATION REQUEST**
Tax-Exempt Property for 2018 and 2019 Taxes

Please return form no later than February 21, 2020, to:

DarraghS@michigan.gov

or
Office of Revenue and Tax Analysis
Michigan Department of Treasury
430 W. Allegan
Lansing, MI 48922

County: _____

Date: _____

Contact
Person: _____

Phone: _____

Please provide your best estimate of the value of tax-exempt property in your county for both 2018 and 2019.

<u>Commercial and Industrial Facilities Tax</u>	<u>100% of Taxable Value</u> <u>(thousands of dollars)</u>		
	<u>2018</u>	<u>2019</u>	
Total value of commercial facilities taxed under P.A. 225 of 1978	_____	_____	thousand
New facilities (if available)	_____	_____	thousand
Restored facilities (if available)	_____	_____	thousand
Total value of industrial facilities taxed under P.A. 198 of 1974	_____	_____	thousand
New facilities after 1993 (if available)	_____	_____	thousand
Replacement facilities (if available)	_____	_____	thousand
 <u>Value of Tax Exempt Property</u>			
Real property owned by US government	_____	_____	thousand
Real property owned by State of Michigan	_____	_____	thousand
Real property owned by county, township, city or village	_____	_____	thousand
Real property owned by public schools and colleges	_____	_____	thousand
Other Real Property	_____	_____	thousand
Personal Property - PA 328	_____	_____	thousand
Personal Property - All other (Do not include commercial or industrial property subject to 12/24 mill exemption)	_____	_____	thousand
 <u>Non-Profit Acreage</u>			
Estimated acreage of tax-exempt property because of religious or non-profit educational ownership and use	_____	_____	
	(Acres)	(Acres)	

This information is necessary to comply with P.A. 72 of 1979.

Taxable Value Survey**Prepared by:** Equalization Department**Filed with:** The office of Revenue and Tax Analysis**Due Date:** When requested (usually mid-May)

The Office of Revenue and Tax Analysis, Michigan Department of Treasury, conducts an annual survey to obtain the current year taxable value information.

This survey includes the county's current year total real and personal property taxable value. They request the values include a breakout of PRE, Qualified Ag & Qualified Forest along with industrial personal property, commercial personal property and other non-homestead property separately. By providing these figures, it will make the estimate for local school operating millage revenue more accurate.

Because they want to estimate the local school operating millage revenue, the totals should NOT be taken from the L-4028 (as the non-homestead group is all or none and not prorated), but from the miscellaneous totals and statistics report.

2019 Taxable Value Survey

Please complete by May 10, 2019, and FAX to 517-335-3298 or E-mail to:
heidemanh@michigan.gov or lockwooda@michigan.gov

County Name: _____

Survey Completed by: _____

Phone Number: _____

2019 Taxable Value

Total Real and Personal Property Taxable Value, 2019

Split of 2019 Taxable Value, IF AVAILABLE

PRE & Qualified Ag & Qualified Forest, 2019

Industrial Personal Property, 2019

Commercial Personal Property, 2019

Other Non-PRE & Non Qualified Ag & Forest, 2019

2020 Taxable Value

Estimated Percentage Change in 2020 SEV

Estimated Percentage Change in 2020 Taxable Value

Prepared By: Office of Revenue and Tax Analysis, Michigan Department of Treasury

Filename: S:\orta\Taxes\PROPERTY\2017TaxableValueSurvey_042417.xls]Sheet1

Updated: 4/25/19 4:26 PM

Printed: 4/26/19 4:21 PM

PPSR (Personal Property Summary Report)

Prepared by: Equalization Department

Filed with: Department of Treasury, Surrounding County Equalization Directors that share Inter-County Taxing Jurisdictions

Due Date: When requested (usually beginning of May)

In accordance with the Local Community Stabilization Authority Act, 2014 Public Act 86, MCL 123.1353(3) and the State Tax Commission's Bulletin No. 17 of 2018, county equalization directors are required to report to the Department of Treasury the current year taxable value of commercial personal property, industrial personal property, total IFT new facility personal property where the land is classified as commercial real, total IFT new facility personal property where the land is classified as industrial real, and IFT replacement/rehabilitation personal property for each municipality in the county by May 31.

The form is emailed to each County Equalization Director. Directions are found on the first page of the EXCEL spreadsheet that is emailed.

Most directors use the valuation totals from the L-4022 Taxable Value form or from the Miscellaneous Totals and Statistics Report.

**2019 Personal Property Summary Report (PPSR)
For 2019 Millage Rate and Personal Property Tax Reimbursement Calculations**

All submissions must be in Excel format.

The 2019 Personal Property Summary Report is to be used by the county for reporting taxable values for each municipality in the county.

Please complete the following worksheets:

Worksheet 1 : PP Values - Co|Twp|City|Vlg

Worksheet 2 : PP Values - SD | ISD | CC

Worksheet 3 : PP Values - Addl Authorities

Supplemental : PP Values - ISD (Voc Ed)

Supplemental : PP Values - ISD (Voc Ed) is applicable to counties in which at least one intermediate school district does not levy a vocational education millage in all of its school districts. **Only report the taxable values subject to vocational education millage.**

Instructions

- 1) Review for accuracy the pre-populated municipalities in each worksheet. If a municipality is omitted from the PPSR, please contact Treasury (contact information below instructions) so that a revised copy of the PPSR can be rendered and returned for completion.
- 2) Please review the pre-populated 2013 taxable values in each worksheet.* All reported taxable values must include any Renaissance Zone or MCL 211.7d (i.e. housing for elderly or disabled families) property taxable values for the requested classifications. For township taxable value calculations, make sure township taxable values include the taxable values of all villages within the township.

2013 Personal Property Boundary Change and Reclassification

The Local Community Stabilization Authority Act (LCSA Act), 2014 Public Act 86, as amended, requires the commercial personal property and industrial personal property taxable values to exclude personal property that was reclassified as real property or utility personal property after 2012 and to modify personal property taxable values for municipality boundary changes. To modify a municipality's 2013, 2014, or 2015 taxable values, see Form 5658 on Treasury's website at www.michigan.gov/pptreimbursement.

For each municipality in which an applicable taxable value modification has occurred, return a completed Form 5658 to Treasury by June 7 in order for the modification to be included in the calculation of October 2019 and February 2020 distributions. Treasury does not guarantee taxable value modifications received after June 7 will be used in the calculation of October 2019 and February 2020 distributions. If taxable value modifications received after June 7 are not used in the calculation of October 2019 and February 2020 distributions, the modifications will be used in the calculation of May 2020 distributions.

2013 Personal Property Boundary Change

For any personal property that was assessed in 2013 as commercial personal property or industrial personal property in a municipality other than the one in which it is assessed in 2019, adjust the pre-populated 2013 taxable values accordingly and record the adjustments to the 2013 taxable values of the affected municipalities in the column with the header "2013 PERSONAL PROPERTY BOUNDARY CHANGE."

2013 Personal Property Reclassification

For any personal property that was assessed in 2013 as commercial personal property or industrial personal property, but in 2019 is assessed as real property or utility personal property, adjust the pre-populated 2013 taxable values by excluding the property's 2013 taxable values from the totals and record the adjustments to the 2013 taxable values of the affected municipalities in the column with the header "2013 PERSONAL PROPERTY RECLASSIFICATION."

NOTE: Modifications reported for 2013 taxable values without an accompanying Form 5658 filing are not considered an official modification and will not be included in the reimbursement calculation.

- 3) Please report 2019 taxable values with the taxable values as of May 10, 2019.* All reported taxable values must include any Renaissance Zone or MCL 211.7d (i.e. housing for elderly or disable families) property taxable values for the requested classifications. For township taxable value calculations, make sure township taxable values include the taxable values of all villages within the township. The county's 2019 taxable values are calculated automatically by summing the taxable values reported for the townships and cities.

2019 Personal Property Reclassification

For any personal property that was assessed in 2013 as real property or utility personal property, but in 2019 is assessed as commercial personal property or industrial personal property, exclude the property's 2019 taxable values from the totals and record the adjustments to the 2019 taxable values of the affected municipalities in the column with the header "2019 PERSONAL PROPERTY RECLASSIFICATION."

- 4) Check the Balance Summary tab to ensure the 2019 taxable values balance. The county totals for 2019 should equal the subtotals for townships & cities, for K12 local school districts, and for ISDs. If all of the subtotals equal the county totals, then in the top left-hand corner a text box will read PPSR IS IN BALANCE. Do not submit the PPSR if this text box reads PPSR IS NOT IN BALANCE.

* For inter-county municipalities (municipalities that exist in multiple counties), only report the municipalities' taxable values within the county. The county responsible for submitting the Personal Property Inter-County Summary Report (PPSR-IC) to Treasury is the county responsible for calculating the millage reduction fraction (MRF); it is also responsible for compiling the total taxable values of the inter-county municipalities. The compiled taxable values for inter-county municipalities will be reported on the PPSR-IC to Treasury.

- 5) Certification

In accordance with 2014 Public Act 86, the County Equalization Director hereby certifies to Treasury that the reported taxable values are the taxable values as reported by assessors to equalization. Treasury will not accept an uncertified Personal Property Summary Report.

County Equalization Director's Name

Phone Number

Date

Submissions

Please submit this Excel file by May 31, 2019 to:

Treasury at TreasORTAPPT@michigan.gov

AND

County(ies) indicated as responsible for submitting to Treasury a PPSR-IC.

Provide the 'PP Value Change Summary' worksheet to each municipality in the county.

Questions

If you have any questions about this workbook, contact Treasury's Revenue Sharing and Grants Division at 517-335-7484 or TreasORTAPPT@michigan.gov.

Thank you in advance for your cooperation. Most debt millage calculations cannot be completed for the July 2019 billing until the calculations required by this workbook are provided.

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PPSR IC (Personal Property Summary Report Inter-County)

Prepared by: Equalization Department

Filed with: Department of Treasury, Surrounding County Equalization Directors That Share Inter-County Taxing Jurisdictions, Inter-County Taxing Jurisdictions

Due Date: When requested (usually end of May)

In accordance with the Local Community Stabilization Authority Act, 2014 Public Act 86, MCL 123.1353(3) and the State Tax Commission's Bulletin No. 17 of 2018, for each municipality levying a millage in more than one county, the county equalization director responsible for compiling the municipality's taxable values is required to report to the Department of Treasury the municipality's total current year taxable value of commercial personal property, industrial personal property, total IFT new facility personal property where the land is classified as commercial real, total IFT new facility personal property where the land is classified as industrial real, and IFT replacement/rehabilitation personal property.

When the valuation information has been obtained from the equalization directors of all the counties which are included within the boundary of the Inter-County fractional taxing jurisdictions, they are used for the completing of this report.

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Allocation Rates

Prepared by: Equalization Department or County Clerk

Filed with: Property Services Division of the Michigan Department of Treasury

Due Date: When requested (June)

This form reports what type of millage (either by Allocation Board or Fixed Millage) and the millage rates established for the county, townships, and intermediate school districts.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

June 21, 2019

TO ALL COUNTY CLERKS:

Section 211.216 of the Michigan Compiled Laws requires that the County Tax Allocation Board issues a final order not later than the second Monday in June approving a maximum tax rate for all local units.

Please mail a copy of the final orders for 2019 to the State Tax Commission immediately. The rates are used by the State Tax Commission in compiling the average tax rate for the State.

Please note that PA 190 of 1994 removed the school district representative from the County Tax Allocation Board membership. This Act amended the Property Tax Limitation to clarify the calculation of the maximum mills that may be allocated in counties with Tax Allocation Boards. The system now works as follows for a non-charter county; 15 mills minus the GREATER of the 6.0 mill State Education Tax (SET) OR the 1993 allocated local school district millage. For example, if the 1993 local school allocated rate was 9 mills, the net tax limitation rate of 15 mills would be reduced by 9 mills leaving 6 mills for the county to allocate.

Attached, you will find a form to complete and return. If your county voted under Act 278 P.A. of 1964 for separate millage limitations, please state the date voted and the separate millage rates established for the county, townships, and intermediate school districts.

A separate sheet is enclosed for you to report the above information for your county. If you have any questions, please contact me at (517) 335-7556

Very truly yours,

Jessica Erhardt, Technician
Assessment and Certification Division

cc: Equalization Dept

2019

2019 Allocation Rates

The County of _____ has (a / an):

Complete **Both** Sections;

SECTION 1 (Please check one of the boxes below)

Allocation Board

Fixed Millage - Date Voted (month/day/year): _____
Expiration Date (if applicable): _____

SECTION 2

2019 Millage Rates (pre-Headlee)

County Allocated millage: _____

Township Allocated millage: _____

ISD Allocated millage: _____

Total Allocated millage: 0.0000

Submitted by (check one): County Clerk / County Equalization Dept

Please retain a copy for your records and return the requested information to:

Rates@michigan.gov

OR Michigan Department of Treasury
Assessment and Certification
Division Attn: Jessica Erhardt
P.O. Box 30790
Lansing, MI 48909-8290
FAX (517) 241-2621

Administration fee

Prepared by: Equalization Director or County Treasurer

Filed with: The Office of Revenue and Tax Analysis

Due Date: When requested (Usually late December)

The Office of Revenue and Tax Analysis requests an annual respond as to what cities, townships and villages added a property tax administration fee (1% or less) to their tax bills for the current year.

Shila Kiander

From: Heideman, Howard R. (Treasury) <HeidemanH@michigan.gov>
Sent: Friday, December 6, 2019 4:17 PM
Subject: [External Sender] 2019 Property Tax Administration Fees

To: County Treasurers and Equalization Directors

I need to know which of your cities, townships, and villages added a property tax administration fee (1% or less) to their 2019 tax bills. If you have that information, please send it to me. If you have already sent Treasury that information as part of your apportionment report, please let me know that.

--If you have a local unit that levies a fee of less than 1%, please provide the rate.

--If you have a local unit that levies the fee on either the summer bill or the winter bill but not both, please let me know which bill includes the fee, and the number of mills included on that bill.

--If the fee is imposed on some taxes on the bill, but not others, please let me know which taxes the fee applies to, and the number of mills the fee applies to.

I am sending this E-mail to both county treasurers and county equalization directors. Please coordinate your response to me. Please respond by December 23, 2019. Please E-mail your response to heidemanh@michigan.gov. If you don't have the information, please let me know, and I will contact your local treasurers directly. If you do not have the information for 2019 tax bills, but have it for 2018 (from settlement), please send the 2018 tax bill information to heidemanh@michigan.gov.

Thanks so much for your cooperation. I greatly appreciate all your help this past year. I hope you have a very healthy 2020.

Howard Heideman
Administrator, Tax Analysis Division
Office of Revenue and Tax Analysis
Michigan Department of Treasury
430 W. Allegan St.
Lansing, MI 48922
517-335-7437
FAX 517-335-3298

STC Vacant Agricultural Land Study, Forms 4936 & 4937

Prepared by: Equalization Department

Filed with: State Tax Commission

Due Date: December 31

This is a friendly reminder that per Bulletin 8 of 2013, “the Commission requires Equalization Directors to submit annually by December 31, the Commission-approved Certification of Vacant Agricultural Land Study for DNR/PILT Property and the State Tax Commission Vacant Agricultural Land Study forms.

Timely submittal of the report is vital to calculating the value of newly acquired parcels and calculating changes in assessed value of DNR/PILT parcels. The State Tax Commission Agricultural Vacant Land Study should include the mean per acre value for each local unit as well as the mean of the entire county. The Vacant Agricultural Land Study must be sent separately from other sales studies provided to the **Property Services Division.**”

Certification of Vacant Agricultural Land Study for DNR/PILT Property

Issued under authority of MCL 324.2153.

County Equalization Directors must complete and file this form with the State Tax Commission annually no later than December 31.

Once complete, this form and a copy of "Vacant Agricultural Land Study" (Form 4936) must be submitted to the State Tax Commission using one of the following delivery methods:

U.S. POSTAL SERVICE

State Tax Commission
PO Box 30471
Lansing MI 48909

FAX

517-241-2621

E-MAIL

Treas-DNRPILT@michigan.gov

COUNTY INFORMATION		
County Name		
Equalization Director Name		Certification Level Required for County
CERTIFICATION		
<i>I certify that the Vacant Agricultural Land Equalization Study for the county indicated above was prepared under my direct supervision in my role as Equalization Director. In compliance with Michigan Compiled Laws 211.10d, and the rules of the State Tax Commission, I am certified as an assessor at the level required for this county.</i>		
Equalization Director Signature	Date (MM/DD/YYYY)	Certification Level (MMAO or MAAO)

THE 50-MILL LIMIT

The 1963 Constitution establishes limits on the property taxes that may be imposed by unchartered counties, townships and schools (the 15/50 mill limit), and states that those limits do not apply to debt service or to taxes imposed for any other purpose by any city, village, charter county, charter township, charter authority or other authority, the tax limitations of which are provided by charter or by general law.

Millage levied within the 15-mill limitation is allocated among local units on an annual basis by a tax allocation board in each county, while millage levied under the local option is fixed by the local electorate. Voters in most of the state's eighty-three counties have adopted a fixed allocation.

Annually (usually in June), the Equalization Department or County Clerk is responsible for reporting the allocation rates to the Property Services Division of the Michigan Department of Treasury (see other reports). This report includes whether or not the county has an Allocation Board or Fixed Allocation.

The rate may not exceed 15 mills (\$15 per \$1,000) or 18 mills in counties with separate, voter fixed allocations for all jurisdictions without voter approval. (These limitations were reduced by the number of mills allocated to local school districts in 1993, after which local school districts may not receive allocated millage.)

The foregoing limitations may be increased up to 50 mills with voter approval. Excluded from these limitations are:

- (1) Debt service taxes for all full faith and credit obligations of local units;*
- (2) Taxes imposed by units having separate tax limitations provided by charter or general law (cities, villages, charter townships, and charter counties);*
- (3) Taxes imposed by certain districts or authorities having separate limits (e.g., charter water authorities, port districts, metropolitan districts, and downtown development authorities);*
- (4) Certain taxes imposed by municipalities for special purposes (garbage services, library services, services to the aged, and police and fire pension funding).*

The fifteen, eighteen and fifty mill limitations apply only to operating millage levied by unchartered counties (only Wayne & Macomb are chartered counties) unchartered townships, and to millage for current operating expenses of school districts. Debt service millage levied by local units is excluded, as is operating millage imposed by any city, village, charter county, charter township, charter authority or other authority, the tax limitations of which are provided by charter or by general law. These exclusions explain why aggregate property taxes levied on some parcels of property exceed fifty mills.

Excerpts from Citizens Research Council of Michigan Publications

What the Fifty Mill Limitation Applies to:

	Operating Millage	Debt Millage
Unchartered Counties	Included	Excluded
Unchartered Townships	Included	Excluded
School Districts	Included	Excluded
Intermediate School Districts	Included	Excluded
(special or vocational education operating millage)	Excluded	
Cities	Excluded	Excluded
Villages	Excluded	Excluded
Charter Counties	Excluded	Excluded
Charter Townships		
(incorporated before December 23, 1978)	Excluded	Excluded
(incorporated solely by resolution and without a vote of township electors on or after December 23, 1978)	Included	Excluded
Charter Authorities, or Other Authorities (such as district libraries and community colleges)	Excluded	Excluded

Citizens Research Council of Michigan

<u>Included in the 50 Mill Limitation</u>	<u>Not Included in the 50 Mill Limitation</u>
County Oper (Any)	Charter Millage (County or Twp)
Township Oper (Any)	City Millage (Any)
Local K12 SD Oper (NH, HH, SF, & Rec)	Village Millage (Any)
ISD Allocated & Enhancement Oper	Any Authority Millage
SET	ISD Voc/Spec Ed Millage
Debt not approved by the voters	Community College Millage (AG Opinion 5866)
Oper for Charter Twp, where charter not approved by voters	Debt approved by the voters
	Judgements

50 Mill limitation handout for MAED 3/4/16

The MAED believes that the Equalization Department exists to assist the board of commissioners on all matters related to assessments and the apportionment of millage rates. (MCL 211.37)

While the practices, procedures and policies may look different for each county, it is essential that the Equalization Department play a roll in the audit of the assessment roll for compliance with the Headlee Amendment, computation of the Millage Rollbacks and audit of the L-4029's for the apportionment report. This should include procedures to determine if the county complies with the 15, 18 & 50 mill limits.

AG Opinion 6654 Addresses the following questions:

- 1. Based upon the fact that the Board of Commissioners take an oat to uphold the State Constitution, what responsibilities do they have in enforcing Section 6 of Article IX of the 1963 Constitution?*
- 2. In the event the Board of Commissioners has no responsibility in enforcing Section 6 of Article IX, then whose responsibility is it?*
- 3. If the millage must be reduced, what procedure should be followed to attain constitutional compliance?*
- 4. In determining the millage subject to the 50 mill limit, do you utilize the actual voter approved rate or the reduced Headlee Amendment rate?*

50 Mill limitation handout for MAED 3/4/16

INCORRECT LEVY RATES ON TAX BILLS

Eric Harger & Brian Busscher

The Equalization Director is responsible for a number of components that are used to develop the tax bills ranging from rollback multipliers to millages approved on the Apportionment report. Once the Director develops that information, however, it often falls to others (usually the local Treasurer) to implement that information for developing the tax bills. It goes without saying that on occasion the Treasurer will input the wrong information and levy an incorrect amount. While this is almost always outside the Directors scope of responsibility it is also true that when these errors occur, it is the Director that many will look to for rectifying the situation. To that end, below are some things the Director may wish to consider if they find themselves in this situation. It should be noted that the solutions mentioned below do not cover errors in computing the MRF, there is a different process for that.

If the error occurred **recently** (current bills or 1 year prior):

- These errors must be addressed at the upcoming July or December Board of Review as a Qualified Error. MCL 211.53b(10) defines a qualified error to, among other things, include the following:
 - ‘A clerical error relative to the correct assessment figures, the rate of taxation, or the mathematical computation relating to the assessing of taxes’.
- In practice this often means the BOR will note in the minutes that they approved the correction of the millage rate from x to y, and this authorizes the treasurer to fix the millage rate.
- If the error occurred on the Summer Tax bill the treasurer has a couple options:
 - If the levy was a 50/50 millage (i.e. half levied in the summer billing, half levied in the winter) they may find it best to simply levy the difference between what *was* levied and what *should have been* levied on the subsequent (Winter) tax bill.
 - If the levy was a 100% Summer collection and resulted in overbilling, the Treasurer will have to reach out to BSA and run a utility to uncommit their committed tax roll. This will enable the treasure to correct the incorrect levy, then recommit, and rebill or refund.
 - If the levy was a 100% Summer collection and resulted in underbilling, the Treasurer may have the option to levy the shortage on a subsequent winter tax bill. If not, they will have to uncommit, correct, recommit, and rebill.
- If the error occurred on the Winter Tax bill the treasurer will have to work with BSA to uncommit, correct, recommit, and rebill.
- If the error occurred in a prior year (i.e. after settlement with the County) the County treasurer will then be responsible to uncommit, correct, recommit, and rebill.
- It may be worth noting that if there are any objections to levying the difference between an approved millage rate and actual levy, it is to be taken to the MTT. The objections are handled individually and not in mass.
- If the error occurred in the taxpayers’ favor, depending on the amount difference between the correct levy rate and what was actually levied, the local unit will often find it more costly to fix the error than to proceed without the additional tax revenue. If this is the case the levying

institution can choose to do nothing. If the error is in the favor of the levying institution (i.e. too much was collected), then 'doing nothing' is politically untenable and the situation should be corrected regardless of the cost to correct.

If the error did **not** occur *recently* (current bills or 1 year prior), but within 3 years of date of payment:

- In this situation the local Board of Review no longer has authority over Qualified Errors under MCL 211.53b and the error must be corrected through the Tax Tribunal under MCL 211.53a. This section states:

'Any taxpayer who is assessed and pays taxes in excess of the correct and lawful amount due because of a clerical error or mutual mistake of fact made by the assessing officer and the taxpayer may recover the excess so paid, without interest, if suit is commenced within 3 years from the date of payment, notwithstanding that the payment was not made under protest.'

- In this situation, 'Stipulations for Entry of Consent Judgment 211.53a' forms (see form on MTT website) can be filed in the small claims division of the Tribunal (i.e. no petition need be filed) so long as each taxpayer signs and returns the stipulation for filing. If the levy error occurred on a small amount of tax bills, this is a feasible option. If the error occurred unit wide, this could be extremely difficult to administer and extremely costly as well (i.e. a filing fee is charged for EACH stipulation filed). Further, jurisdictions who find themselves in this situation often find they are unprepared to handle the volume and complexity of the stipulations and the political environment soured such that they turn the entire matter over to Council – which again adds to the cost.
- It should also be mentioned that in some of these instances the County Treasurer will already have collected and forwarded to the State Treasurer the school operating millage and the State Education Tax. If these levies were affected, please see 'Letter 1994-20 SET Overpayment to County or State Treasurer' for guidance.

ACT 425 of 1984

Brian Busscher

Act 425 Agreements, also referred to as Conditional Land Use Transfer Agreements, were developed as an economic development tool to aid communities in growth in situations where jurisdictional boundaries were a hinderance to growth. This Act allowed jurisdictions the flexibility to transfer parcels from one jurisdiction to another for a fixed amount of time (Not to exceed 50 years) rather than permanently annexing or detaching the parcels.

While the concept and intentions are not bad, unfortunately these agreements can be troublesome for assessors to administer. The reason for this is the law was extremely vague in how the tax component to these agreements should be handled and essentially left it up to the involved parties to negotiate a way to handle the taxes. Below is the pertinent section that instructs the handling of taxes:

124.27(7)b ...The manner and extent to which the taxes and other revenues are shared shall be specifically provided for in the contract.

This flexibility means that each 425 Agreement may be different from the next in terms of how the taxes will be handled. Below are ways communities have opted to administer them, but this is not an exhaustive list.

Option 1: Most Common and recommended method

The 'giving' jurisdiction is the township and the 'receiving' jurisdiction is the City. In this scenario the township (with the lower millage rate) 'gives' a parcel(s) to the City (with a higher millage rate) and the City in return cuts a check to the Township for an agreed upon amount. This could be a specified dollar amount per year but is more typically an agreed upon millage rate (i.e. 2 mills, etc.).

Assessors in this situation will likely find it best to designate these parcels using the 'Tax Info' tab in BSA and selecting the 'Act 425 Agreement' option.

Option 2: Staggered Annexation method

The 'giving' jurisdiction is the township and the 'receiving' jurisdiction is the City. In this scenario the township (with the lower millage rate) 'gives' a parcel(s) to the City (with a higher millage rate). The City levies the lower township millage rate and reimburses the township on these parcels until a trigger event occurs (sale of property, development, etc.) at which point the city levies the City millage rate and the township receives nothing. The intent is that the taxpayers at the time of the signing of the Agreement notice no difference in taxes and at the culmination of the agreement (50+years later) all parcels are being taxed by the City and an official annexation can occur.

Assessors in this situation may find it desirable to designate these parcels using a separate school district. This will require working with the State and standards committee to approve new codes – one for the township millage rate, and another for the City millage rate. Alternatively, the Act 425 parcels could be tracked using a different field (user alpha, etc.) and using the 'Tax Info' tab in BSA and selecting the 'Act 425 Agreement' option for parcels levied the lower township rate and simply using the standard City rate for the other parcels.

Option 3: Less Common, and not recommended method

The 'giving' jurisdiction is the City (with the higher millage rate) and the 'receiving' jurisdiction is the township (with the lower millage rate). In this scenario the City (with the higher millage rate) 'gives' a parcel(s) to the Township (with the lower millage rate) and the Township in return agrees to levy the City's millage rate on the parcels and reimburse the amount to the City. The reason this method is not recommended is it requires the Treasurer to set up and maintain an additional millage table in their software just for the Act 425 parcels. This can also cause some tension between the Treasurers because the levying Treasurer is dependent upon the non-levying Treasurer for the millage information to bill.

Assessors in this situation will likely find it best to designate these parcels using the 'Tax Info' tab in BSA and selecting the 'Act 425 Agreement' option. Equalization Directors find this method distasteful as the Agreement parcel at the city millage rates are subject to all millage rollbacks and therefore the Equalization Director is required to account for the Act 425 parcels separately on the 4025, 4028, and 4034 – almost as though they were a separate jurisdiction.

Additional Considerations:

One item of concern is record keeping. Some jurisdictions that entered into these agreements decades ago have failed to accurately identify which parcels are included in the agreement. This leads to situations where properties are thought to be in a given jurisdiction, when in fact they are not.

One additional potential complication is that these parcels are often in development rich locations which often lead to additional incentives like IFT's, CFT's, and so forth. In these instances, the assessor (and treasurer) may need to duplicate all their efforts regardless of the option used above.

Mapping can also be problematic these parcels as they are not officially annexed/detached, they are simply treated as though they were. Many jurisdictions rely on jurisdictional boundary maps for Emergency services and other service related functions. These maps, when drawn according to the actual jurisdiction boundary don't include the 425 parcels that they may in fact be responsible for serving. Some jurisdictions have found it easier to label the parcels as though they were annexed/detached (In BSA, this means changing the 'Gov unit' and 'Taxing Unit' fields). Of course, this makes the maps functional, but inaccurate.

Non-STATUTORY DUTIES

Many county equalization departments perform non-statutory functions that are assigned by the county management. Some of these duties are performed on a contractual basis, others are determined by the county and made part of the functions and job descriptions of the Equalization Department. Some of these functions include:

- **Maintenance of the assessment rolls for local units**

This trend started before the computer age. Before PCs were available with CAMA software (late 1980's early 1990's), many counties had "mainframe" programs that were used to perform the equalization function at the county level. This system utilized hand data entry for values as well as names and addresses. While this archaic way of processing data isn't used anymore, many counties still contract with the local townships to provide this service. Those contracts include some of the functions:

- Name maintenance
- Current mailing address maintenance
- Legal description maintenance

- **Preparing tax rolls & tax roll databases for local units**

While this often coincides with a maintenance contract, it doesn't always. This function often goes along with the printing and/or organizing the printing of tax bills.

- **Printing or coordinating printing**

Some counties provide contract printing services or coordinate bulk printing. Coordinating printing can be a cost savings for the local units. This may or may not coincide with a maintenance contract, however with technology today, coordinating the printing with an outside contractor is as easy as emailing a PDF file. Printing contracts include:

- Assessment Change Notices
- Tax Bills
- Township/city newsletters
- Personal Property Statements

- **Splits and Combos, Land Divisions**

Splits or Combos are discovered in 2 different ways; during the deed processing when a description does not match a description on the roll or by an application completed by the taxpayer. Either way, it is ultimately the assessor's responsibility to make sure all descriptions on the assessment and tax rolls are accurate. Each county may have different procedures; however it is important that the Equalization Department and the local assessors have a clear process as to how splits and combos are completed within their county. Some Equalization Departments assign parcel numbers and create new legal descriptions, while others are notified by the assessor.

- **Mapping/GIS**

Maps are an integral part of assessment administration. While tax maps are the responsibility of the assessor (MCL 211.10e), the mapping function in many counties is done by the Equalization Department. Many counties prepare land value maps, ECF maps, sales maps, etc. for the local units.

- **House numbering/addressing**

Some Equalization departments assign and maintain the Property addressing system for County. This process may include not only assigning all of the property addresses for existing parcels before a new building can be built, but also assigning road names, as needed, for any new developments in the county.

- **Tax Clearance – for County Treasurer**

MCL 211.135 requires that the Treasurer's Office certifies that all delinquent taxes are paid for every warranty deed that is recorded in the Register of Deeds Office. In some Counties, the Equalization Department completes some or all of this function.

- **Damage Assessment**

Under the authority of the Michigan Emergency Management Act (Public Act 390 of 1976, as amended), each county is required to appoint an emergency management coordinator. Emergency management coordinators have responsibilities that include planning for hazard mitigation, preparedness, response and recovery in local communities.

Damage Assessment is a preliminary onsite evaluation of damage or loss caused by an accident or natural event. Damage assessments record the extent of damage, what can be replaced, restored or salvaged. It may also estimate the time required for repair, replacement and recovery. Damage assessment is an integral part of facilitating effective and efficient response by government agencies and other organizations

In most counties, the Equalization Director (and department) is responsible for the Damage Assessment function.

- **Remonumentation**

In 1990 the state legislator created a program to re-monument all section corners in the state and to provide for a statewide perpetuation of these corner's positions. [ACT 345 of 1990](#) was passed allowing for each county to apply for an annual state grant for the perpetuation of the county's section corners. This grant is funded by a portion of the recording fees for documents recorded at the [Register of Deeds](#) in each county to remark these historic markers.

Each county has a County Representative and Grant Administrator that reports to the state. They oversee this plan at the county level.

- **Database hosting**

Depending on the size and makeup of the county, the Equalization Department through the county IT department may host databases for the local units. This could include the CAMA software, sketching software, ortho imagery, etc.

- **Contract Assessing**

Some Equalization Departments contract with local townships/cities as the assessor of record.

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EQUALIZATION AND ASSESSING FUNCTION

Managing dual functions in the same office

Brian Busscher

In MCL 211.34 (3) the County board of Commissioners are charged with maintaining an Equalization Department with the purpose of surveying and equalization of assessments. While this is certainly the primary purpose of the department, the responsibilities of Equalization departments have expanded, often greatly, to include many functions not specifically assigned by Michigan Law. These functions can include address assignment, printing tax bills, deed legal description reviews, and a whole host of other functions that over time have found their way into Equalization departments.

One additional function finding its way into many Equalization departments is that of local unit assessing. While Equalization departments performing local unit assessing may seem like a logical fit, it can also produce some challenges that an Equalization Director should be mindful of.

The legislature has provided for a multi-tiered system of assessment administration with each tier handling their own responsibilities while still related to the other tiers. Local unit assessing is the first tier in this system and provides the most basic, “boots-on-the-ground” level of assessment administration. Among the many responsibilities of an assessor, the primary role is placing assessments on all properties within their jurisdiction. The County Equalization department provides the second tier of assessment administration by surveying or auditing assessment rolls to ensure equalization of assessments. The final tier of assessment administration is that of State Equalization and provides a similar level of oversight over County Equalization. With each level performing their respective roles, there is a built-in system of checks and balances that ensures fairness and equity of assessments. When a County Equalization department performs both functions of assessing and equalization of assessments, care should be taken to maintain this system of checks and balances. Said another way, just because the County Equalization department is also performing the assessing function that does not negate the need for separation of duties.

One way some Equalization departments have chosen to maintain this balance is through separation of duties with personnel. In this situation, the two functions of assessing and equalization are handled by different staff persons within the same department. The assessing staff member or team will perform the functions of the assessor, while the equalization staff member or team will perform the functions of equalization. Both persons or teams will, of course, still report to the Equalization director, but the separation of the dual functions of the department is still maintained. In smaller Equalization departments staff size may prohibit the ability to separate staff for different functions. In these situations, the same staff member could do both functions, but steps should be taken to keep the processes separate.

Dual functionality is going to vary office by office. Some may choose to keep the teams entirely separate by geographic location, while others may choose to have the teams working side-by-side. It should be noted that keeping the dual functions separate does not mean the teams cannot combine efforts in some situations. For example, both teams will need to develop their own land values and ECF determinations; the equalization team for the appraisal studies and the assessing team for the assessment roll. The sales data used for those determinations, however, can be reviewed by the same clerk and entered into the CAMA system for use by both teams. Similarly, the data for names and addresses is useful for both teams and can be entered by the same clerk for mutual benefit.

Other duties between the teams should be combined when it is practical to do so. For example, the equalization team reviews a sample of the parcels for the equalization studies. The raw data (building size, height, etc.) gathered during those visits can also be used by the assessing team in keeping the assessment roll up to date and perhaps count towards the 20% parcel review conducted by the assessing team. One site inspection can be performed, but it may be used for dual purposes. Further efficiencies can be gained within a department by helping with balancing the workload. For example, many assessing offices find it difficult to process all the Personal Property Statements in time for Change Notices to be mailed. This time crunch can be eased by pulling resources from the equalization team to assist with the data entry.

One additional consideration that Equalization Directors should be mindful of is ensuring that units, regardless of whether they are assessed in-house or by the local jurisdiction, are all treated fairly. If a special consideration would not be granted to a local unit assessor, then it should not be granted to the roll assessed by the Equalization department either. Whether sales study or appraisal study, the indicated ratios should be the same regardless of who is assessing the jurisdiction.

Managing dual functions within an Equalization office presents both challenges and opportunities. Certainly, some efficiencies can be gained and duplication of efforts that sometimes occur between Townships and Counties can be more easily avoided. Each Director will have to review the resources available to them and structure the department accordingly. While there is no singular right way to manage the dual functionality, if care is taken to preserve the separation of duties and the integrity of the multi-tiered system is maintained, then a successful outcome can be assured.

DATABASE MANAGEMENT FOR COUNTY EQUALIZATION

(Various Authors)

There are a variety of different data management approaches to conducting annual County Equalization studies. Some counties opt to utilize multiple databases, separating appraisal data into individual databases by class, devoting a database solely to managing sales and ECF development, or utilizing a mixture of databases and spreadsheets to conduct analysis.

Single Database – (Laurie Spencer)

We argue below that the best approach for data management for the County Equalization process is through the use of a single database in which the data to support appraisal, sale, land value, and ECF studies are centralized and from which all “L-Forms” flow.

There are a variety of reasons to centralize all workflows related to the County Equalization process in a single database. First, this centralization avoids unnecessary duplication. Sales information, ECF neighborhoods and land tables all need only to be entered into a single database. Under a multiple database system, one staff member could enter a date of sale from a PTA while another staff member, working in a separate database, could enter a date of sale from a deed. Even if these two databases were merged, two sales would be created, as both sales could have different sale dates. Likewise, multiple database management requires care to ensure that ECFs and other multipliers are input exactly the same in each database. These sort of duplication errors are avoided with a single database system reducing the possibility of input errors and improving efficiency.

Second, all supporting systems (web, GIS, aerial imagery) are linked to a single database. In the case of web-based property search systems linked directly to an Assessing .NET database, changes to a single database are immediately presented on the web.

Third, using a single database ensures that there is a consistent flow of information from one form to the next (L-4014, L-4015, L-4015A, L-4017/L-4047, L-4018, L-4022, L-4024, L-4028, L-4028IC, etc.). This allows all form data to flow smoothly into the State Tax Commission’s eFile site without manual entry being required. Management of multiple reports from multiple databases could, for example, result in individual L-4018s not matching the countywide L-4018, or incorrectly inputting line 3 or line 5 on the L-4023.

Fourth, updates from BS&A only need to be implemented in a single database. In addition, data accuracy tasks such as writing floating values, aging/renewing improvements, and updating physical characteristics only need to be run in a single database. Similarly, links to other BS&A systems such as Building Department .NET or Tax .NET only needs to be established at rollover for a single database.

Fifth, multiple database use often necessitates the use of spreadsheets that need to be merged or otherwise managed. This can produce rounding or truncation errors when the spreadsheet and the database are rounding differently. Links or formulas within

databases can be broken. Errors of this sort are often not only difficult to detect and may go unnoticed, but they can also be difficult to fix once identified. Errors within spreadsheets can often propagate through time as spreadsheets are “cleared” for a given year and re-used for the next year. Copying cells, deleting previous year values, updating headers, establishing current year links, and manually entering values turned in by County, Village, Township (CVT) units is frequently time consuming and invites many opportunities for errors to occur. Additionally, STC forms can and often do change. BS&A updates the new form in their CAMA system. If a spreadsheet is used it may not get updated or may not have the correct years or adjustment modifiers because of the new changes.

Sixth, while the finalized reports/data distributed to both assessors and the State Tax Commission represent the end product of the County Equalization process, having a single database allows for methodological consistency when it becomes necessary to reproduce a given report or data. To put it another way, having a single database from which all documentation flows allows a Department to more easily “show its work” since all of the final values are stored in a single database rather than multiple disconnected, independent databases. The final database is also important for balancing purposes and is the only one needing to be rolled over for the next year’s study. This process is important because a class could change, or a parcel could be retired or combined.

Seventh, for those counties that do database maintenance for the local units, it is much easier when it is being done in one database. Some counties can download deeds from the Register of Deeds into BS&A, directly into one database saving time and duplicate data entry. Or they can download building permits from Construction Codes, allowing audits on new construction and the proper posting for Headlee. There can be consistency with name, address, legal description, sales, etc., in one database. These counties will present one database to use as a public viewer. They also prepare tax bills, assessment change notices, personal property statements, etc., from one database.

Eighth and lastly, there are new and exciting technologies on the horizon, such as machine learning that would require one database. For many local, city, and county governments, property taxes are the primary source of revenue. For homeowners, property taxes can be one the biggest expenses. Accurate assessments of property values are key to guaranteeing that property owners are paying their fair share and benefit both taxpayers and their community. Machine learning is the scientific study of algorithms and statistical models that computer systems use to perform a specific task without using explicit instructions, relying on patterns, and inference instead. It is seen as a subset of artificial intelligence. Machine Learning in one database would allow a County to build a statistical model to estimate the value of a homeowner’s property. The model can look at over 100 variables and can learn which variables have the most impact on the price of a home. The model can also find similar homes across neighborhoods, helping generate more accurate estimates for houses, even in areas where not many properties are being sold. The data-driven approach to property assessment can be beneficial to both taxpayers and the county.

In summary, single database management for the County Equalization process avoids many pitfalls of using multiple databases, such as duplication, user input errors, and disjointed information flow. Utilizing a single database improves efficiency by only requiring links to ancillary systems (GIS, other BS&A systems) to be established once and avoids the potential for errors in entering ECFs, land values and other multipliers. The County Equalization process is characterized by the movement of data from one form to the next to provide an overview of the overall process in large. Management of this process in a single database facilitates rather than disrupts this flow and ensures that a department simply reproduces their final results. In the end, which data management system to use (single, multiple or hybrid) is a choice that requires professional knowledge of the county unit and its eccentricities, and no single data management model may adequately address every issue.

Two Databases – (Tony Meyaard)

What is the theory behind using two databases? One database is used to conduct all the Equalization studies out of while the other database is used to track sale information. So really a better title for this section would be “**Benefits of maintaining a separate sale database**”.

The biggest reason for maintaining a separate database for sales is to ensure the attributes of the parcels/sales are not overwritten. So, it essentially freezes the parcel attributes to the time of sale. Using an example of a commercial sale that could be used in the commercial appraisal study and also used as a commercial ECF indicator will offer an example of why it is helpful to utilize a sale database.

Looking at the 2020 - 2021 equalization study, parcel attributes for the appraisal study should be as they were on December 31, 2019. However, sales for the same study period to be used in land value and ECF calculations would be considered from April 1, 2018 to March 31, 2020.

First, consider the parcel as it was at the time of sale with a sale date of February 21, 2019. On the sale date, the parcel suffered from significant forms of physical deterioration and was determined to be 55% good which would need to be reflected when calculating the ECF.

Second, consider using this parcel in the appraisal study. Shortly after the sale, the new owner remodeled the property to fit their needs and brought the physical deterioration up to 85% good. These improvements were completed on September 20, 2019. Because Tax Day for 2020 is December 31, 2019, the parcel attributes for the appraisal study should reflect it being 85% good. However, at the time of sale the parcel was only 55% good. So if we were to reflect the 85% good in the database and update our physical characteristics on the sales to run an ECF analysis, the physical percent good would not reflect the parcel at the time of sale and our ECF calculations would be inaccurate.

This is the reason for maintaining a second sale database. Using the sale database, we can enter the parcel as it was at the time of sale noting a physical percent good 55%. This information will not change from this point forward. This will also allow the user to update the parcel each year with the new County Multipliers and land values when calculating next year's ECF. While the parcel attributes in the sale database have now been preserved, this also allows the user to update the parcel attributes in the equalization study database to whatever they should be as of Tax Day. In this example 85% good.

Hybrid Databases – (Brian Busscher)

Some Counties perform functions beyond the statutory requirements of an Equalization Department and therefore the amount of databases to perform the functions may differ. If your county performs assessing on behalf of your local municipalities, for example, you will likely have a database for each municipality assessed. Some users who assess multiple jurisdictions may decide to merge multiple municipalities databases into one, but this can be cumbersome depending on the size of the units, the amount of tables in the databases, and uniformity data between the municipalities.

Another consideration are databases that are used for a short-term or temporary basis. For counties that audit assessment rolls prior to March Board of Review, for example, keeping a municipalities database separate from your county database may be beneficial until the roll is audited. This will allow the auditor to identify potential problems prior to importing into the County database and avoid importing undesirable data.

A second example of a database used for a temporary basis is when analyzing data for use in land value and ECF studies. While it certainly is not necessary to use a second database, some users may find it beneficial to make a copy of the original database in order to do more in-depth analysis that requires making sweeping changes to the data. If the user later finds the sweeping changes not beneficial, they can simply scrap the temporary database and the original data remains unchanged.

NETWORK STRUCTURE

Tony Meyaard

Below is an example how to organize an equalization department's file structure on a network.











All files are saved by year and then by function or report. Using the 2019 for 2020 Equalization cycle as an example the main folder would be labeled 2019 – 2020 as seen below.

Name	Status	Date modified	Type
2017-2018		9/19/2019 11:42 AM	File folder
2018 - 2019		6/4/2020 10:01 AM	File folder
2019 - 2020		6/10/2020 12:59 PM	File folder
2020 - 2021		6/9/2020 9:12 AM	File folder















































Then with the “year” folder, individual folders are set up by function or report as seen below.

Name	Status	Date modified	Type
4015's		12/1/2019 9:40 PM	File folder
4017's		12/1/2019 8:58 PM	File folder
4018's		1/3/2020 10:50 AM	File folder
4021's		9/19/2019 11:42 AM	File folder
4022 AV		9/19/2019 11:42 AM	File folder
4022 TV		9/19/2019 11:42 AM	File folder
4023		9/19/2019 11:42 AM	File folder
4024		9/19/2019 11:42 AM	File folder
4025's		9/19/2019 11:42 AM	File folder
4027i		9/19/2019 11:42 AM	File folder
4028		3/1/2020 9:16 AM	File folder
4029's & 4034's		5/12/2020 10:35 AM	File folder
4037		9/19/2019 11:42 AM	File folder
4046		9/19/2019 11:42 AM	File folder
4626		9/19/2019 11:42 AM	File folder
Apportionment Report		4/27/2020 7:15 AM	File folder
Appraisal Info		9/19/2019 11:42 AM	File folder
Assessment Change Notices		9/19/2019 11:42 AM	File folder
Audit		9/19/2019 11:42 AM	File folder
Backups		9/19/2019 11:42 AM	File folder
ECF's		2/12/2020 11:10 AM	File folder
Equalization Report		2/11/2020 2:20 PM	File folder
GASB 77 Reports		9/19/2019 11:42 AM	File folder
June PRE Exports		9/19/2019 11:42 AM	File folder
Land Values		6/3/2020 8:36 AM	File folder
Misc Totals		9/19/2019 11:42 AM	File folder
November Exports		9/19/2019 11:42 AM	File folder
Personal Property Loss Report		5/6/2020 10:52 AM	File folder
PFM Reports		9/19/2019 11:42 AM	File folder
PP Statements		12/11/2019 10:12 AM	File folder
Study Picks		12/19/2019 3:31 PM	File folder
Tentative Ratios Publication		9/19/2019 11:42 AM	File folder
Top 20 By School District		9/19/2019 11:42 AM	File folder
Van Buren County EQ Submission 2019-2...		12/26/2019 2:48 PM	File folder

Within each of these subfolders individual files or additional subfolders can be stored as needed as seen below in the “4015” folder.

Name	Status	Date modified	Type
 Ag		9/19/2019 11:42 AM	File folder
 Com		12/1/2019 8:24 PM	File folder
 Ind		12/23/2019 9:59 AM	File folder
 Personal		9/19/2019 11:42 AM	File folder
 Res		9/19/2019 11:42 AM	File folder

As seen above, in the “4015” folder are subfolders for property classification. So the individual 4015 files for the Commercial class are located in the “Com” folder as seen below.

Name	Status	Date modified	Type	Size
 Sale Study 4015's (Not used)		12/1/2019 8:24 PM	File folder	
 80-01_ALMENA TOWNSHIP - L-4015(a), ...		12/1/2019 8:25 PM	Adobe Acrobat D...	55 KB
 80-02_ANTWERP TOWNSHIP - L-4015(a)...		12/1/2019 8:25 PM	Adobe Acrobat D...	55 KB
 80-03_ARLINGTON TOWNSHIP - L-4015(...		12/1/2019 8:25 PM	Adobe Acrobat D...	53 KB
 80-04_BANGOR TOWNSHIP - L-4015(a), ...		12/1/2019 8:25 PM	Adobe Acrobat D...	52 KB
 80-05_BLOOMINGDALE TOWNSHIP - L-...		12/1/2019 8:25 PM	Adobe Acrobat D...	55 KB
 80-06_COLUMBIA TOWNSHIP - L-4015(...		12/1/2019 8:25 PM	Adobe Acrobat D...	54 KB
 80-07_COVERT TOWNSHIP - L-4015(a), ...		12/1/2019 8:25 PM	Adobe Acrobat D...	53 KB
 80-08_DECATUR TOWNSHIP - L-4015(a),...		12/1/2019 8:25 PM	Adobe Acrobat D...	55 KB
 80-09_GENEVA TOWNSHIP - L-4015(a), ...		12/1/2019 8:25 PM	Adobe Acrobat D...	54 KB
 80-10_HAMILTON TOWNSHIP - L-4015(a...)		12/1/2019 8:25 PM	Adobe Acrobat D...	55 KB
 80-11_HARTFORD TOWNSHIP - L-4015(a...)		12/1/2019 8:25 PM	Adobe Acrobat D...	54 KB
 80-12_KEELER TOWNSHIP - L-4015(a), C...		12/1/2019 8:24 PM	Adobe Acrobat D...	54 KB
 80-13_LAWRENCE TOWNSHIP - L-4015(...		12/1/2019 8:24 PM	Adobe Acrobat D...	55 KB
 80-14_PAW PAW TOWNSHIP - L-4015(a),...		12/1/2019 8:24 PM	Adobe Acrobat D...	56 KB
 80-15_PINE GROVE TOWNSHIP - L-4015(...		12/1/2019 8:24 PM	Adobe Acrobat D...	54 KB
 80-16_PORTER TOWNSHIP - L-4015(a), C...		12/1/2019 8:24 PM	Adobe Acrobat D...	54 KB
 80-17_SOUTH HAVEN TOWNSHIP - L-40...		12/1/2019 8:24 PM	Adobe Acrobat D...	55 KB
 80-18_WAVERLY TOWNSHIP - L-4015(a),...		12/1/2019 8:24 PM	Adobe Acrobat D...	53 KB
 80-51_CITY OF GOBLES - L-4015(a), Co...		12/1/2019 8:24 PM	Adobe Acrobat D...	54 KB
 80-52_CITY OF HARTFORD - L-4015(a), ...		12/1/2019 8:24 PM	Adobe Acrobat D...	54 KB
 80-53_CITY OF SOUTH HAVEN - L-4015(...		12/1/2019 8:25 PM	Adobe Acrobat D...	57 KB
 80-54_CITY OF BANGOR - L-4015(a), Co...		12/1/2019 8:25 PM	Adobe Acrobat D...	54 KB

This process is used for each report or function that occurs annually within the department. This allows the user to easily find any given report for any given year quickly and easily.

APPENDIX

- A. STC Requirements of the Equalization Director
- B. STC Equalization Essential Duties Checklist
- C. Equalization Activity Calendar
- D. County Equalization Retention Schedule
- E. IAAO Standards on Ratio Studies
- F. STC Assessment/Sales Ratio Study Guidelines
- G. MTT Docket No. 345838, Deerfield Township v Livingston County
- H. Sample of Assessment Roll Audit Procedures
- I. Post-MBOR Balancing/Settlement Checklist
- J. Truth in Taxation Instructions
- K. Incompatibility of office – EQ staff / Assessor

State Tax Commission Requirements of the Equalization Director

The Equalization process is vital to guaranteeing that properties are assessed at 50% of market value as is required by Article IX, Section 3 of the Michigan Constitution of 1963. County Equalization serves as a check on assessments determined at the local level, ensuring they are fair and equitable across the County.

The responsibilities of County Equalization rest primarily with each County's Board of Commissioners. Recognizing the technical and difficult nature of equalization duties, the State, through the General Property Tax Act, requires each County to employ a certified Equalization Director to assist and advise the Board in fulfilling their duties.

In addition to the general purpose of ensuring fair and equitable assessments, statutory requirements of County Equalization include the collection and analysis of sales data, providing assessment assistance to local units, and providing the State Tax Commission with annual reports.

The purpose of this document is to provide County officials with information regarding the statutory and State Tax Commission guidelines for County Equalization. The policies can be found in the General Property Tax Act of 1893, as amended and State Tax Commission rules and publications.

BASIC REQUIREMENTS

Each County must establish a Department of Equalization and appoint a Director of that department. R 209.41 (1), MCL 211.34 (3)

The Director of the Equalization Department is to be appointed by and serve the County Board of Commissioners. MCL 211.10d (11)

The Director of the Equalization Department must be certified by the State Tax Commission at the level required by the State Tax Commission. MCL 211.10d (11)

Two or more Counties may jointly establish a shared Equalization Department. Any joint Equalization Department must assist the Boards of Commissioners of each County in meeting the requirements of the General Property Tax Act and State Tax Commission rules and policy. MCL 211.34b

ANNUAL DEADLINES

By **the third Monday in February**, the Equalization Director must publish a statement showing the tentative recommended equalization ratios and estimated multipliers necessary to compute individual state equalized value of real and personal property for each classification in each local unit. MCL 211.34a (1)

By **the Wednesday following first Monday in April** or the tenth day after adjournment of the March Board of Review which ever occurs first the Equalization Director must receive the completed assessment roll from each local unit of government. MCL 211.30 (6)

By **the second Monday in April**, the Equalization Director must prepare a report that recommends the equalized value of each class of real and personal property for each local unit and present it to the County board of Commissioners. R 209.41 (6)

By **the third Monday in April**, the Equalization Director must file form L-4023, reporting the final recommended state equalized values for each class, with the State Tax Commission for each local unit. R 209.41 (6), MCL 211.150(4)

By **the first Monday in May**, Deadline to file official County Board of Commissioners report of County Equalization (L-4024) with the STC. R 209.52(5)

By **the first Monday in May**, the Equalization Director must compute these amounts and the current and immediately preceding year's taxable values for each classification of property that is for each unit of local government in the County. This must be filed with the State Tax Commission. R 209.5(2) MCL 211.34d (2)

By **the first Monday in June**, the Equalization Director must deliver the statement of the computations to the county treasurer. The county equalization director must also calculate the millage reduction fraction for each unit of local government in the county for the current year. MCL 211.34d (3)

By the **fourth Monday in June**, the Equalization Director must report all of the following to the State Tax Commission: MCL 211.27d

- (a) Total taxable value of all property in the county as of the fourth Monday in May.
- (b) Total taxable value for each classification of real and personal property.
- (c) Total taxable value of all property in the county that receives a principal residence exemption or qualified agricultural property exemption.
- (d) Total taxable value of all property in the county for which a principal residence exemption or a qualified agricultural property exemption has not been granted.

By **June 30**, the Equalization Director shall file an interim status report with the State Tax Commission. R 209.41 (4)

By **November 1**, the Equalization Director must deliver the year's sales studies to the State Tax Commission.

By **October 31st**, the Equalization Director submits apportionment (L-4402) to the STC. MCL 211.37 and 207.12

By **December 1**, the Equalization Director must report equalization studies to the assessors in each township and city.

By **December 31**, the Equalization Director shall prepare and submit one copy of the equalization study to the County Board of Commissions and another to the State Tax Commission. R 209.41
(5)

COUNTY EQUALIZATION ESSENTIAL DUTIES CHECKLIST

A Recommendation of Best Business Practices

This Equalization Checklist is provided as a model of best practices to assist County Equalization Departments in maintaining compliance with equalization requirements as found in the General Property Tax Act of 1893, as amended, and State Tax Commission General Rules and publications. Some dates presented are prior to the statutory due date as a best business practice recommendation.

“...reports filed shall be on forms prescribed by, and in accordance with instructions furnished by, the commission.” R 209.41(3)

JANUARY

Tentative Equalization Ratios and Estimated Multipliers

- Prepare tentative equalization ratios and estimated multipliers to meet publishing deadline of the third Monday in February.

Land Value Analysis, Economic Condition Factor (ECF) Analysis & Appraisal Studies

- Between January and April plan the land value analysis, ECF analysis, and appraisal studies.
- After database rollover, commence parcel selection for upcoming appraisal studies in all classes where there may not be enough sales to conduct a sales ratio study.
- Mark parcels in the CAMA program for reporting on Form 5571 (L-4014a) *Preliminary Appraisal Study Listing*.

Note: Form 4504 (L-4015a) *Appraisal Study Listing* is often not marked until the parcel valuation process is complete. This is done for internal reporting purposes and monitoring of appraisal studies.

Note: Check marking for Form 5571 (L-4014a) *Preliminary Appraisal Study Listing* and Form 4504 (L-4015a) *Appraisal Study Listing* use in the CAMA software should not be done until the database has been rolled over because the rollover process removes the checkmarks.

FEBRUARY

Pre-March Board of Review Audits

- Conduct Pre-March Board of Review audits for each local unit of government.

Tentative Equalization Ratios and Estimated Multipliers

- On or before the third Monday in February – Publish tentative equalization ratios and estimated multipliers (MCL 211.34a(1)) and upload to the filing cabinet in MEG.

MARCH

Personal Property Review

- Perform record verification on sampling of current year local unit Personal Property statements in anticipation of the December 1st and December 31st study reporting deadlines.

ESA Reporting

- March 31 – Report to the Department of Treasury any corrected 20xx commercial personal property and industrial personal property taxable values on Form 5651 *Correction of 20xx Personal Property Taxable Values Used for the 20xx Personal Property Tax Reimbursement Calculation*. The 20xx taxable value of commercial personal property and industrial personal property shall be the taxable value on May 10, 20xx. (MCL 123.1358(5))

APRIL

Land Value Analysis, ECF Analysis & Appraisal Studies

- Commence selection of parcels for use in Land Value (LV) Analysis.
- Commence selection of parcels for use in Economic Condition Factor (ECF) Analysis.
- Finalize picking of appraisal parcels to use in study.
- Begin field work.
- After database rollover, check the “Selected for Study” checkmark for all selected appraisal parcels in the CAMA program for reporting on Form 5571 (L-4014a) *Preliminary Appraisal Study Listing*.

Equalization Process

- Conduct Post-March Board of Review audits for each local unit of government.
- Wednesday Following First Monday in April, or the tenth day after adjournment of the March Board of Review, whichever comes first - receive the completed assessment roll and database, including Form 606 (L-4021) *Assessment Roll Changes Worksheet* from each local unit of government.
- Review and approve Form 607 (L-4022) *Report of Assessment Roll Changes and Classification* in MEG.
- On or Before Second Monday in April – Present Form 608 (L-4024) *Personal and Real Property Totals* recommending the equalized value of each class of real and personal property for each local unit to the County Board of Commissioners. (R 209.41 (6))
- Tuesday Following Second Monday in April – The Board of Commissioners meet in session to equalize the assessment rolls. County Equalization must be completed before the first Monday in May. (MCL 209.5 and MCL 211.34 (1))
- Not Later Than the Third Monday in April – Upload in MEG, Form 2164 (L-4023) *Analysis for Equalized Valuations for each local unit*. (R 209.41 (6))

Taxable Values

- Not later than the Third Monday in April – Upload Form 4626, *Assessing Officer’s Report of Taxable Values as of State Equalization in May*, for each unit in the county to the Michigan Department of Treasury State Equalization e-filing System. (MCL 207.12) (The values reported will be the projected taxable values as of the fourth Monday in May, Final State Equalization.)

MAY

Land Value Analysis, ECF Analysis & Appraisal Studies

- Continue with field review of parcels to be utilized in Land Value (LV) Analysis.
- Continue with field review of appraisal parcels to be utilized in Economic Condition Factor (ECF) Analysis.
- Begin reconciliation process with local units for 2-year sale studies by uploading in MEG preliminary Form 4618 (L-4015) *Sales Study List* for each local unit with sales that occurred from April 1 of 2 years prior through March 31 of the current year. Use CAMA data standards when coding sales.
- Analyze sales for use in Land Value (LV) and Economic Condition Factor (ECF) analyses. Sales utilized in Land Value and ECF Analysis should be mapped, and field inspected.

Millage Reduction Fraction Calculations

- On or Before the First Monday in May – Receive STC Form 609 (L-4025) *Report of Taxable Valuations Including Additions, Losses, and Totals as Approved by the Board of Review*, to be used in “Headlee” calculations. (MCL 211.34d(2))
- Compute and provide to local taxing authorities Form 2166 (L-4034) *Millage Reduction Fraction Calculations Worksheet* if part of your procedures.
- Compute Form 612 (L-4028) *Millage Reduction Fraction Computation* and provide form to adjoining counties for use on Form 613 (L-4028IC) *Complete Millage Reduction Fraction Computation*. (MCL 211.34d(3) and 211.150)

Equalization Process

- County Equalization**
Before the First Monday in May – The County Board of Commissioners shall complete County Equalization. (MCL 209.5 and MCL 211.34 (1)) In MEG, submit Form 608 (L-4024), *Personal and Real Property Totals*, Official County Board of Commissioners Report of County Equalization and upload a signed copy to the filing cabinet. (MCL 211.34d)
- Preliminary State Equalization**
Second Monday in May – The State Tax Commission shall meet for the purposes of Preliminary State Equalization giving any county with concerns the opportunity to attend. (R 209.43 (1)) (Counties under a corrective plan prescribed by the STC will be required to attend if the Corrective Plan requires attendance.)
- Final State Equalization**
Fourth Monday in May - The State Tax Commission shall meet for the purposes of Final State Equalization giving any county with concerns the opportunity to attend. (R 209.43 (7)) (Counties under a corrective plan prescribed by the STC will be required to attend if the Corrective Plan requires attendance.)

Personal Property

- On or Before May 31 – Report the current year taxable value of commercial personal property and industrial personal property for each municipality in the county on the Personal Property Summary Report (PPSR) to the Department of Treasury. The current year taxable value of commercial personal property and industrial personal property shall be the taxable value on May 10 of the current year. This is an excel spreadsheet sent via email by Department of Treasury. MCL 123.1353(3)

JUNE

Land Value Analysis, ECF Analysis, Appraisal Studies & Sales Studies

- Continue with field review of parcels to be utilized in Land Value (LV) Analysis.
- Continue with field review of appraisal parcels used in Economic Condition Factor (ECF) Analysis.
- If not already completed, upload in MEG, as determined by the County's study plan, the preliminary Form 4618 (L-4015) *Sales Study List*, and Form 2793 (L-4017/L-4047) *24 and 12-Month Sales Ratio Study for Determining the 20xx Starting Base*, for each classification and each local unit, for review by the local unit assessor and PSD staff.

Millage Reduction Fraction Computation

- On or Before First Monday in June - File Form 612 (L-4028) *Millage Reduction Fraction Computation* and 613 (L-4028-IC) *Complete Millage Reduction Fraction Computation* with the County Treasurer and State Tax Commission (STC). (MCL 211.34d(3) and 211.150)

Personal Property Inter-County Summary Report

- On or Before June 7 - Personal Property Inter-County Summary Report (PPSR-IC) is due to the Department of Treasury. This is an excel spreadsheet sent via email from the Department of Treasury. (MCL 123.1353(3))

Taxable Valuations

- Fourth Monday in June – In the Michigan Department of Treasury State Equalization e-filing System upload and submit Form (L-4046) *Taxable Valuations* to the State Tax Commission (STC). (MCL 211.27d)

Appraisal Study

- By June 30 – Upload in MEG, Form 5571 (L-4014a) *Preliminary Appraisal Study Listing*.
- By June 30 – Upload in MEG, Form 3689 (L-4027i) *Interim Status Report*. (R 209.41 (4))

JULY - AUGUST – SEPTEMBER

Land Value Analysis, ECF Analysis, Appraisal Studies & Sales Studies

- Continue with field review of appraisal parcels and parcels to be utilized in Land Value (LV) Analysis.
- Continue with field review of parcels to be utilized in Economic Condition Factor (ECF) Analysis.
- Upload in MEG, the reconciled/finalized revisions of Form 4618 (L-4015) *Study List*, and Form 2793 (L-4017/L-4047) *24 and 12-Month Sales Ratio Study for Determining the 20xx Starting Base* for each classification and local unit.
- By August 31 – If the county study plan has substantially changed, the equalization director shall file an amended Form 3689 (L-4027i) *Interim Status Report* in MEG. (R 209.41 (4))

Apportionment Report Studies

- Receive Form 614 (L-4029) *Tax Rate Request* from all taxing jurisdictions and verify proper millage rates and rollbacks have been applied.
- Create Apportionment Report
Create an apportionment report using the county login to the efile site to create form 1020 (L-4402) *Apportionment Report*. Instructions are available at <https://eequal.bsasoftware.com/Data/MillageInstructions.pdf>

OCTOBER

Land Value Analysis, ECF Analysis & Appraisal Studies

- Complete field review and valuation of appraisal parcels.
- Establish Land Values (LV)'s for each classification where an appraisal study is being conducted. Upload to filing cabinet in MEG the land value analyses for review by the local unit assessors and PSD staff.
- Establish Economic Condition Factors (ECF's) for each classification where an appraisal study is being conducted. Upload to the filing cabinet in MEG the County ECF analyses for review by the local unit assessors and PSD staff.
- Verify that Land Values and ECF's have been applied as calculated in the CAMA software. If Land Values and ECF's have changed since last reporting, provide updates to PSD and local units in MEG as applicable.
Note: Software updates may require recalculation of Land Values and Economic Condition Factors and may result in changes to your studies that will then need to be re-communicated to your assessors and reuploaded in MEG.
- By October 31 – If the county study plan has substantially changed, report revisions to Form 3689 (L-4027i) *Interim Status Report* in MEG. (R209.41 (4))

Apportionment Report

- Present Form 1020 (L-4402) *Statement Showing Taxable Valuations and Mills Apportioned* to the County Board of Commissioners. (P.A. 282 of 1905), (MCL 211.37 and MCL 207.12)

NOVEMBER

Sales Studies and Appraisal Studies

- By November 1 – When required by Bulletin 9 or 2017, run one-year sales studies on STC Forms 4618 (L-4015) *Sales Study List* and Form 2793 (L-4017/L-4047) *24 and 12-Month Sales Ratio Study for Determining the 20xx Starting Base* to review for 12-Month Sales Study use. Upload the forms in MEG and notify the local unit assessors and PSD staff as applicable.
- By the end of November, complete valuation of parcels used in the appraisal studies for each classification in each local unit so the studies can be shared with the local units on or before December 1.

DECEMBER

Equalization Reporting

- By December 1 – Upload in MEG, Form 4504 (L-4015a) *Appraisal Study Listing* for the local unit assessors and PSD staff to review.
- By December 1 – Upload in MEG, Form 603 (L-4018R) *Analysis for Equalized Valuation – Real Property* and Form 602 (L-4018P) *Analysis for Equalized Valuation – Personal Property* for each local unit.
- By December 1 – Submit in the Michigan Department of Treasury State Equalization e-filing System Form 1020 (L-4402) *Statement Showing Taxable Valuations and Mills Apportioned* to the STC. (MCL 211.37 and MCL 207.12)
- By December 1 – If the sales ratio studies have been modified since November 1, upload in MEG new equalization studies and notify local unit assessors and PSD staff.
- By December 15 – Reconcile with local assessors, apply any changes and perform “write floating values” before re-running Form 4504 (L-4015a) *Appraisal Study Listing*, Form 2793 (L-4017/L-4047) *24 and 12-month Sales Ratios Study for Determining the 20xx Starting Base*, Form 603 (L-4018R) *Analysis for Equalized Valuation – Real Property* and Form 602 (L-4018P) *Analysis for Equalized Valuation – Personal Property*.
- Communicate all changes that have been made to the equalization study to the local unit assessor and to PSD staff. Upload the revisions in MEG.
- By December 31 – Upload final studies in MEG including STC Forms: 4618 (L-4015) *Sales Study List*, Form 4504 (L-4015a) *Appraisal Study Listing*, Form 2793 (L-4017/L-4047) *24 and 12-month Sales Ratios Study for Determining the 20xx Starting Base*, Form 603 (L-4018R) *Analysis for Equalized Valuations – Real Property*, and 602 (L-4018P) *Analysis for Equalized Valuations – Personal Property*. Upload to filing cabinet in MEG: Form L-4018 County Recap, Land Value Analysis and Land Value Grid, Economic Condition Factor (ECF) determination and/or analysis, and Form 3215 (L-4113) – *Certification of Equalization Study by Equalization Director to STC*. (MCL 211.2, R 209.41 (5))

ADDITIONAL ITEMS TO BE CONSIDERED DURING THE ANNUAL EQUALIZATION CYCLE

- It is important to perform “*write floating values*” after application of any LV or ECF in CAMA before running the L-4015a’s and the L-4018’s, and after any software updates.
- Review all study analyses, forms, and any supporting documentation before submitting in MEG.
- Provide, to the State’s FTP site, a database(s) back-up of sales and appraisals that include updated sketches, pictures, and pricing of study parcels when requested by PSD Staff.
- Process deeds regularly (daily/weekly/monthly) as provided by the county Register of Deeds office.
- Mail Form 635 (L-4182R) *Real Property Statements* (RPS) as deeds are processed.
- Conduct field work on any sale parcels that are to be used for Land Value and ECF analyses. Use of aerial imagery may be beneficial but cannot be used in lieu of on-site inspections.
- Net road right-of-way and county surface drains on each applicable parcel per statute and STC guidance. (MCL 211.7e) (1981-1982 OAG No. 6007, November 1981)
- Use checkboxes in CAMA to utilize Form 5571 (L-4014a) *Preliminary Appraisal Study Listing* and Form 4504 (L-4015a) *Appraisal Study Listing* to accurately reflect the parcels in study and to track appraisal work.
- Equalization studies for real property may not be estimated without prior approval of PSD Staff.
- Complete all computations for rollbacks: Headlee, Truth in Assessing, Truth in County Equalization, and Truth in Taxation.
- To complete the appraisal study process in a representative manner it is necessary to avoid reusing the same parcels from year to year whenever possible.

Adopted by the STC on August 22, 2023

Month	Activity
April	<ul style="list-style-type: none"> * <i>County Equalization (MCL 209.5 (1) and 211.34 (1)), present to Board of Commissioners</i> * <i>Send signed copies of L-4022 to STC</i> * <i>eFile the L-4023 (no later than the 3rd Monday in April)</i> * <i>File the signed L-4024 in office (immediately after adoption)</i> * <i>Submit 4626 for each unit in the county with the STC (no later than the third Monday in April)</i> * Archive Database * Roll BS&A Database for new year * Finalize current tax maps and print (Do testing routines in GIS for verification) * Immediately after Rolling create Tax Database with names, addresses, legals & mortgage codes (assessor duty). Let Treasurer know * Run L-4015 for sales from April 1st to current date and review for LV, ECF or study parcel * Select parcels to Study in all classes without enough sales for a sales study * Collect all L-4025's, run County-wide to work on L-4028 * Appraisal field work begins
May	<ul style="list-style-type: none"> * <i>eFile the L-4024 (County Equalization completed and filed with STC by first Monday in May)</i> * <i>L-4050 due May 24th</i> * <i>L-4050ic due May 31st</i> * Run L-4015 for sales from April 1st to current date * Finish pulling samples and notify assessors for appraisal studies if not already completed, continue field work * Begin to analyze sales for Sales Ratio Studies (SRS), vacant land sales and Economic Condition Factors (ECF) * Mail RPS's to sales * Attend Preliminary and Final State Equalization * Work on L-4028 & L4028IC if necessary
June	<ul style="list-style-type: none"> * <i>L-4027i Interim Status Report due to STC to notify them of our planned studies (June 30th)</i> * <i>L-4014a Preliminary Appraisal Study Listing (June 30th)</i> * <i>L-4028 filed with County Treasurer & STC (on or before first Monday in June)</i> * <i>Submit L-4046 to STC (fourth Monday in June)</i> * Review with assessors and finalize SRS to establish next year starting base in residential class for most units in the County * Complete all computations for rollbacks: Headlee, Truth in Assessing, Truth in County Equalization, Truth in Taxation by June 1 * Start Commercial, Industrial and Agricultural study field work * Analyze and review with assessors land sales for comparable land values * Work with Schools, Townships, Villages and City to accomplish summer tax billings (assessor duty) * PRE deadline (June 1st) - import Assessor PRE's * Assist taxing authorities with L-4029's

Month	Activity
July	<ul style="list-style-type: none"> * Land Values Established * JBOR Audit/Balance * Summer Tax Billings Mailed * Continue with Field Work and Audits * Complete the L-4015 * Complete the L-4017 * Complete appraisals on parcels with sales for ecf purposes
August	<ul style="list-style-type: none"> * Continue field work on appraisal studies * Continue personal property audits/reviews * Data entry in BS&A for appraisal studies * Begin preparation of L-4029's * Begin ECF Calculations
September	<ul style="list-style-type: none"> * <i>Email L-4029's to all taxing authorities</i> * Continue with field work on appraisal studies and audits * Finalize ECF's * Prepare and analyze all data necessary for apportionment * Once, land values and ECF's approved by Equalization Director enter in BS&A
October	<ul style="list-style-type: none"> * <i>Apportionment Report to County Board of Commissioners</i> * Finalize and review with assessors equalization studies for the current year (Exception: 1 year SRS option) * Send the L-4018R to the Local Assessor
November	<ul style="list-style-type: none"> * Work with all units on December tax billings * Run One-Year Sales Study and L-4047 and review * Send final L-4018R and L-4018P to Local Assessors * Send L-4047 to units that may need to use a one-year study * L-4017 and L-4047 should be sent to PSD staff
December	<ul style="list-style-type: none"> * <i>Send apportionment millage report (L-4022) to STC</i> * <i>By December 31st, send L-4015, L-4015a, L-4017, L-4047, L-4018R, L-4018P, L-4018 Recap, Land Value Grid/Analysis, ECF determination/analysis and L-4113 (3215)- Certification of Equalization Study by Equalization Director to STC</i> * <i>By December 31st, if the county study plan has been revised since October 31st filing a revised Form 3689 (L-4027i) Interim Status Report should be filed with the STC at equalization@michigan.gov</i> * Results of equalization studies to assessor's & PSD December 1st * DBOR audit/balance * Winter Tax Billings Mailed * Continue process of assessment roll maintenance

Month	Activity
January	* <i>Send L-4047 (One-year study) to STC</i>
	* <i>Send revised L-4018's for Units that used the L-4047 to STC</i>
	* <i>Send revised L-4018 Recap to STC</i>
	* Send split/combine export to assessors
	* Begin work on L-4015 for new year studies, check parcels within BSA for reporting on L-4014A
	* Send Personal Property Statements by January 10th
	* Prepare tentative equalization ratios and estimated SEV multipliers to meet publishing deadline
February	* <i>Publish tentative equalization ratios and estimated SEV multipliers (On or before third Monday in February), send to STC with proof</i>
	* Review assessors calculations on personal property statements
	* Send any remaining revised L-4018's and Recaps to STC
	* File last year's appraisal studies
	* Assist local units with land value maps & ECF maps
	* Pre MBOR audits
	* Continue work on new year studies, check parcels within BSA for L-4014A
March	* Continue assisting local units with land value maps & ECF maps
	* Boards of Review meet
	* Begin audit of all assessment roll changes in preparation of equalization report
	* Pull all vacant land, ECF, Commercial, Industrial, and Agricultural sales
	* Continue work on new year studies

Italicized items are statutorily defined.

GENERAL SCHEDULE #37 - County Equalization Departments

This records Retention and Disposal Schedule covers records that are commonly found in **county equalization departments**. The records that are described on the attached pages are deemed necessary (1) for the continued effective operation of Michigan government, (2) to constitute an adequate and proper recording of its activities, and (3) to protect the legal rights of the government of the State of Michigan and of the people. We, the undersigned, believe that this schedule meets the administrative, legal, fiscal and archival requirements of the State of Michigan.

Nicolas L. Wheeler

7/11/17

Nicolas L. Wheeler, MAAO(3), President
Michigan Association of Equalization Directors

(Date)

Brice Sample

8/14/17

Brice Sample, Records Manager
Department of Technology, Management and Budget, Records Management Services

(Date)

Mark E. Harvey

10/2/17

Mark E. Harvey, State Archivist
Department of Natural Resources, Archives of Michigan

(Date)

APPROVED

State Administration Board

10.24.2017

(Date)

GENERAL RETENTION SCHEDULE #37 COUNTY EQUALIZATION DEPARTMENTS

INTRODUCTION

Public Records

The Michigan Freedom of Information Act (FOIA) ([MCL 15.231-15.246](#)) defines public records as recorded information “prepared, owned, used, in the possession of, or retained by a public body in the performance of an official function, from the time it is created.”

Retention and Disposal Schedules

Michigan law (MCL [399.5](#) and [750.491](#)) requires that all public records be listed on an approved Retention and Disposal Schedule that identifies the minimum amount of time that records must be kept to satisfy administrative, legal, fiscal and historical needs. Local situations may require retention beyond the periods listed, and nothing prevents an office from retaining records longer than the specified period of time. Schedules also identify when records may be destroyed, and when certain records can be sent to the Archives of Michigan for permanent preservation. *Records cannot be destroyed unless their disposition is authorized by an approved Retention and Disposal Schedule.* All schedules are approved by the Records Management Services, the Archives of Michigan and the State Administrative Board. There are two types of schedules that government agencies may use:

- **General Schedules:** cover records that are common to a particular type of government agency, such as a county equalization department. General schedules may not address every single record that a particular office may have in its possession. *General schedules do not mandate that any of the records listed on the schedule be created.* However, if they are created in the normal course of business, the schedule establishes a minimum retention period for them.
- **Specific Schedules:** cover records that are not listed on general schedules, because they are unique to a particular government agency, or a general schedule for the function does not exist. Specific schedules always override general schedules. Specific schedules only address the records of the agency named on the schedule, and may not be used by another agency. The retention periods on specific schedules are absolute minimums and maximums, so agencies should clean up their files at least annually to remain in compliance.

Unofficial Documents

[General Schedule #1](#) addresses the retention of “nonrecord” materials. These documents are broadly defined as drafts, duplicates, convenience copies, publications and other materials that do not document agency activities. These materials can be disposed of when they have served their intended purpose. Government agencies need to identify the “office of record” when multiple offices possess copies of the same record. The “office of record” is responsible for following the retention period that is specified, duplicates do not need to be retained.

Record Maintenance

Records can exist in a wide variety of formats, including paper, maps, photographs, microfilm, digital images, e-mail messages, databases, etc. The retention periods listed on this general schedule do not specify the format that the record may exist in, because each government agency that adopts this schedule may choose to retain its records using different recording media. Government agencies are responsible for ensuring that all of their records (regardless of format) are properly retained and remain accessible during this entire retention period. All records need to be stored in a secure and stable environment that will protect them from tampering, damage and degradation. Electronic records are dependent upon specific hardware and software to be accessed and used. It is important to understand that the original technology that is used to create electronic records will eventually become obsolete. As a result, government agencies should work with their information technology staff to develop preservation plans for retaining electronic records with long-term (more than 10 years) retention requirements. Various laws (including the Records Reproduction Act, [MCL 24.401-24.406](#)) identify acceptable formats for retaining public records; agencies are responsible for understanding and complying with these laws.

Suspending Destruction

Government agencies must immediately cease the destruction of all relevant records (even if destruction is authorized by an approved Retention and Disposal Schedule) if they receive a FOIA request, if they believe that an investigation or litigation is imminent, or if they are notified that an audit, investigation or litigation has commenced. Relevant records may exist in electronic formats (such as e-mail, digital images, word processed documents, databases, backup tapes, etc.). Failure to cease the destruction of relevant records could result in penalties.

Additional Assistance is Available

The State of Michigan Records Management Services is available to assist government agencies with their questions about record retention and acceptable recording media. Agencies may contact the Records Management Services at (517) 335-9132. Additional information is also available from the Records Management Services' website <http://www.michigan.gov/recordsmanagement/>, including records management manuals, general schedules, e-mail retention guidelines, microfilming standards and digital imaging standards, free records management training for local governments, etc.

STATE OF MICHIGAN - RECORDS MANAGEMENT SERVICES
GENERAL SCHEDULE #37 - COUNTY EQUALIZATION DEPARTMENTS

Item #	Series Title	Series Description	Retention Period	Approval Date
Agency Name: County Equalization Departments				
General Administrative Records				
100	General Correspondence	General correspondence does not pertain to a specific issue and it is often organized chronologically or by correspondent's name. General correspondence may include referral correspondence. If the correspondence does pertain to a specific issue it should be filed with other relevant records. General correspondence may exist in a variety of formats, including memos, letters, notes and electronic mail messages. This series also includes automated or manual tools that index and/or track when correspondence was received, the topic of the correspondence, who is responsible for responding to the correspondence, and when the correspondence is considered closed for further action.	RETAIN UNTIL: Date sent or received PLUS: 2 years THEN: Destroy	10/24/2017
101	Transitory Records	Transitory records relate to the activities of the agency, but have temporary value and do not need to be retained once their intended purpose has been fulfilled. These records are not an integral part of administrative or operational activities, are not required to sustain administrative or operational functions, are not regularly filed in a standard recordkeeping system, are not required to meet statutory obligations, and are recorded only for the time required for the completion of actions. Examples of transitory records include routine requests for information that require no: administrative action, policy decision, special compilation or research. They may also include requests to order supplies, reminders for an upcoming meeting, etc.	RETAIN UNTIL: Activity is completed THEN: Destroy	10/24/2017
102	Freedom of Information Act (FOIA) Requests	These records document any requests for information or public records. They may include, but may not be limited to, requests for information, correspondence, a copy of the information released, and billing information. Any written request for a public record is a Freedom of Information Act (FOIA) request.	RETAIN UNTIL: Date request is filled PLUS: 1 year THEN: Destroy	10/24/2017

STATE OF MICHIGAN - RECORDS MANAGEMENT SERVICES
GENERAL SCHEDULE #37 - COUNTY EQUALIZATION DEPARTMENTS

Item #	Series Title	Series Description	Retention Period	Approval Date
103	Department Policies and Procedures	These records document the policies and procedures of the department. They may also include copies of other county related procedures such as emergency operations, human resources, and other similar materials.	RETAIN UNTIL: Policy is superseded by a new version THEN: Destroy	10/24/2017
104	Finance / Budget	These records document financial or budget reporting for the equalization department. They may include, but may not be limited to, mileage/work logs, purchase requests, invoices and receipts, and payroll reports. These records also document department budget analysis and planning. They may include, but may not be limited to, budget requests, statistics, budget amendments, budget summaries, and balance sheets. These documents would not be the official county budget.	RETAIN UNTIL: Fiscal year ends PLUS: 2 years THEN: Destroy	10/24/2017
105	Subject Files	These records document administrative analysis, program and project planning, procedure development, and programmatic activities. Subject files are generally organized alphabetically by topic. Topical files may be specific to each county's operations. They may include, but may not be limited to, periodic activity reports (narrative and statistical), special reports, project planning notes, organization charts, land division applications, newspaper notices, MTT appeals, Impact Aid reports, SEV lists by authority, IFT reports, and other similar documents. Subject files do NOT include files related to individual program activities, human resources files, and accounting records. For topics of continuing interest, files may be segmented into annual files.	RETAIN UNTIL: Topical file is of interest for ongoing administration PLUS: 5 years THEN: Destroy NOTE: Some topical files may have historical value and should be kept longer	10/24/2017
106	Planners/Calendars	These records track an individual staff member's work-related meetings, assignments, and tasks. Individual employees are responsible for retaining their planners/calendars for the duration of this retention period. They may be paper or electronic.	RETAIN UNTIL: Scheduled event takes place PLUS: 2 years THEN: Destroy	10/24/2017

STATE OF MICHIGAN - RECORDS MANAGEMENT SERVICES
GENERAL SCHEDULE #37 - COUNTY EQUALIZATION DEPARTMENTS

Item #	Series Title	Series Description	Retention Period	Approval Date
107	Staff and Project Meeting Records	These records document staff meetings, meetings with other government agencies, etc. These records do not include Board of Commissioners meetings, council meetings and other official boards, committees or commissions of the county. They may include, but may not be limited to, meeting minutes, agendas, and distribution materials. Meeting records may also be retained in subject files, if they relate to a specific project.	RETAIN UNTIL: Meeting date PLUS: 2 years THEN: Destroy	10/24/2017
Equalization Study Records				
200	Sales Study Records	These records document the annual sales study conducted by the Equalization Department. They may include, but may not be limited to, official forms required by the Michigan Department of Treasury - State Tax Commission (such as L-4015 - Sales Study, L-4017 - Sales Ratio Study for Determining the Starting Base - 24 Month), L-4047 - Sales Ratio Study for Determining the Starting Base - 12 Month; also known as Treasury Form 2793), and supporting documents used to verify sales within the study (such as Real Property Statements, Transfer Affidavits, Real Property Statements for Commercial and Industrial, and Apartment Property Owners).	RETAIN UNTIL: Date created PLUS: 3 years THEN: Destroy	10/24/2017
201	Appraisal Study Records	These records document the annual appraisal study conducted by the Equalization Department. They may include, but may not be limited to, official forms required by the Michigan Department of Treasury - State Tax Commission (i.e. L-4015a - Appraisal Study Listing), and supporting documents (i.e. appraisal record cards, economic condition factor (ECF) studies, land value studies, personal property audits and reviews, and Tentative Ratios and Factors reports).	RETAIN UNTIL: Date created PLUS: 3 years THEN: Destroy	10/24/2017

STATE OF MICHIGAN - RECORDS MANAGEMENT SERVICES
GENERAL SCHEDULE #37 - COUNTY EQUALIZATION DEPARTMENTS

Item #	Series Title	Series Description	Retention Period	Approval Date
202	Analysis for Equalization Records	These records document the annual Analysis for Equalization that is conducted by the Equalization Department. They may include, but may not be limited to, official forms required by the Michigan Department of Treasury - State Tax Commission (such as L-4018R - Analysis for Equalized Valuation - Real Property, L-4018P - Analysis for Equalized Valuation - Personal Property and Tentative Ratios and Factors).	RETAIN UNTIL: Date created PLUS: 3 years THEN: Destroy	10/24/2017
County Equalization Records				
300	Equalized Value Finalizing Records	These records document the annual process of finalizing county equalized values after the conclusion of local unit March Board of Review sessions. They may include, but may not be limited to, official forms required by the Michigan Department of Treasury - State Tax Commission for reporting equalized values (such as L-4023 – Analysis for Equalization Valuations Ratios and Factors, L-4024 – Personal and Real Property Totals, L-4037 – State Tax Commission Assessment Roll Certification (County Board of Commissioners) CBC, and non-standardized reports prepared by the Equalization Department to communicate the final equalized values to the County Board of Commissioners for their approval.	RETAIN UNTIL: Date created PLUS: 3 years THEN: Destroy	10/24/2017

STATE OF MICHIGAN - RECORDS MANAGEMENT SERVICES
GENERAL SCHEDULE #37 - COUNTY EQUALIZATION DEPARTMENTS

Item #	Series Title	Series Description	Retention Period	Approval Date
301	Taxable Value Reporting Records	These records document the annual reporting of taxable values to the Michigan Department of Treasury - State Tax Commission. They may include, but may not be limited to, official forms required by the State Tax Commission (such as L-4046 – Taxable Valuations), other reports of taxable values for eligible reimbursements in compliance with laws authorizing specific exemptions for qualifying commercial and industrial personal property (such as Personal Property Summary Report for Debt Millage Rate and Reimbursement Calculations (a.k.a L-4050) and Inter-County Personal Property Summary Report for Debt Millage Rate and Reimbursement Calculations (a.k.a. L-4050 IC)), appeals of valuations to the State Tax Commission (such as L-4154 – Assessor or Equalization Director’s Notice of Property Incorrectly Reported or Omitted from Assessment Roll), and supporting documents needed to produce the reports and forms.	RETAIN UNTIL: Date created PLUS: 3 years THEN: Destroy	10/24/2017
302	Millage Records	These records document the calculation of millage rollbacks and lawful levy determinations. They may include, but may not be limited to, official forms required by the Michigan Department of Treasury - State Tax Commission for reporting millage rollback fractions and levy amounts (such as L-4025 – Report of Taxable Valuations Including Additions, Losses and Totals as Approved by the Board of Review, L-4025 SEV – Calculation of Taxable Valuations Including Additions, Losses and Totals for Units Which Were Not Equalized as Assessed, L-4028 – Millage Reduction Fraction, L-4028 IC – Complete Millage Reduction Fraction, Inter-County, L-4034 – Millage Reduction Fraction Calculations Worksheet, L-4029 – Tax Rate Request, L-4297 – Truth in Taxation Notice), and supporting documentation used to produce these reports.	RETAIN UNTIL: Date created PLUS: 8 years THEN: Destroy	10/24/2017

STATE OF MICHIGAN - RECORDS MANAGEMENT SERVICES
GENERAL SCHEDULE #37 - COUNTY EQUALIZATION DEPARTMENTS

Item #	Series Title	Series Description	Retention Period	Approval Date
303	Apportionment Records	These records document the finalization of millage levies. They may include, but may not be limited to, official forms required by the Michigan Department of Treasury - State Tax Commission for millage levy and apportionment (such as L-4402 – Statement Showing Taxable Valuations and Mills Apportioned), supporting documents used to produce this report, and non-standardized reports prepared as presentation documents for County Boards of Commissioners.	RETAIN UNTIL: Date created PLUS: 10 years THEN: Destroy	10/24/2017
Mapping Records				
400	Tax Maps	These records document mapping activities that support the collection of taxes. They may include, but may not be limited to, paper tax maps, land value maps, sales maps, recorded and non-recorded surveys.	RETAIN UNTIL: Date created PLUS: 5 years THEN: Destroy	10/24/2017
401	Geographic Information System (GIS) Data	These records document different data layers which could be stored for GIS mapping procedures (such as parcel shape files, ESN, fire box, recycling drop off stations, PLSS framework). They may include, but may not be limited to, other forms of digital mapping or imagery files, and supporting software programming (such as oblique imagery, orthophotography, and lidar).	RETAIN UNTIL: Date created PLUS: 5 years THEN: Destroy	10/24/2017

of property groups differ (Hart 2001). Distribution-free statistics are the median and the COD.

6. Sample Size

6.1 Importance of Sample Size

There is a general relationship between statistical reliability and the number of observations in a sample. The larger the sample size, the greater the reliability.

6.2 Adequacy of a Given Sample Size

The adequacy of a given sample size can be evaluated by computing measures of reliability. If the confidence interval is sufficiently narrow, the sample is large enough. If the confidence interval is too wide, the assessor must either accept less precision or enlarge the sample, if possible.

6.3 Required Sample Size

Formulas are available to compute the minimum sample size necessary to produce selected margins of error at a specified level of confidence. Such formulas depend crucially on the estimated variability of the ratios (Cochran 1977).

6.4 Remedies for Inadequate Samples

Small samples should be enlarged if the assessor desires to increase the reliability of statistical measures. Inadequate sample sizes are typically indicated by unacceptably wide confidence intervals. The following alternatives should be considered:

1. *Restratification.* If levels of appraisal are similar or properties are homogenous, broader strata containing larger samples can be created by combining existing strata or by stratifying on a different basis.
2. *Extending the period from which sales are drawn.* This is often the most practical and effective approach. Sales from prior years can be used; however, adjusting the sale price for time may be necessary and significant property characteristics must not change.
3. *Enlarging the sample by validating previously rejected sales.* Sales previously excluded from the analysis, because it was not administratively expedient to confirm them or to make adjustments, can be reevaluated.
4. *Imputing appraisal performance.* Ratio study statistics for strata with no or few sales can sometimes be imputed from the results obtained for other strata. These strata should be as similar as possible. Procedures and techniques used to appraise properties in the strata also should be similar.

6.5 Other Sample Size-Related Representativeness Problems

Sales from areas or substrata in which the number of sales is disproportionately large can distort ratio study results by weighting level and uniformity indicators toward whatever conditions exist in the overrepresented area. To alleviate this problem and create better representativeness, large samples can be further stratified by

- randomly selecting sales to be removed
- isolating the overrepresented groups into substrata
- redefining the time period for the overrepresented groups
- weighting the data

7. Reconciliation of Ratio Study Performance Measures

An important objective of a ratio study conducted by a local jurisdiction is the evaluation of model performance. This is a USPAP requirement in the reconciliation of a mass appraisal. Assessing officials must incorporate a quality control program, including checks and audits of the data, to ensure that sold and unsold parcels are appraised at the same level. This also requires characteristic data for both sold and unsold properties to be current, appropriate, relevant, and collected in a consistent manner.

8. Presentation of Findings, Documentation, and Training

The findings of a ratio study should be sufficiently detailed and documented to meet the needs of the users of the study. Documentation for internal ratio studies can be less detailed than for reports prepared for external uses. The following documentation should be provided in conjunction with any published ratio study.

8.1 Text

A brief text describing the purpose and the methods used should accompany a ratio study. This information can be incorporated in the report of the findings or be contained in a separate memorandum. The text should contain the statistics presented and outline the major procedural steps in completing the study. The text also should describe any rules for eliminating sales or extreme ratios and acknowledge any significant limitations in the data.

8.2 Exhibits

The body of the ratio study report should include for each stratum the statistical results intended to be used for decision-making purposes. All reports should contain the following information:

I.A.A.O. Standard on Ratio Studies

n=	(t ²)	(s ²)
	e ²	

n=required sample size

t="t-value" corresponding to the desired confidence level

s=standard deviation

e=the maximum tolerated error (not as a %) in the estimated level of appraisal



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JAY B. RISING
STATE TREASURER

PROPERTY TAX DIVISION **ASSESSMENT/SALES RATIO STUDY GUIDELINES**

The following guidelines are for use by the STC/PTD staff in conducting sales/ratio studies. These guidelines are recommended for review and use by county equalization departments.

Terms such as usual selling price, bona fide, normal, arm length, and others are frequently used in referring to sales. These are relative terms that may be synonymous. Sec. 211.27 MCL, contains the phrase " the usual selling price "

GENERAL CONSIDERATIONS:

1. Sale prices obtained from any source may be listed.
2. Transfer instruments should be screened for details that indicate other than a usual selling price.
3. For sales occurring in the first three months of a year, sale prices will be compared with the assessments for the previous year. For sales occurring in the last 9 months of a year, sale prices shall be compared to the assessments for the year in which the sale occurs.
4. The most recent sale will usually be listed in the case of more than one sale of the same property in a single year (April 1 – March 31).
5. Sales will not be excluded from a list just because it is alleged the buyer paid too much or perhaps was not fully informed. There must be some support that a particular buyer was an "uninformed buyer."
6. In most circumstances, developers' lot sales must be listed. There may be situations that warrant breaking out ratios for vacant lot sales on the form L-4018.
7. The remaining unpaid balance of a special assessment that has been assumed by a grantee should be added to the stated sale price. The same applies to other assumed liens or obligations that directly involve the real property such as back taxes.
8. Lot sales involving building demolition should not have demolition costs added to the stated sale price if the lot was encumbered by a building on tax day and on the date of transfer. (Lot sales involving building demolition should have demolition costs added to the sale price for appraisal studies where the purpose is to get site value for sites not encumbered by a building).

SALES USUALLY INCLUDED IN ASSESSMENT/SALES STUDY

1. Warranty Deeds
2. Land Contracts and Purchaser Assignments of Land Contracts.
3. Sales corresponding to alleged partial assessments where the assessment is not changed in the following year, or where the assessment change is reported as a plus adjustment.
4. Sales where an alleged poverty exemption is not properly documented. Sales where an alleged Nonconsideration of the value of normal repairs, replacements, or maintenance is NOT properly documented.
5. Sales involving mortgage assumptions where the total prices are stated, or where the mortgage amount assumed and the amount paid down on the mortgage are both known.
6. Sales transferring property in its entirety by partial interest may be included.
7. Sales involving properties whose use is changing provided that the sale property is representative of other property in the classification and the sale is not conditioned on a documented contingency. An example would be a property being used for farming purposes which is sold to a developer where the sale is not conditioned on the rezoning of the property and there are other parcels in the Agricultural Real Classification that would currently sell to developers for similar purposes.
8. Sales involving creative financing shall be included in the sales ratio study and shall be analyzed separately in the manner described in STC Bulletin #11,1985.

SALES USUALLY TO BE DELETED FROM AN UNVERIFIED SALES STUDY

1. Quit claim deeds
2. Deeds of administrator or executor.
3. Sheriff's deeds
4. Tax deeds
5. Family sales
6. Sales with life lease or life estate.
7. Sales from or to public and quasi-public government (taxpayer) funded bodies, such as State, county, school and similar agencies.

8. Sales from and to lending institutions where the bank held a mortgage on the property. **Sales where the bank is acting as a trustee for a private trust and the sale is a normal sale for the benefit of the trust should be considered.**
9. Transfer instruments referring to a prior sale between the seller and buyer of this property, for instance, the fulfillment of a 1990 land contract.
10. Deeds with mortgage assumptions where the mortgage balance or total price is unknown.
11. Sales with new deed restrictions that significantly reduces price. For example, a situation where all of the development rights in a parcel were deeded earlier in the year to an exempt organization and the seller deeds the remaining rights to a third party for a nominal price.
12. Sales that includes a significant or unknown value for exempt property, such as seawalls or Christmas trees.
13. Deeds evidencing splits or transfers of only part of a property assessed.
14. Transfer instruments with odd dollar considerations, such as \$11,273 or \$17,129.38. **See note below**
15. Sales conditioned on a change of some documented contingency, such as rezoning or restrictions that are part of the public record.
16. Sales whose assessments have been affected by 211.27(2), "non-consideration" of normal repairs, replacement of maintenance items. (P .A. 2:5 of 1978) and the "non-consideration" are properly documented.
17. Sales where the condition and/or extent of improvements on tax day was different than on the date of sale.
18. Deeds conveying significant, provable, amounts of personal property together with the real estate.
19. Sales where the grantee's name appears on the assessment roll corresponding to the year of the sale or prior year.
20. Sales with conveyance of a partial interest, such as undivided 1/4 interests, sale of leased fee, etc., unless the entire property is accounted for.
21. Conveyance where there is a common interest relationship between the grantor and the grantee such as where a corporation sells to an officer of the corporation.

22. Sales involving poverty exemptions where such full or partial exemption is properly designated in the assessment roll.
23. Sales involving multiple assessments where the separate assessments are for different classifications.
24. Deeds pursuant to a land contract entered into prior to a study period.
25. Land contracts with unusual circumstances, such as low interest or no down payment should be considered creatively financed, included in the study, but analyzed in the manner set forth in the STC Bulletin 11,1985.

Note: After verification some sales may be used that likely would have been deleted from the study had they not been verified.

Examples:

- 1) A parcel sold for \$48,562.50. On verification it was discovered that the 52½-acre parcel sold for \$925 per acre with no unusual circumstances.
- 2) A parcel sold for \$48,562.50. On verification it was discovered that buyers paid the sellers \$10,000 cash and paid off the sellers \$38,562.50 mortgage balance.
- 3) Under some circumstances, a sale involving parcels from more than one classification can be used in a sales study, provided that there is a reliable source of information for determining the amount of the sale price attributable to the parcels in each classification.

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC GROWTH
MICHIGAN TAX TRIBUNAL

Deerfield Township,
Petitioner,

MTT Docket No. 345838

v

County of Livingston,
Respondent.

Tribunal Judge Presiding
Victoria L. Enyart

OPINION AND JUDGMENT

Preliminary Statement of Facts

Petitioner, Deerfield Township appeals from the 2008 intra-county equalization of residential real property as adopted by the Livingston County Board of Commissioners on April 15, 2008.

The assessed value, as adopted by the board of review for the residential class is:

\$187,068,328

Deerfield Township believes that the inclusion of nine residential sales would be a **54.42%** ratio of assessed to true cash value, which would result in a negative factor of **.9188**.

Respondent Livingston County determined that Deerfield Township's residential class of property was at a **45.93%** ratio of assessed to true cash value. This resulted in a **1.08855** factor for the residential property. The assessed value as adopted by Livingston County for the residential class is:

\$203,633,509

Petitioner was represented at hearing by Michael P. Hatty, attorney and John S. Lobur, attorney.

Respondent was represented by Timothy M. Perrone, attorney.

Final Conclusion and Judgment

The guidelines established by the State Tax Commission are designed to provide standardized techniques to achieve uniformity of assessments by the various units within the county. Since the county equalization studies are performed for the purpose of comparing the average level of assessment in the units in the county, if they are performed using the same studies, data, gathering techniques, and guidelines as to all units, the county equalization studies should achieve a high degree of uniformity between units. Equalization Director Towne testified that the same methodology was utilized in all units throughout the county and we can find little fault with her one-year sales-ratio study.

The township bears the burden of proof to show that the equalization complained of was unfair, unjust, inequitable, or discriminatory. Essentially, the township contends that its inclusion of nine sales typically considered non-arms-length transactions by Respondent merits more weight than the figures reached by the county equalization department.

We conclude that the evidence presented by Petitioner does not warrant a change of equalized values.

Deerfield Township has not met its burden of proof by the greater weight of the evidence under MCL 211.34(4); MSA 7.52(4). The township was treated fairly, justly, equitably, and in a non-discriminatory manner in the equalization process by the Livingston County Board of Commissioners.

IT IS ORDERED that the appeal of Petitioner, Deerfield Township, from the intra-county equalization of the residential class for the year 2008 is DENIED.

IT IS FURTHER ORDERED that this case is DISMISSED with prejudice but without costs to any party.

MICHIGAN TAX TRIBUNAL

Entered: September 11, 2008

By: Victoria L. Enyart
Tribunal Member

Assessment Roll Auditing Guide

This document is intended to act as a guide to assist you in auditing assessment rolls. It is not intended to cover every situation that you may come across but instead cover the most common situations that you may see when auditing a roll.

Property Number	Sch.	Class	Prev Assessment	Current Assessment	Board of Review	County: 11- BERRIEN	Unit: BAINBRIDGE TOWNSHIP	Loss	+/-	New	**** Headlee ****	Penalty	Change
11- +													
01-0027-0001-05-0	11320	401	50,600.	64,600.						5,000.			
01-0027-0005-03-9	11320	401	103,800.	110,100.						1,200.			
01-0027-0012-03-0	11320	401	181,900.	193,600.						133,000.			
01-0028-0004-03-0	11320+102	401	39,700.	104,800.						40,600.			
01-0028-0006-08-4	11320	401	0.	49,200.						6,500.			
01-0028-0008-03-6	11320	401	32,800.	30,200.						0.			
01-0028-0014-01-0	11320	401	48,400.	91,800.						19,600.			
01-0028-0014-02-8	11320	401	57,800.	92,800.						1,000.			
01-0029-0015-01-9	11010	401	21,200.	46,500.						900.			
01-0029-0015-01-9	11010	401	59,400.	91,800.						19,600.			
01-0029-0015-01-9	11010	401	31,200.	46,500.						900.			
01-0030-0010-06-7	11010	401	45,800.	92,800.						1,000.			
01-0030-0010-07-5	11010	401	138,800.	138,800.						0.			
01-0030-0023-04-3	11010	401	7,300.	7,300.						0.			
01-0031-0014-08-7	11010	401	0.	0.						0.			
01-0031-0018-04-0	11010	401	0.	0.						0.			

New Construction (option 1)	
Pt 1	
Pt 2	
Pt 3	
Pt 4	
Total new const TCV	\$0
AV of new const	\$0
AV Rounded	\$0

New Construction (option 2)	
TCV before removing new const	
TCV after removing new const	
Actual new const. TCV	
AV of new const	\$0
AV rounded	\$0

Headlee Losses Calculation	
Previous SEV	
Previous TV	
Amount of Loss	
Calculated Headlee Losses	#DIV/0!



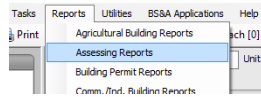
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Property Class changes.....	15
Exemptions coming back on the roll	16

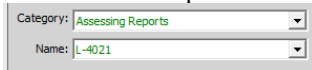
Getting Started

To begin the process of auditing an assessment roll you first need to print out an L-4021 of the parcels that need to be reviewed. This should be ran out of the most recent database that has been received from the township or city.

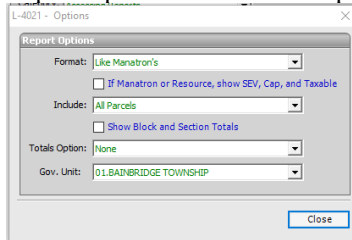
- Go to Reports and select Assessing Reports.



- After the Run Report window appears select “L4021” in the name drop down menu.

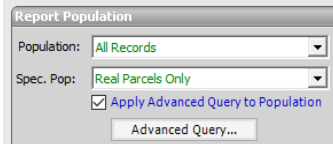


- Report Options should be set up as follows.

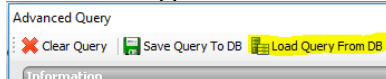


- Population should be “All Records” and the Spec. Pop should be “Real Parcels Only”

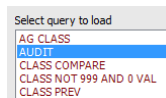
- The “Apply Advanced Query to Population” check box should be checked.



- To select the Advanced Query click on the Advanced Query button. The Advanced Query window will appear. Now click the “Load Query from DB” button.



- Select the “Audit” query to load and click “ok”.



- A window will appears asking “Are you sure that you wish to load the query ‘AUDIT’? All current filter information will be lost.” Select “Yes”

- Now you can close out of the advanced Query window by selecting the “Close” button.

- If you would like to save the report as a PDF you can set the destination to the “Screen” and save the report after it has ran. Or you can print the report directly to the printer.

- Please be sure to set the printer up to duplex to conserve paper.

- This will give you the report that you will need to conduct the audit process.

- The report should look as follows.

12/27/2018 09:34 AM		L-4021 Preliminary Assessment Change Proof County: 11- BERRIEN Unit: BAINBRIDGE TOWNSHIP							Page: 1/4 DB: 01-2018			
Property Number	Sch. Dist.	* Class Prev	* Class Curr	Previous Assessment	Current Assessment	Board of Review	Loss	+/- Adjustment	New	**** Headlee Additions	**** Losses	Rns for Change
01-0002-0007-04-4	11320	101	101	123,000.	169,900.	.	0.	-3,000.	49,900.	49,900.	0.	0.
01-0003-0003-01-2	11330	401	401	80,600.	75,800.	.	100.	-4,700.	0.	0.	81.	0.
01-0003-0005-00-7	11320	201	201	92,200.	117,700.	.	0.	-400.	25,900.	25,900.	0.	0.
01-0003-0007-03-4	11320	101	101	74,100.	95,000.	.	0.	-1,300.	22,200.	22,200.	0.	0.
01-0003-0013-02-6	11320	401	401	89,700.	97,000.	.	0.	100.	7,200.	7,200.	0.	0.
01-0003-0013-06-9	11320	>101	001<	152,900.	0.	.	152,900.	0.	0.	0.	0.	0.
01-0003-0013-07-0	11320	>101	401<	66,053.	69,700.	.	0.	0.	69,700.	0.	0.	0.
01-0003-0013-08-0	11320	101	102	86,847.	85,800.	.	0.	0.	85,800.	0.	0.	0.
01-0003-0015-00-2	11320	402	402	1,000.	1,300.	.	0.	300.	0.	0.	0.	0.
01-0005-0007-10-3	11330	402	402	1,800.	2,300.	.	0.	500.	0.	0.	0.	0.
01-0005-0008-02-9	11330	301	301	7,200.	9,100.	.	0.	1,900.	0.	0.	0.	0.
01-0007-0013-03-7	11010	>301	001<	132,600.	0.	.	132,600.	0.	0.	0.	0.	0.
01-0007-0013-04-0	11010	301	301	82,212.	86,400.	.	0.	0.	86,400.	0.	0.	0.
01-0007-0013-05-0	11010	>301	402<	50,388.	43,700.	.	0.	0.	43,700.	0.	0.	0.
01-0007-0017-07-5	11010	401	401	47,500.	47,800.	.	0.	-2,000.	2,300.	2,300.	0.	0.
01-0008-0005-00-8	11330	>401	001<	88,800.	0.	.	88,800.	0.	0.	0.	0.	0.
01-0008-0005-02-4	11010	401	401	69,400.	73,500.	.	0.	-2,000.	6,100.	6,100.	0.	0.
01-0008-0005-06-0	11010	401	402	6,216.	11,500.	.	0.	0.	11,500.	0.	0.	0.

- This report will show any parcel in the database that has New, Loss, Additions, Losses and parcels with a percent change of greater than 25%.
- Every parcel on this report should be verified for accuracy.
- Ideally the Assessor should have reason codes on any parcel that has New, Loss, Additions or Losses.
- As you can see from the above example this is not the case in this unit.
 - In this situation you will need to investigate to see what is happening.
- If the assessor did use reason codes they will appear as either numbers or a combination of letters and numbers in the last column of the report.
- To see the reason codes that an assessor is using go to “Program Setup” and select “Governmental Units”
 - Make sure that you are on the unit code that coincides with the unit that you are auditing and click on the “Options” tab and then click on the “assessor Change Reasons...” button.
 - A pop up window will appears listing all of the assessor change reasons.
 - From here you can select the “Print” button to print the list of available codes with their associated description.

General Rules of Thumb

- New, Loss, Additions and Losses explanations.
 - “New” or “Equalization New” is used to bring value onto the assessed value of a parcel.
 - “Loss” or Equalization Loss” is used to remove value from the assessed value of a parcel.
 - “Additions” or “Headlee Additions” is used to bring value onto the taxable value of a parcel.
 - “Losses” or “Headlee Losses” is used to remove value from the taxable value of a parcel.

- The following table displays some typical situations that you may come across how they should be treated.

Increase in Value Situations		
Situation	Equalization New or Loss	Headlee Additions or Losses
Improved Market Conditions	None	None
New Construction	Yes - New	Yes - Additions
Remodel Construction	Yes - New	Yes - Additions
Split (Child Parcel)	Yes - New	Typically None
Previously Exempt Property	Yes - New	Yes - Additions
Property Class Change	Yes - New	None
Property Annexed into the City or Twp	Yes - New	Yes - Additions
Omitted Property	Yes - New	Yes - Additions
Remediation of Environmental Contamination	Yes - New	Yes - Additions
Removal of Mathue Gast Exemption	Yes - New	Yes - Additions
Taxable Value uncapping	None	None

Decrease in Value Situations		
Situation	Equalization New or Loss	Headlee Additions or Losses
Declining Market Conditions	None	None
Property Removed or Destroyed	Yes - Loss	Yes - Losses
Split (Parent Parcel)	Yes - Loss	Typically None
Property becomes Exempt	Yes - Loss	Yes - Losses
Property Class Change	Yes - Loss	None
Property Annexed out of the City or Twp	Yes - Loss	Yes - Losses
Discovery of Environmental Contamination	Yes - Loss	Yes - Losses

- There are always two rules that never fail...
 - You cannot have additions without new and
 - You cannot have losses without loss

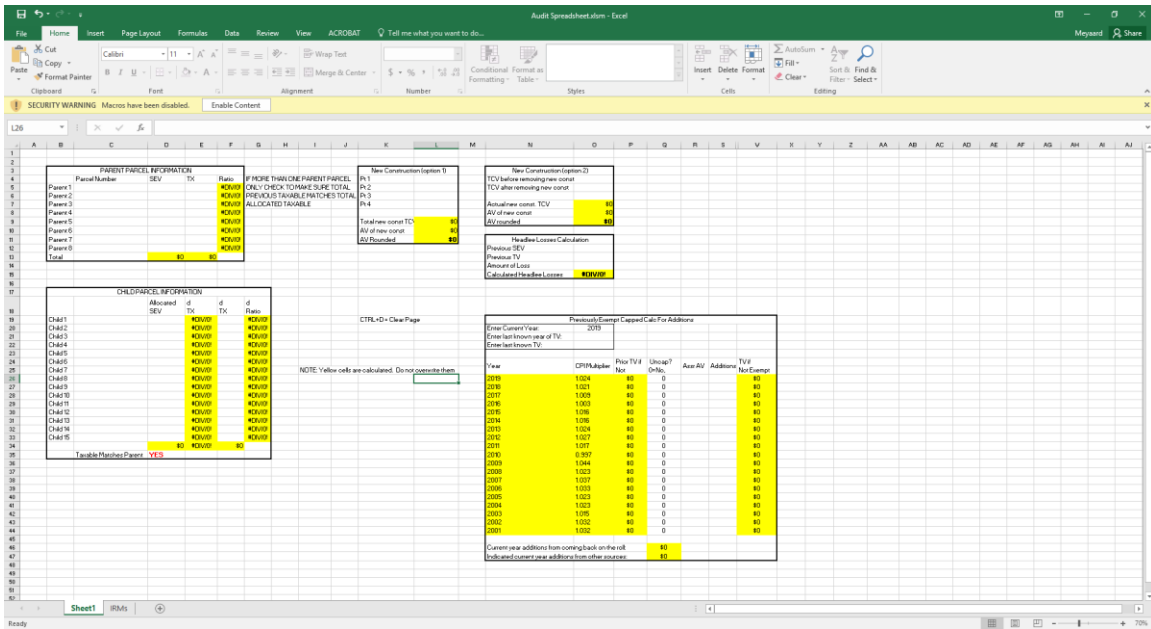
Notice that with the inclining or declining market conditions there are no new, additions, loss or losses. That is because the value difference should go into adjustment.

Audit Spreadsheet

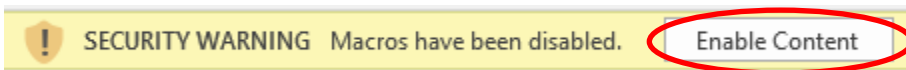
The Audit Spreadsheet is intended to be a tool to aid you in auditing assessment rolls. The spreadsheet is designed to help calculate some of the most common situations that are seen when auditing an assessment roll. The spreadsheet can be found in the following file path;

G:\Equal Dept\Audit\Audit Spreadsheet.xlsx

Below is a screen shot of what you will see when you open the spreadsheet.



After opening the spreadsheet be sure to enable the Macros by clicking on the “Enable Content” button.



Important Note: The cells highlighted in yellow are automatically calculated cells so be sure not to overwrite the formulas within them. The sheet is protected so you should receive an error message stating that they are protected if you do attempt to overwrite them.

The individual sections of the spreadsheet will be explained in greater detail in the examples section of this document.

The Audit Process

The actual process of auditing an assessment roll may differ slightly depending on your personal preferences but there are a few things that are helpful no matter your preferences. There are several things that are required to have when auditing an assessment roll. Below are the items you will need...

1. Current database from assessor
2. Previous year database from assessor
3. L-4021 report from current year database
4. Audit spreadsheet

As stated earlier, to begin the audit process you should first print or save the L-4021 with the advanced query from the Assessor's current year database. This will be the basis of what you will be looking at and auditing. You can print this document out on paper and work from the paper or you can save it to a PDF and work from the computer screen.

After printing the L-4021 you will need to set up your databases. You should have two instances of BSA open. One on each monitor. The first session of BSA should have the most recent (or current) database open. The BSA session on the other monitor should have the previous year database open. This will allow you to compare any given parcel from the current year to the previous year so you can see what changes have been made as seen below.

Previous Database			Current Database		
Land and Improvements	# of	T.C.V.	Land and Improvements	# of	T.C.V.
Land...	28,001	158,558	Land...	28,001	158,558
Land Improvements...		1,677	Land Improvements...		4,230
Residential Buildings...	1	3,663	Residential Buildings...	1	3,638
Agricultural Buildings...	3	20,554	Agricultural Buildings...	4	68,910

As seen in the above screenshots we can see that the previous year database only had 3 agricultural buildings whereas the current database has 4. It also appears that the land improvements value has increased considerably over last year. Now that we know where the differences are we can then move into calculating the new and additions that should be applied to the parcel for the current year assessment roll. This will be discussed in greater detail later in the examples.

In addition to the L4021 and the databases you will also want a Microsoft Word document open on your desktop to record any questions or concerns for the assessor. When you have completed auditing the assessment roll, the word document should be saved in the current year folder under the audit folder on the G drive. This will give the department a record of exactly what was sent to the assessor should we need it in the future.

Examples

New Construction

01-0003-0005-00-7 11320 201 201 92,200. 117,700. . 0. -400. 25,900. 25,900. 0.

On the 4021 we can see that the assessor has 25,900 in new and additions but no change code so we need to take a look at the parcel to see what has changed. To do this we will look at the prior year database and then compare it to the current year database.

Prior Year Dbase			Current Year Dbase		
Land and Improvements	# of	T.C.V.	Land and Improvements	# of	T.C.V.
Land...	28.001	158,558	Land...	28.001	158,558
Land Improvements...		1,677	Land Improvements...		4,230
Residential Buildings...	1	3,663	Residential Buildings...	1	3,638
Agricultural Buildings...	3	20,554	Agricultural Buildings...	4	68,910
Commercial/Ind. Buildings...	0	0	Commercial/Ind. Buildings...	0	0

We can see in the prior year dbase that the assessor was only pricing 3 ag buildings whereas in the current year dbase the assessor has 4 in addition to some added land improvement value. We would have to assume that this is what the new and additions are for.

To find the value of the new construction you will need to find the new building in the current year database. This can be done by again comparing the two databases until you find the building in the current database that does not exist in the prior year database.

Agricultural Buildings

Type: Farm Utility Buildings

Settings for Selected Type

Class: D,Pole

Quality: Average

Heat: No Heating/Cooling

Walls: 4 Wall

Area/Sizes

Length: 80

Width: 60

Height: 16

Perimeter: 280

Age and Percentages

Year Built: 2017

Effective Age/Depr.

Effective Age: 1

Phy. % Good: 98

Functional/Economic Depr.

Abnormal Phy.: 100

Func. % Good: 100

Econ. % Good: 100

Adjustments to Base Rate

\$ Sq. Ft. Adj.: 0.00 Reason:

Totals/Details

Cost New:	54,909
Depreciated Cost of Basic Structure:	53,811
Unit-In-Place Items...	0
Local Cost Items...	0
E.C.F.:	0.912
Estimated True Cash Value of Current Improvement:	49,076
Estimated True Cash Value of All Agricultural Improvement:	68,910

We can now see that the Estimated True Cash Value of the new building is 49,076. To calculate the amount of new and additions for this building we can use the Audit Spreadsheet. There are two options to use for new construction on the spreadsheet. When you have a situation where you have an entirely new building it is easy to find the TCV of the new construction and you can use option 1. Option 1 allows for four different parts of new construction. So for this example we can simply put our TCV for the new building of 49,076 in the "Pt 1" cell, then excel will calculate the amount of new and additions that should be placed on the roll as seen on the next page.

New Construction (option 1)	
Pt 1	\$49,076
Pt 2	
Pt 3	
Pt 4	
Total new const TCV	\$49,076
AV of new const	\$24,538
AV Rounded	\$24,500

As seen here the amount of new and additions for this new ag building should be 24,500. However the assessor has placed 25,900 on the roll. As seen earlier it was noticed that the land improvements were relatively higher than what they were last year. We can go through the same process of comparing the prior year dbase to the current year dbase to see what was added.

Current Year Dbase

Prior Year Dbase

By comparing the databases we can see the assessor has added 640 square feet of 4 inch concrete to the parcel. Because the software does not show the individual true cash value for each line we will need to figure out how much value is attributable to the new concrete. To do this we will use “option 2” of the new construction calculator on the audit spreadsheet. For this example we will place the true cash value of the land improvements from the current year dbase of 3,516 in cell O4 (or right beside where it says “TCV before removing new const”). After we have recorded the number on the audit spreadsheet we will then remove the added concrete from the parcel in the current year dbase. This will give us a new true cash value as if the concrete were never added. As seen below...

We can now see that the TCV would have been 934 if the new concrete were never added. This number can now be placed on cell O5 (or right beside where it says “TCV after removing new const”). The spreadsheet will then subtract the 934 from the 3,516 to calculate the TCV attributable to the concrete of 2,582 which would translate into a new and additions value of 1,300.

New Construction (option 2)	
TCV before removing new const	\$3,516
TCV after removing new const	\$934
Actual new const. TCV	\$2,582
AV of new const	\$1,291
AV rounded	\$1,300

After you are finished calculating the new and additions for the driveway be sure to discard your changes so you don't permanently delete the new concrete.

Now that we know the different amounts of new and additions for each piece of new construction we can simply add them together to calculate the total new and additions that should be placed on the parcel. If we take the new and additions attributable to the new ag building of 24,500 and add the new and additions for the new concrete of 1,300 we come up with a total new and additions amount of 25,800.

$$24,500 + 1,300 = 25,800$$

As seen on the Assessor's 4021, they have placed 25,900 of new and additions on the roll. This is overstated by 100 and therefore the assessor should be notified.

On your Word document state the parcel number in question and let the Assessor know that their new and additions appear to be overstate by 100. It is also advisable to show them how you came up with your number so they can see how you calculated it.

When making notes for the assessor never tell them that they are equivalently wrong. You as the auditor may have overlooked something as well. Using words like "appear" or "look" are a good way to get your point across without automatically accusing them of doing something wrong.

You have now seen how to use both options for calculating new construction. Option 1 is for when you have a completely new building or improvement that has never been on the roll and option 2 is for when the assessor has modified an existing improvement and the TCV of the changes are not as easily found.

Demolition & Environmental Contamination

01-0008-0017-02-2 11330 401 401 38,100. 36,400. . 7,100. 5,400. 0. 0. 7,100.

On the 4021 we can see that the assessor has 7,100 in Loss and Losses but no change code so we need to take a look at the parcel to see what has changed. To do this we will look at the prior year database and then compare it to the current year database.

Prior Year Dbase			Current Year Dbase		
Land and Improvements	# of	T.C.V.	Land and Improvements	# of	T.C.V.
Land...	12,000	51,473	Land...	12,000	63,826
Land Improvements...		443	Land Improvements...		425
Residential Buildings...	1	14,157	Residential Buildings...	1	0
Agricultural Buildings...	3	10,206	Agricultural Buildings...	3	8,468
Commercial/Ind. Buildings...	0	0	Commercial/Ind. Buildings...	0	0

We can see in the prior year dbase that the assessor had value on the residential building whereas in the current year dbase the assessor has removed the value. We would have to assume that the loss and losses on this parcel are attributable to the value of the residential building coming off the roll.

To find the assessed and taxable value that need to be removed from the roll we will use the “Headlee Losses Calculation” section of the audit spreadsheet. Because the headlee losses amount can differ from the assessed loss amount we need to input the previous year SEV and Taxable value of the parcel in question on the excel spreadsheet. The previous SEV will be input into cell O12 and the previous Taxable will be input into cell O13 as seen to the right. This will allow the spreadsheet to calculate the ratio of assessed to taxable value that will be applied to the loss amount to calculate the headlee losses amount.

Headlee Losses Calculation	
Previous SEV	\$38,100
Previous TV	\$38,100
Amount of Loss	
Calculated Headlee Losses	\$0

To calculate the amount of loss that needs to be put in the remainder of the calculation we must first determine the amount of true cash value that was removed from the roll. This is done again by comparing the prior year dbase to the current year dbase. As stated above we can see that the assessor removed the value of the residential building from the parcel. We can see that the TCV for the building in the prior year was 14,157. To calculate the amount of loss we can use the “New Construction (option 1)” section of the spreadsheet. Simply put the TCV of the improvement that was removed in cell L4. We can see that the amount of assessed value loss due to the demolition should be 7,100.

New Construction (option 1)	
Pt 1	\$14,157
Pt 2	
Pt 3	
Pt 4	
Total new const TCV	\$14,157
AV of new const	\$7,079
AV Rounded	\$7,100

The 7,100 can now be input into cell O14 of the spreadsheet to calculate what the headlee losses amount should be. As we can see to the left, the calculated headlee losses should be also be 7,100. When looking at the 4021 the assessor does have 7,100 for loss and losses so the parcel is correct and no notes or comments need to be made to the assessor.

Headlee Losses Calculation	
Previous SEV	\$38,100
Previous TV	\$38,100
Amount of Loss	\$7,100
Calculated Headlee Losses	\$7,100

Note: While in this instance the amount of loss and losses were the same that will not always be the case. Anytime the previous taxable value is lower then the assessed value the loss and losses will be a different number.

Environmental contamination will be treated the same way as a demolition except the value being removed may be harder to determine. If you see an example of this you should talk to the assessor to see how they determined how much assessed value to remove and then you can check the headlee losses from the assessed value loss.

Split with One Parent Parcel

01-0003-0013-06-9	11320>101	001<	152,900.	0.	.	152,900.	0.	0.	0.	0.
01-0003-0013-07-0	11320>101	401<	66,053.	69,700.	.	0.	0.	69,700.	0.	0.
01-0003-0013-08-0	11320	101	102	86,847.	85,800.	.	0.	0.	85,800.	0.

On the 4021 we can see the first parcel has gone to a reference class and all of the previous SEV is being taken as loss with no headlee losses. This typically indicates that a split has occurred and the value taken as a loss is going to be allocated out to the children parcels. The only time you would see headlee losses on a split is if a demolition or contamination has occurred on the property. This will be discussed in greater detail later. Also on the 4021 we can see the two children parcels with new and no headlee additions.

With splits, the main objective in the auditing process is to ensure that the assessor has allocated the taxable value to the children parcels correctly. Ultimately all of the prior year taxable value of the parent parcel needs to be allocated out to the children parcels. In this example the prior year taxable value was 76,611 so we need to make sure that the amount allocated to the children parcels is no more or less than 76,611. In addition to ensuring that all of the value is accounted for we also need to make sure that the value was given to the children parcels proportionately. This is to say if the assessor allocated 40% of the SEV to the first child parcel then they should also allocated 40% of the taxable value to that same child parcel.

To start the auditing process we will first look at the parent parcel. Looking at the parent parcel in BSA we can see the prior year SEV was 152,900 and the prior year Taxable was 76,611. These numbers will need to be entered into the audit

Year	MBOR Assd.	Final S.E.V.	Final Tax.
2018 S	0	0	0
2017 C	152,900	152,900	76,611

spreadsheet in the parent parcel information section. Note that the spreadsheet will calculate the ratio of the prior year's taxable to assessed value for you as seen below. Because we equalize from March to March you need to make sure that it is the MBOR assessed and taxable values that are entered into the spreadsheet rather than any adjusted final values.

PARENT PARCEL INFORMATION				
	Parcel Number	SEV	TX	Ratio
Parent 1	01-0003-0013-06-9	\$152,900	\$76,611	0.501053
Parent 2				#DIV/0!
Parent 3				#DIV/0!
Parent 4				#DIV/0!
Parent 5				#DIV/0!
Parent 6				#DIV/0!
Parent 7				#DIV/0!
Parent 8				#DIV/0!
Total		\$152,900	\$76,611	

After the parent parcel information is entered into the spreadsheet we can move onto the children parcels. The difference with the children parcels is when you look in BSA you will not see any previous value yet we need to see if the previous value was allocated correctly. To accomplish this we will go into the current year detail screen by double clicking on the top line of values.

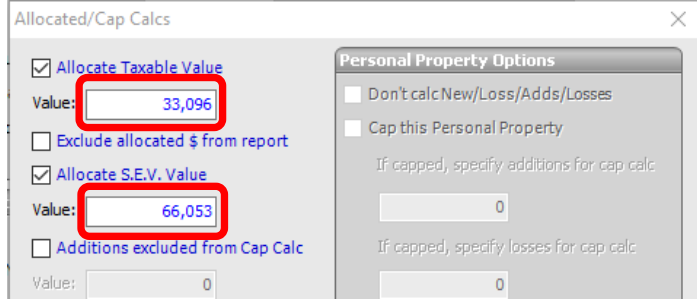
Year	MBOR Assd.	Final S.E.V.	Final Tax.
2018 C	69,700	69,700	33,791
2017 S	0	0	0

Double click anywhere on this line

After double clicking you will see the Calculation Detail window appear. To see how much value was allocated to the parcel we will click on the "Allocated/Cap Calcs(*)" button.

Allocated/Cap Calcs(*)...

After clicking the button the “Allocated/Cap Calcs window will appear. From here we can see how much value was allocated to the children parcels. In this instance both the SEV and Taxable Value were



However, it is not uncommon that only the taxable value is allocated. This can be problematic when this occurs because then we have no way of knowing if the taxable value was allocated proportionantly to the assessed value. At that point the only thing we can check is to make sure all of the taxable value from the parent parcel is accounted for.

Now that we know where to get the allocated assessed and taxable amounts we can enter the information on the audit spreadsheet in the Child Parcel Information section as seen below. This will need to be done for each child parcel involved in the split.

CHILD PARCEL INFORMATION					
		Allocated SEV	Calculated TX	Allocated TX	Indicated Ratio
Child 1	01-0003-0013-07-0	\$66,053	\$33,096	\$33,096	0.501052
Child 2	01-0003-0013-08-0	\$86,847	\$43,515	\$43,515	0.501054
Child 3			\$0		#DIV/0!
Child 4			\$0		#DIV/0!
Child 5			\$0		#DIV/0!
Child 6			\$0		#DIV/0!
Child 7			\$0		#DIV/0!
Child 8			\$0		#DIV/0!
Child 9			\$0		#DIV/0!
Child 10			\$0		#DIV/0!
Child 11			\$0		#DIV/0!
Child 12			\$0		#DIV/0!
Child 13			\$0		#DIV/0!
Child 14			\$0		#DIV/0!
Child 15			\$0		#DIV/0!
Taxable Matches Parent		YES	\$152,900	\$76,611	\$76,611

As long as the assessor has allocated both the assessed and taxable values the audit spreadsheet will calculate what the allocated taxable value should be from the allocated assessed value. This will show up in the yellow column titled “Calculated TX”. So for the first child parcel we can see that the audit spreadsheet calculated an allocated taxable value of \$33,096 and that is indeed what the assessor allocated in the software so we can see that the first child parcel is correct. Looking at the second child parcel we can also see that the Calculated TX equals what the assessor allocated so the second child parcel is correct as well. The only other thing to check is to make sure that all of the taxable value from the parent parcel

is accounted for. To to this we can look at the bottom of the Child Parcel Information section of the audit spreadsheet next to where it say “Taxable Matches Parent”. If this cell reads”YES” then the allocated taxable value of the children matches that of the prior year taxable value of the parent parcel. If it did not match the audit spreadsheet would tell you the dollar amount that it is off by.

Split with two or more parent parcels

Splits with multiple parent parcel are handles the same way as a split with only one parent parcel except that the only piece of information that can be verified is to see if the allocated taxable values of the children parcels match the prior taxable value of the parent parcels.

To accomplish this you will enter the parent parcels information into the audit spreadsheet in the “Parent Parcel Information” section the same as you did on a split with only one parent except for the fact that you will enter the information for each parent parcel involved.

The data entry for the children parcels is exactly the same as a single parent parcel split. The verification process is somewhat simpler though. When you have a spilt involving multiple parent parcel they will often have different taxable to assessed ratios so we will not be able to verify if the taxable value was given to the children parcels proportionately. So the only thing left to check is to see if the all of the prior year taxable values from the parent parcels were allocated out to the children parcels. This means that if the audit spreadsheet reads “Yes” in the cell next to “Taxable Matches Parent” then you are finished. If however it shows a difference a note should be made to the assessor letting them know they have either not allocated enough value or have allocated too much value.

Splits with new construction or demolition

Splits with new construction or demolition are handled the same way as regular splits except that there is one extra step which we have already gone over.

Any time there is new construction on a split the headlee additions for the new construction must be taken on the child parcel. Remember, the parent parcel is going away so it wouldn't make sense to have headlee additions on something that doesn't exist anymore. So after you have verified that the prior year taxable value has been allocated correctly to the children parcel you can then verify the headlee additions amount as described earlier in this document.

Split with a demolition are also handled similarly except that the headlee losses must first be taken from the parent parcel before the taxable value is allocated out to the children parcels. Headlee losses are calculated the same way as described earlier in this document. After the amount of headlee losses is calculated, that amount is then subtracted from the prior year taxable value and the result is what will be allocated out to the children parcels.

As an example, let say we had a parent parcel with a previous assessed value of 150,000 and a previous taxable of 100,000 and a house that was demolished that has a true cash value of 200,000. We would first need to calculate the amount of loss and losses attributable to the demolition of the house. To do this we would enter the information into the audit spreadsheet as seen below.

Headlee Losses Calculation	
Previous SEV	\$150,000
Previous TV	\$100,000
Amount of Loss	\$100,000
Calculated Headlee Losses	\$66,667

We used 100,000 as our amount of loss because the true cash value of the house was 200,000. Because we assess property in Michigan at 50% of true cash value the amount of loss should be 100,000. $200,000 \div 2 = 100,000$.

So now we know the amount of loss attributable to the house is 100,000 and the amount of headlee losses is 66,667. We can now take these numbers and subtract them from the previous assessed and taxable values of the parent parcel to see what should be allocated out to the children parcels.

To calculate the assessed value that should be allocated we simply take the 100,000 away from the 150,000 which results in 50,000 of assessed value that should be allocated out to the children parcels.

To calculate the taxable value that should be allocated we simply take the 66,667 away from the 100,000 which results in 33,333 of taxable value that should be allocated out to the children parcels.

This is then entered into the audit spreadsheet as seen below.

PARENT PARCEL INFORMATION				
	Parcel Number	SEV	TX	Ratio
Parent 1	Parcel Number	\$50,000	\$33,333	0.66666
Parent 2				#DIV/0!
Parent 3				#DIV/0!
Parent 4				#DIV/0!
Parent 5				#DIV/0!
Parent 6				#DIV/0!
Parent 7				#DIV/0!
Parent 8				#DIV/0!
Total		\$50,000	\$33,333	

Now we know that the total amount of allocated taxable value on the children parcels should equal 33,333.

Special Act Parcel coming back on the Ad Valorem Assessment Roll

When special act parcels such as an IFT are coming back onto the Ad Valorem assessment roll they are handled similar to new construction coming onto the assessment roll. Conversely, in the special act roll it is handled similar to a demolition. That is to say that on the ad valorem roll you should see new and additions for the building coming back on the roll but on the special acts roll you should see loss and losses.

Property Number 11- +	Sch. Dist.	* Class * Prev Curr	Previous Assessment	Current Assessment	Board of Review	Loss	+/- Adjustment	New	**** Headlee **** Additions	**** Losses	Rsns for Change
11-0005-0023-03-0	11340	301 301	450,400.	416,400.	.	0.	-89,800.	55,800.	55,800.	0.	31
11-9900-0003-00-0	11340	305 305	70,100.	0.	.	70,100.	0.	0.	0.	70,100.	11

As seen above we can see the advalorem parcel has new and additions similar to new construction but the IFT parcel has loss and losses similar to a demolition parcel.

To verify these amounts you can use the same processes that were described earlier in this document for new construction and demolition.

Property Class changes

Property Number 11- +	Sch. Dist.	* Class * Prev Curr	Previous Assessment	Current Assessment	Board of Review	Loss	+/- Adjustment	New	**** Headlee **** Additions	**** Losses
01-0028-0006-08-4	11320	402 102<	32,800.	40,600.	.	32,800.	0.	40,600.	0.	0.

Class changes are probably one of the easiest things to verify as typically the software takes care of everything for the person actually conducting the class change.

The number one rule that always stands true in class changes is that there should never be any equalization adjustment on the assessed side. This is because all of the value from the prior year is removed as a loss and all of the new value coming back on will be taken as new.

As seen above the assessor is taking 32,800 as loss which matches their prior year assessed value and they are then taking 40,600 as new which also matches their current assessed value. When looking at the adjustment column you will see that they have 0 so they have followed the number one rule and are correct.

Often times on class change parcels it is possible to have additions or losses for things like new construction or demolitions. This is entirely possible and the headlee additions and or losses should be verified for accuracy using the methods previously discussed.

Exemptions coming back on the roll

Property Number	Sch.	Previous	Current	Board of	Loss	+/-	New	Additions	Losses	
11- +	Dist.	Prev	Curr	Assessment	Assessment	Review	Adjustment			
01-0001-0002-01-01	11320	401	401	0.	76,200.	0.	0.	76,200.	73,371.	0.

The 4021 indicates a sizable amount of New and Additions where the Previous Assessment was 0. In the absence of a change code, this is a clue that a previously exempt parcel is coming back on the roll. However, the fact that the previous class was not an exempt code is a hint that we might be looking at a Veterans or Poverty exemption. The Edit Parcel screen reveals that in this case, a Veterans exemption is coming of the roll as indicated by the letter “V” next to the previous year (as opposed to “P” for a Poverty exemption). Further, we can tell that the exemption was granted at the previous year’s MBOR by the presence of the “M” as opposed to “J” for JBOR or “D” for DBOR.

Year	MBOR Assd.	Final S.E.V.	Final Tax.
2019 C	76,200	76,200	73,371
2018 CVM	0	0	0
2017 CVM	0	0	0
2016 CVM	0	0	0

The next step is to determine if the exemption was handled correctly. Because the previous MBOR assessed value was 0 and the property is coming back on the roll for the current year, we would expect to see New equal to 50% of the true cash value of the property and the current year assessed value. This amount of New should also be visible as the current year MBOR assessed value minus the previous year MBOR assessed value. For this reason, note that when a veterans exemption had been granted at the July or December BOR, the previous year’s MBOR assessed will not have been 0. In such a case, the expected amount of New will not equal the current year MBOR assessed. Remember that we’re balancing March to March.

The tricky part is to calculate the expected amount of Additions. This must be done using the capped value formula which relies on the previous year taxable value. However, because the exemption has been in place for a number of years, the historical 0 taxable value cannot be relied on for the calculation of the current year capped value. Instead, we must calculate the historical taxable value that would have been on the roll each year had the property not been exempt. The last year the property had a taxable value should be relied on as the base. In this case, in 2011, the property had a taxable value of \$74,948. These values should be entered into the top area of the “Previously Exempt Capped Calc For Additions” area of the Audit Spreadsheet as seen below.

Year	MBOR Assd.	Final S.E.V.	Final Tax.
2019 C	76,200	76,200	73,371
2018 CVM	0	0	0
2017 CVM	0	0	0
2016 CVM	0	0	0
2015 UVM	0	0	0
2014 CVM	0	0	0
2013 CVM	0	0	0
2012 CVM	0	0	0
2011 C	96,000	96,000	74,948

Previously Exempt Capped Calc For Additions	
Enter Current Year:	2019
Enter last known year of TV:	2011
Enter last known TV:	\$74,948

The Audit Spreadsheet will use this known taxable value for 2011 as the starting calculation for what would have been the 2012 taxable had the property not been exempt. This is observable in the third column of the sheet: “Prior TV if Not Exempt”. However, in order to determine the 2012 taxable value, we need to also know what would have been the 2012 assessed value, in the absence of the exemption. Double clicking the 2012 row in BS&A will open the 2012 Calculation Detail where we can see the Assessor’s Assessment number of 60,300. This number should be entered into the Assr AV column of the Audit Spreadsheet on the 2012 row, as shown below.

2013 CVM	0	0
2012 CVM	0	0
2012 Calculation Detail		
(Opt.) Assors Land Asmnt:		0
Assessor's Assessment:		60,300

Year	CPI	Prior TV if Not Exempt	Uncap? 0=No, 1=Yes	Assr AV	Additions	TV if Not Exempt
2019	1.024	\$70,675	0	\$76,200	\$73,371	\$72,371
2018	1.021	\$69,222	0	\$74,200		\$70,675
2017	1.009	\$68,605	0	\$76,200		\$69,222
2016	1.003	\$68,400	0	\$75,700		\$68,605
2015	1.016	\$62,734	1	\$68,400		\$68,400
2014	1.016	\$61,747	0	\$72,900		\$62,734
2013	1.024	\$60,300	0	\$83,300		\$61,747
2012	1.027	\$74,948	0	\$60,300		\$60,300

The same process should be completed for each year, leading up to the current year. Be mindful of the behavior of taxable value for each of the historical years with respect to inflation increases, capping, or uncapping. Although perhaps rare, it is possible for an exempt veteran property to transfer, uncap, and receive a veteran exemption from the new owner. While the taxable value would remain consistently 0, the uncapping did actually still occur behind the scenes and it is necessary to account for it in the process of rolling up the taxable value to the current year. In our example, the property transferred in 2014, triggering a 2015 uncapping. This is identifiable by the “U” on the parcel screen next to 2015 as well as the 100% transferred on the 2015 Calculation Detail screen. The uncapping should be marked on the Audit Spreadsheet with a 1 in the pertaining column as shown below.

2016 CVM	0	0
2015 U M	0	0
2014 CVM	0	0

Building Assessment:	0
Percent Transferred:	100.000

Year	CPI	Prior TV if Not Exempt	Uncap? 0=No, 1=Yes
2019	1.024	\$70,675	0
2018	1.021	\$69,222	0
2017	1.009	\$68,605	0
2016	1.003	\$68,400	0
2015	1.016	\$62,734	1
2014	1.016	\$61,747	0

Lastly, the current year Additions from either the 2019 (current year) Calculation Detail or the 4021 should be recorded on the spreadsheet.

Year	CPI Multiplier	Prior TV if Not Exempt	Uncap? 0=No, 1=Yes	Assr AV	Additions	TV if Not Exempt
2019	1.024	\$70,675	0	\$76,200	\$73,371	\$72,371
2018	1.021	\$69,222	0	\$74,200		\$70,675

The bottom area of the Audit Spreadsheet will show the expected amount of additions for the exempt property coming back on the roll. If the assessor has placed a different amount of additions on the roll, the difference is shown in the same area as the “additions from other sources”. In our example, the assessor has an extra 1,000 in additions. If the extra 1,000 is not attributable to another source (new construction, for example), then the assessor should be notified that the additions appear overstated by 1,000.

Current year additions from coming back on the roll:	\$72,371
Indicated current year additions from other sources:	\$1,000

Processing Your Assessment Rolls For 2019

! MCL 211.30(4) requires your 2019 MBOR assessment roll to be delivered to the County Equalization Department on or before the 10th day following the adjournment of your March Board of Review or Wednesday, April 3rd, whichever date occurs first.

The County Board of Commissioners meets April 4th to review our report. PLEASE make every effort to get us your data ASAP!

**PLEASE bring your completed Check list along with your 2019
Assessment roll info.**

! Please call and schedule an appointment with Robin or Jeremy at 810-989-6925 to assure someone will be here to accept your data.



COUNTY OF ST. CLAIR



Equalization Department

JUSTIN SEARS, Director

Assessors,

For the 2019 Equalization process, we again are asking everyone for cooperation and compliance to make all of our jobs go as smoothly as possible.

When you are finished valuing your unit, please follow the guidelines in your BS&A manual to correctly process your roll.

Some special points of interest:

The CPI adjustment for 2019 is 2.4% and is an automated update thru BS&A. **Make sure that you are working with the most updated version.**

Prior to MBOR, Write Floating Values before you Freeze Assessor's Values. Print & sign (**by assessor**) a completed form L-4037 (**separate form for each roll, Ad-Valorem & Special Acts**). **Please email a copy to EqualizationDept@stclaircounty.org** and attach original to each assessment roll, Ad-Valorem and Special Acts, to present to your March Board of Review at the Organizational meeting Tuesday, March 5th (MCL 211.29 provides for city charters to alter date).

After MBOR, enter all MBOR information and again, Write Floating Values before you Freeze MBOR Values. **Print form L-4037 and have all Board of Review members sign & date.** Return with other required documentation to Equalization within 10 days.

On a final note, please complete and return the attached check list along with your data. It will be used as verification for compliance for any STC inquires. We will be unable to process your data without ALL requested information.

Please submit full backups of your 2019 Assessment Roll using our ftp site. Instructions are attached

Thank you for your cooperation in advance.

St Clair County Equalization department



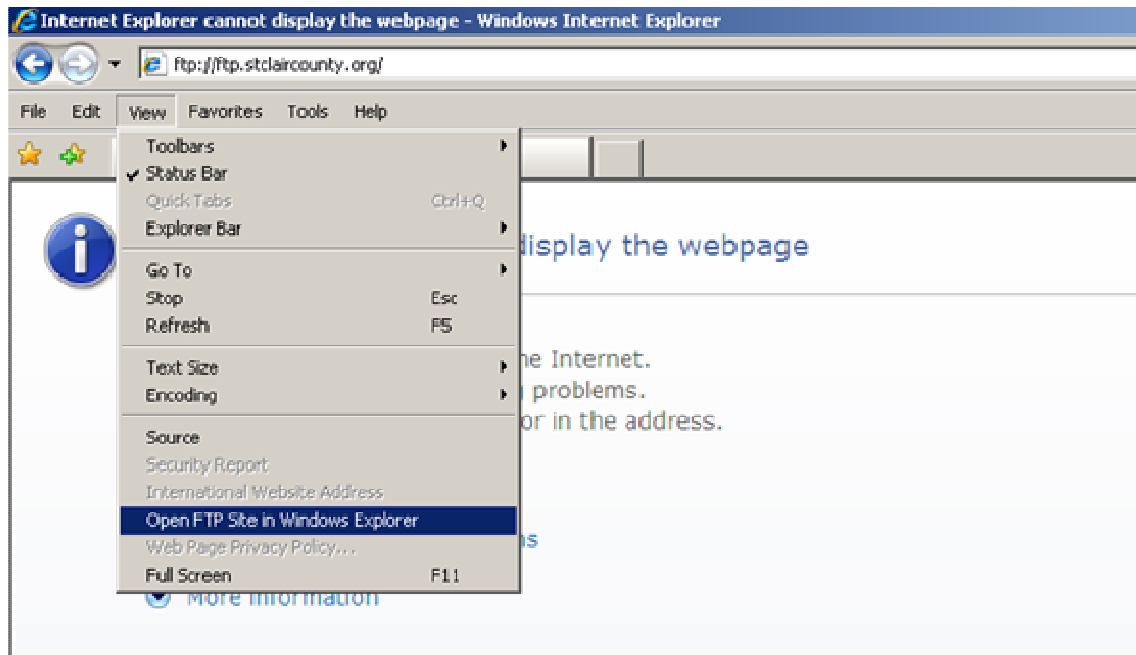
Windows 7 FTP website instructions

1. Click Start button then click computer
2. Type into the grayed address bar (top - that says Computer) <ftp://ftp.stclaircounty.org/>
3. Log On As: Username - equalftp
Password - scftp
4. Logged into the FTP site Copy to and Paste / or Remove from here.
5. Notify Equalization that you have posted file to FTP site when completed.

Using Internet Explorer, attempt to connect and the site as any other website;
will say cannot display page...that is OK.

Once the address is attempted, select View and Open FTP Site in Windows Explorer.

You may be prompted for the username/password more than once.



2019 Check List of Assessment Data

UNIT NAME: _____ EQUALIZATION STAFF: _____

BEFORE YOU BRING IN YOUR ASSESSMENT ROLL DATA

Assr. Staff

Affirm that your "Assessed" & "Taxable" Values are in balance with your 2018 L-4023 ending values
(Your 2018 L-4023 is available on our web page)

Rounding set at Real Property 100, Personal Property 100, Taxable Value 1

You must write floating values and freeze MBOR values before continuing.

1 Export and Provide to Equalization your **VALUES.TXT file for ALL parcels INDEXED** on Parcel #.

2 Export and Provide to Equalization your **NAMES.TXT file for Personal Property parcels ONLY!**

3 Execute & provide us with a copy of the following REPORTS:

a) Misc Totals & Statistics

b) Possible Calculation Problems (see screen shot page for proper boxes to checkmark)

c) List of Partially Assessed Parcels (if you have deleted any parcels)

d) L-4037 signed by Board of Review members

4 A "Hard Copy" of any "Special Act" rolls such as (LDFA, DNR, TIFA, REN ZONES etc.)

5 **2019 L-4021 signed by the assessor (use the Eaton County format)**

6 **2019 L-4022 Assessed and Taxable signed by the assessor (1 for each separate roll you have submitted)**

7 Execute report L-4023 from your db (to use to compare ours to yours) **CHECK FOR FACTORS!!!!**

8 **2019 L-4025 signed by the assessor** **Ad-Valorem & Spec Act run seperately**

Bring us your ORIGINAL assessment roll w/MBOR changes posted in ink. It will be returned after our review along with certification from the County Board of Commissioners.

A full backup of your 2019 Assessment Roll, using the BS&A back-up utility provided in the software.

PLEASE use the "Generic" backup!!!!

The export file of Taxable Values L-4626 (CSV file from BS&A)

Please provide us with copies of PP statements for all of the UTILITY class, the 10 largest COMMERCIAL class, & the 10 largest INDUSTRIAL class when you drop off your roll.

Signature

Assessor

Date

For STC/ACD compliance, be sure to keep copies for your records>

Below is a screen shot of the fields to check when running a "Possible Calc Problems" report. Remember to verify or correct all errors listed in report.

Select calculation problems to look for

All Classes

- Adjustment on Class Change
- New > Current Assessed
- Adjustment > 50% of Cur. Asd
- Cur. Asd. > 0 and Cur. Tax = 0
- Prev. Asd. > 0 and Prev. Tax. = 0
- Loss = Prev. Asd. and Plus Adj.
- Prev. Asd. = 0 and +Adj. or Loss
- Not exempt, but Cur. Asd. = 0
- Is Exempt, but has value.
- Cur. Asd. <> MBOR Asd.
- Cur. Tax <> MBOR Tax.
- Sch. Dist Chng, no prev val.
- Invalid Zip Codes
- Cross-foot errors
- Property Class Discrepancies
- PRE Discrepancies

Real Property

- Losses > Prev. Taxable
- Additions > Cur. Taxable
- Losses > Loss
- Additions > New
- Zero Value Buildings/items
- No land value

Personal Property

- Both PP & EMPP For Current Year
- Idle Equip. Using Standard Tables
- PP Incorrectly Set To EMPP Filed

Special Act/Tax Info

- Class is Spc. Acts, but no Tax Bill Info
- Has Tax Bill Info, but Class is Ad. Val.
- Expiration Date problems
- Reference Only but Inactivated
- Changed from Advalorem to Special Act
- Questionable TQFP (PA 260)

BOR Adjustments

- Poverty appeal, no poverty selected
- Vet. Exemption with no value

Close

Brian Busscher

From: Woolford,Matthew <matt.woolford@kentcountymi.gov>
Sent: Monday, October 17, 2022 2:37 PM
To: Brian Busscher
Subject: Budget Act Section 16 Truth in Taxation Reference Materials

Budget Act Section 16 Truth in Taxation Reference Materials

Michigan Department of Treasury, STC
888 (3-97)

TRUTH IN TAXATION NOTICE

INSTRUCTIONS TO LOCAL GOVERNMENTS

This notice is not required if the local taxing unit complies with section 16 of the Uniform Budgeting and Accounting Act, P.A. 2 of 1968, being section 141.436 of the Michigan Compiled Laws. If a local taxing unit does not comply with Section 16 of the Uniform Budgeting and Accounting Act, the following instructions still apply.

Section 211.24E MCL requires that notice of public hearing be published by a local taxing unit which proposes to increase operating tax levied over the maximum amount allowed to be levied without a hearing. Notice may be published alone or included with the notice of public hearing on a unit's budget held pursuant to Section 141.412 MCL. The model notice at right fulfills the requirements under Section 211.24E MCL. It can be completed with all the information provided for, detached from these instructions and provided to the appropriate newspaper for publication.

Other pertinent information can be included in the notice. This sample notice form meets minimum legal requirements.

In addition to publishing requirements, the notice must be posted at the principal office of the taxing unit.

The notice must be published in a newspaper of general circulation in the taxing unit. Publication must occur six or more days before the public hearing.

The proposed additional millage rate must be established by a resolution adopted by the governing body of the taxing unit before it conducts the public hearing.

Not more than ten days after public hearing, a taxing unit may approve the levy of an additional millage rate equal to or less than the proposed additional millage rate that was published and on which a public hearing has been held.

INSTRUCTIONS TO NEWSPAPER

The following notice is required by Section 211.24E provides:

1. The body of the notice must be set in 12 point type
2. The headline "Notice of Public Hearing on Property Taxes" must be set in 18 point type or larger
3. The notice cannot be smaller than 8 column in horizontal inches.
4. The notice cannot be placed in the portion of the page reserved for legal notices or classified advertising.

Notice of Public Hearing on Increasing Property Tax

The _____
name of governing body
of the _____
name of taxing unit

will hold a public hearing on a proposed increase of _____
rate mills in the operating tax millage rate to be levied in _____
year

The hearing will be held on _____
day
_____ at _____
date time a.m./p.m.

at _____
place - address

The date and location of the meeting to take on the proposed additional millage will be announced at this public meeting.

If adopted, the proposed additional millage rate will increase operating revenues from ad valorem taxes _____ % over such revenues generated. The proposed additional millage rate is not approved if the operating revenue will increase by _____ of the preceding year's operating revenue.

The taxing unit publishing this notice, and the person publishing below, has complete authority to establish the amount of mills to be levied from within its authorized millage rate.

This notice is published by:

name of taxing unit

address

address

https://www.mml.org/pdf/resources/publications/ebooks/HMO_by_chapter/Appendix%207%20Questions%20and%20Answers.pdf

Q2 Do we need to have a public hearing before adopting the budget?

Yes, according to the Budget Hearings of Local Governments Act (1963 PA 43), which requires all local units to hold a public hearing on a proposed budget. Notice must be published at least six days prior to the hearing in a “newspaper of general circulation” and must include a statement, printed in 11-point boldfaced type, stating

“The property tax millage rate proposed to be levied to support the proposed budget will be a subject of this hearing.”

Budget hearings held in accordance with the provisions of the local charter and/or ordinance will meet this requirement. This hearing will also fulfill the requirement for a “truth in taxation” hearing.

BUDGET HEARINGS OF LOCAL GOVERNMENTS Act 43 of 1963 (2nd Ex. Sess.)

AN ACT to provide for public hearings on budgets of local units of government.

History: 1963, 2nd Ex. Sess., Act 43, Imd. Eff. Dec. 27, 1963.

The People of the State of Michigan enact:

141.411 Local unit of government; definition.

Sec. 1. As used in this act “local unit” means a county, township, city, village, authority or school district empowered by the constitution or by law to prepare budgets of estimated expenditures and revenues.

History: 1963, 2nd Ex. Sess., Act 43, Imd. Eff. Dec. 27, 1963.

141.412 Local unit of government; public hearing on proposed budget; notice.

Sec. 2. A local unit shall hold a public hearing on its proposed budget. The local unit shall give notice of the hearing by publication in a newspaper of general circulation within the local unit at least 6 days before the hearing. The notice shall include the time and place of the hearing and shall state the place where a copy of the budget is available for public inspection. The notice shall also include the following statement printed in 11-point boldfaced type: “The property tax millage rate proposed to be levied to support the proposed budget will be a subject of this hearing.”

History: 1963, 2nd Ex. Sess., Act 43, Imd. Eff. Dec. 27, 1963;—Am. 1995, Act 40, Imd. Eff. May 22, 1995.

141.413 Local unit of government; final adoption of budget; hearing; exception.

Sec. 3. Each local unit shall hold such public hearing prior to final adoption of its budget. Except for a local unit that has a fiscal year that begins before the convening of the county tax allocation board, a local unit that submits its budget to a county tax allocation board shall hold such hearing after its tax rate allocation has been fixed by such board.

History: 1963, 2nd Ex. Sess., Act 43, Imd. Eff. Dec. 27, 1963;—Am. 2006, Act 154, Eff. Mar. 30, 2007.

141.414 Local unit of government; changes in budget.

Sec. 4. Changes made in its budget by the governing body of a local unit subsequent to such public hearing shall not affect the validity of such budget.

History: 1963, 2nd Ex. Sess., Act 43, Imd. Eff. Dec. 27, 1963.

141.415 Local unit of government; public hearing on budget, charter, statute.

Sec. 5. Local units which provide for a public hearing before adoption of their budgets either in pursuance of charter provision or law shall hold a public hearing in accordance with such provision of charter or law which shall be deemed to be in a manner prescribed by law.

History: 1963, 2nd Ex. Sess., Act 43, Imd. Eff. Dec. 27, 1963.

[Truth in Taxation Notice Budget Act 16](#)

Look at sections 141.436

(d) An estimate of the revenues, by source of revenue, to be raised or received by the local unit in the ensuing fiscal year.

(e) The amount of surplus or deficit that has accumulated from prior fiscal years, together with an estimate of the amount of surplus or deficit expected in the current fiscal year. The inclusion of the amount of an authorized debt obligation to fund a deficit shall be sufficient to satisfy the requirement of funding the amount of a deficit estimated under this subdivision.

(f) An estimate of the amounts needed for deficiency, contingent, or emergency purposes.

(g) Other data relating to fiscal conditions that the chief administrative officer considers to be useful in considering the financial needs of the local unit.

(2) The total estimated expenditures, including an accrued deficit, in the budget shall not exceed the total estimated revenues, including an available unappropriated surplus and the proceeds from bonds or other obligations issued under the fiscal stabilization act or the balance of the principal of these bonds or other obligations.

History: Add. 1978, Act 621, Eff. Apr. 1, 1980;—Am. 1981, Act 77, Imd. Eff. June 30, 1981;—Am. 2000, Act 493, Imd. Eff. Jan. 11, 2001.

141.436 General appropriations act; requirements; line items not mandated; taxation; limitation on estimated total expenditure; presumption; suit against county legislative body; standing; mediation; severability.

Sec. 16. (1) Unless another method for adopting a budget is provided by a charter provision in effect on April 1, 1980, the legislative body of each local unit shall pass a general appropriations act for all funds except trust or agency, internal service, enterprise, debt service or capital project funds for which the legislative body may pass a special appropriation act.

(2) The general appropriations act shall set forth the total number of mills of ad valorem property taxes to be levied and the purposes for which that millage is to be levied. The amendatory act that added this subsection shall be known and may be cited as "the truth in budgeting act".

(3) The general appropriations act shall set forth the amounts appropriated by the legislative body to defray the expenditures and meet the liabilities of the local unit for the ensuing fiscal year, and shall set forth a statement of estimated revenues, by source, in each fund for the ensuing fiscal year.

(4) The general appropriations act shall be consistent with uniform charts of accounts prescribed by the state treasurer or, for local school districts and intermediate school districts, by the state board of education.

(5) This act shall not be interpreted to mandate the development or adoption by a local unit of a line-item budget or line-item general appropriations act.

(6) The legislative body shall determine the amount of money to be raised by taxation necessary to defray the expenditures and meet the liabilities of the local unit for the ensuing fiscal year, shall order that money to be raised by taxation, within statutory and charter limitations, and shall cause the money raised by taxation to be paid into the funds of the local unit.

(7) Except as otherwise permitted by section 102 of the state school aid act of 1979, 1979 PA 94, MCL 388.1702, or by other law, the legislative body shall not adopt a general appropriations act or an amendment to that act which causes estimated total expenditures, including an accrued deficit, to exceed total estimated revenues, including an available surplus and the proceeds from bonds or other obligations issued under the fiscal stabilization act, 1981 PA 80, MCL 141.1001 to 141.1011, or the balance of the principal of these bonds or other obligations.

(8) A general appropriations act, including any amendment to that general appropriations act, is presumed to fund those activities of a county mandated by law at a serviceable level.

(9) An elected official who heads a branch of county government or the chief judge of a court funded by a county has standing to bring a suit against the legislative body of that county concerning a general appropriations act, including any challenge as to serviceable levels of funding for that branch of county government or that court. If a court and the legislative body of a county are involved in mediation, before the chief judge of that court brings a suit on the court's own behalf against the legislative body of the county under this subsection, a mediator shall certify in writing that the parties are unable to resolve the issues by mediation. The court hearing a suit shall consider the financial ability of the county to pay when considering any challenge as to serviceable levels of funding.

(10) If any portion of this section or the application of this section to any circumstance is found to be invalid by a court, the invalidity shall not affect the remaining portions or application of this section that can be given effect without the invalid portion or application. The provisions of this section are severable.

History: Add. 1978, Act 621, Eff. Apr. 1, 1980;—Am. 1981, Act 77, Imd. Eff. June 30, 1981;—Am. 1981, Act 78, Imd. Eff. June 30, 1981;—Am. 1995, Act 41, Imd. Eff. May 22, 1995;—Am. 2000, Act 493, Imd. Eff. Jan. 11, 2001;—Am. 2013, Act 172, Imd. Eff. Nov. 11, 2013.



[Redacted text]

[Redacted text]

[Redacted text]

Created with OneNote.

The following opinion is presented on-line for informational use only and does not replace the official version. (Mich Dept of Attorney General Web Site - www.ag.state.mi.us)

STATE OF MICHIGAN

FRANK J. KELLEY, ATTORNEY GENERAL

Opinion No. 6808

June 29, 1994

INCOMPATIBILITY:

County equalization department employee - township assessor

The public positions of county equalization department employee and township assessor in the same county are incompatible and may not be held simultaneously by the same person.

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You have asked whether an employee of a county equalization department may simultaneously serve as the assessor for a township within that county.

The incompatibility of public offices is governed by 1978 PA 566, MCL 15.181 et seq; MSA 15.1120(121) et seq, which, in section 2, prohibits one person from simultaneously holding two or more incompatible public positions. Section 1(b) defines incompatible offices as:

[P]ublic offices held by a public official which, when the official is performing the duties of any of the public offices held by the official, results in any of the following with respect to those offices held:

- (i) The subordination of 1 public office to another.
- (ii) The supervision of 1 public office by another.

(iii) A breach of duty of public office.

Based upon the foregoing criteria, a determination must be made whether one of these two public positions is subordinate to or supervises the other public position and, also, whether the simultaneous holding of these two public positions results in a breach of duty.

Pursuant to section 24 of the General Property Tax Act, 1893 PA 206, MCL 211.1 et seq; MSA 7.1 et seq, a township assessor shall perform the annual duty of preparing the assessment roll for the township. Once this duty is completed, an assessor has no authority to change the assessment roll. See, OAG, 1981-1982, No 6007, p 450, 456 (November 18, 1981).

The next step in the assessment and equalization process is county equalization which is a function of the county board of commissioners. Under section 34 of the General Property Tax Act, the county board of commissioners meets annually to examine the assessment rolls of the townships and cities and ascertain whether the real and personal property in the local units has been equally and uniformly assessed at true cash value.

To aid the county boards of commissioners in the equalization function and to provide assistance to local assessors if needed, each county must establish and maintain a county tax or equalization department. In this regard, section 34(3) of the General Property Tax Act provides:

The county board of commissioners of a county shall establish and maintain a department to survey assessments and assist the board of commissioners in the matter of equalization of assessments, and may employ in that department technical and clerical personnel which in its judgment are considered necessary. . . . The county board of commissioners, through the department, may furnish assistance to local assessing officers in the performance of duties imposed upon those officers by this act, including the development and maintenance of accurate property descriptions, the discovery, listing, and valuation of properties for tax purposes, and the development and use of uniform valuation standards and techniques for the assessment of property. [Emphasis added.]

In addition, the Legislature added section 10d to the General Property Tax Act in 1969 PA 203 to authorize the county tax or equalization department to make a local assessment when the local unit has no certified assessor. Section 10d(6) of that statute now provides:

A local assessing district which does not have an assessor qualified by certification of the board may employ an assessor so qualified. If a local assessing district does not have an assessor qualified by certification of the board, and has not employed a certified assessor, the assessment shall be made by the county tax or equalization department or the state tax commission and the cost of preparing the rolls shall be charged to the local assessing district. [Emphasis added.]

Under section 34 of the General Property Tax Act, the task of county equalization belongs to the county board of commissioners. Thus, the final action on county equalization is that of the county board, not its employees. The county equalization department reviews local assessment rolls and makes recommendations to the county board concerning whether changes should be made in the local assessments to achieve the required equality and uniformity of assessments within the local unit.

Prior opinions of the Attorney General have concluded that the respective positions of county commissioner and township assessor or supervisor are incompatible and may not be held simultaneously by the same person under 1978 PA 566. That result was based on the supervisory role of the countyboard of commissioners in reviewing and deciding whether to modify the assessment rolls prepared by the township assessor or supervisor. In addition, the position of township assessor or supervisor is subordinate to the position of county commissioner. See OAG, 1979-1980, No 5626, p537, 546 (January 16, 1980); and OAG, 1991-1992, No 6737, p 191 (October 28, 1992).

Additional authority is found at OAG, 1975-1976, No 5050, p 506 (June 16, 1976), which concluded that, at the common law, the positions of county assessor and township supervisor were incompatible. That conclusion was based on the role of the county assessor in reviewing, for possible recommended changes, the assessment roll prepared by the township supervisor in his role as chief assessor of the township under MCL 41.61; MSA 5.52.

Both OAG, 1979-1980, No 5626, at p 546, and OAG, 1991-1992, No 6737, at p 192, recognized that county tax or equalization department employees may provide assistance to a local assessor in preparing the assessment roll. Further, the Legislature has authorized a county tax or equalization department to prepare a local assessment roll when the local unit does not employ a qualified assessor.

However, the Legislature has not authorized the dual holding of these two public positions. Rather, in the former situation, it has provided that a county equalization department, in its oversight role over local assessors, may provide assistance so that the local assessors can more properly prepare the assessment rolls to be reviewed by the county. In the latter situation, the Legislature has assured that where a locality cannot or does not timely prepare its own assessment roll, the constitutionally mandated process of property equalization and taxation may nonetheless proceed. The county equalization department, in preparing the local assessment roll, is acting in its capacity as a county equalization department and not as an agent of the local unit of government.

It is the duty of employees of the county tax or equalization department to review local assessment rolls and make recommendations to the county board of commissioners concerning changes in those rolls where needed to achieve the required equality and uniformity of assessments in the local units. Thus, when the county equalization employee is also employed by the local unit, he would be reviewing his work as township assessor, thereby creating the supervision of one public position by another and the subordination of one public position to another.

Abstaining from reviewing the assessment roll in the township where the county equalization department employee served as the assessor will not solve the public official's dilemma. Abstention, as a result of holding two public positions, is itself a breach of duty of public office. Only vacating one of the two public positions will solve the public official's dilemma. *Contesti v Attorney General*, 164 Mich App 271, 280-281; 416 NW2d 410 (1987), *lv den* 430 Mich 893 (1988); *Wayne County Prosecutor v Kinney*, 184 Mich App 681, 684, 685; 458 NW2d 674, *lv den* 436 Mich 887 (1990); OAG, 1989-1990, No 6637, p 125 (June 1, 1989).

It is my opinion, therefore, that the public positions of county equalization department employee and township assessor in the same county are incompatible and may not be held simultaneously by the same person.

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