



## Assessing Reform Proposal Summary

*Specify minimum quality standards that every assessing district must meet, on their own, in cooperation with other local units, or through the county.*

Local units could meet the quality standards by using their own dedicated assessor of record (employee or contractor), sharing an assessor of record with another local unit or multiple other local units, or having the county provide assessing services. Counties providing assessing services would also have to meet specified quality standards.

The quality standards primarily focus on: 1) ownership of the assessing function, 2) capacity to perform, 3) organization and transparency, and 4) compliance with the law, policy, and assessing standards.

- Provide training and start-up funding (including necessary costs to increase the pool of advanced-level and master-level assessors)
- Phase in over 5 years
- Create regional and specialized boards of review (BORs) option and establish minimum standards for serving on any BOR, achieved through state support/training

## Proposal Details

### Quality standards

- Specify minimum quality standards that every assessing district must meet, on their own, in cooperation with other local units, or through the county
- Local units could meet the quality standards by using their own dedicated assessor of record (employee or contractor), sharing an assessor of record with another local unit or multiple other local units, or having the county provide assessing services (counties providing assessing services would also have to meet specified quality standards)
  - For an assessing district that does not use county assessing services, the STC must determine that the assessing district is in substantial compliance\* with the following quality standards:
    - The assessor of record (AR) must:
      - be an MMAO(4) (master-level) or MAAO(3) (advanced-level) assessor, subject to the STC's rating of the district
      - oversee and administer the district's assessing office

- oversee and administer an annual assessment of all taxable property in the district in accordance with the constitution and laws of Michigan and all policies and guidelines of the STC
- not be an elected official of the district
- assess (in total across all assessing districts) at least 5,000 parcels that together generate at least \$12M in property taxes/year, unless the STC grants a waiver based on a determination that the district, or districts, served by the AR has, or collectively have, sufficient resources and fiscal capacity to support the assessment function
- provide full-time service to the district as an employee or contractor, unless the STC determines, based on the following considerations and other considerations the STC deems appropriate, that part-time service is sufficient:
  - the number and complexity of parcels in the district
  - the district's total SEV
  - the total weekly hours the assessor proposes to serve the district
  - the total anticipated workload of the assessor for all districts in which the assessor proposes to serve as AR, including the total number and complexity of all parcels subject to assessment
  - the assessor's certification level
- The assessing district has:
  - properly developed land values
  - adequate land value maps
  - an assessment database that is not in override
  - properly developed Economic Condition Factors (ECFs)
  - an annual personal property canvass and sufficient personal property records according to developed policy and statutory requirements
  - if providing a local board of review for residential real property, a board of review that operates within the jurisdictional requirements of the General Property Tax Act
  - an adequate process for determining whether to grant or deny exemptions according to statutory requirements
  - an adequate process for meeting the requirements outlined in the STC's "Supervising Preparation of the Assessment Roll"
- The assessing district:
  - uses a Computer-Assisted Mass Appraisal (CAMA) system that is approved by the STC
  - follows a policy approved by the STC for the public inspection of its records
  - maintains reasonable office hours and availability, including by telephone and email
  - provides taxpayers online access to information regarding its assessment services, including parcel information, land value maps, land adjustments, and ECFs

- provides notice to taxpayers of all changes in assessment and denials of exemption claims
  - provides access to a pre-BOR meeting to informally resolve valuation disputes
  - meets International Association of Assessing Officers (IAAO) standards regarding recommended staffing levels based on the number and complexity of parcels in the district, unless the STC grants a waiver based on a determination that the district's staffing levels are sufficient to perform the assessment function
  - ensures its support staff and BOR members are sufficiently trained and its assessors maintain their certification levels
  - dedicates all revenue collected from any property tax administration fees to assessment administration and tax collection
- 2 or more districts could share an MMAO(4) or MAAO (3) assessor (who is responsible for overseeing and administering each district's assessing office) and satisfy the quality standards
- 2 or more districts could consolidate into a new assessing district, utilize an MMAO(4) or MAAO (3) assessor (who is responsible for overseeing and administering the district's assessing office), and satisfy the quality standards
- Require all counties that provide assessing services to have an MMAO(4) assessor, subject to phase-in (described below)
- Counties providing assessing services to local units must be in substantial compliance\* with the following quality standards, as determined by the STC:
  - The assessor of record (AR) must:
    - be the director of tax or equalization for the county
    - be an MMAO(4) (master-level) assessor (if a county does not employ an MMAO(4) assessor, it must contract with a county that does)
    - oversee and administer an annual assessment of all taxable property for each assessing district under his/her jurisdiction in accordance with the constitution and laws of Michigan and all policies and guidelines of the STC
  - The county has:
    - properly developed land values
    - adequate land value maps
    - an assessment database that is not in override
    - properly developed Economic Condition Factors (ECFs)
    - an annual personal property canvass and sufficient personal property records according to developed policy and statutory requirements
    - boards of review that operate within the jurisdictional requirements of the General Property Tax Act
    - an adequate process for determining whether to grant or deny exemptions according to statutory requirements
    - an adequate process for meeting the requirements outlined in the STC's "Supervising Preparation of the Assessment Roll"
  - The county assessing office:
    - uses a Computer-Assisted Mass Appraisal (CAMA) system that is approved by the STC
    - follows a policy approved by the STC for the public inspection of its records

- maintains reasonable office hours and availability, including by telephone and email
  - provides taxpayers online access to information regarding its assessment services, including parcel information, land value maps, land adjustments, and ECFs
  - provides notice to taxpayers of all changes in assessment and denials of exemption claims
  - provides access to a pre-BOR meeting to informally resolve valuation disputes
  - meets International Association of Assessing Officers (IAAO) standards regarding recommended staffing levels based on the number and complexity of parcels across all served districts, unless the STC grants a waiver based on a determination that the office's staffing levels are sufficient to perform the assessment function
  - ensures its support staff and BOR members are sufficiently trained and its assessors maintain their certification levels
  - dedicates all revenue collected from its share of property tax administration fees to assessment administration
- The county tax or equalization department:
  - provides assessing services for no more than 1 other county, unless the STC determines the department has the capacity, ability, and organizational structure to provide services for 2 or more additional counties
- Require the STC to develop and implement audit programs for counties and local units providing assessing services to determine substantial compliance with the quality standards and provide for corrective action
- Phase-in over 5 years
  - County must take over assessing for MCAO(2) units by Tax Day 2021 and for participating MAAO(3)/MMAO(4) units by Tax Day 2023
  - A county that does not have an MMAO(4) assessor by October 31, 2020, must contract with an MMAO(4) county for the provision of assessing services and the MMAO(4) county must take over assessing for the contracting county's MCAO(2) units by Tax Day 2021 and for participating MAAO(3)/MMAO(4) units by Tax Day 2023
- Recommend model county assessing office structure, including officer qualifications and responsibilities
- State shall provide training and start-up funding and shall work to increase the number of MAAO(3) and MMAO(4) assessors in the state
- Operational funding shall be provided pursuant to existing law (see MCL 211.44(3) and 211.10d(6))

#### Regional and specialized boards of review (BORs)

- Create regional and specialized BORs
  - Specialized BORs to handle commercial and industrial property, all exemptions, and all transfers of ownership

- Allow local units that don't participate in county assessing to utilize regional and specialized BORs instead of maintaining their own BORs, or utilize specialized BORs while maintaining their own local residential BORs
- Allow local units participating in county assessing to maintain their own local residential BORs
- Establish minimum standards for serving on BOR (local, regional, or specialized)
- State shall provide training and start-up funding
- Require STC to certify all BOR members
- Require a county-provided BOR to follow all requirements that would otherwise apply to a local BOR, including any local poverty guidelines adopted by the assessing district

Effective date: 1/1/19

\*Substantial compliance means that any identified deficiencies do not pose a risk that the district is unable to perform the assessment function