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## State Tax Commission Q and A on Assumption of Jurisdiction of Assessment Rolls:

### 1. Why does the STC take jurisdiction of an assessment roll:

Specifically, MCL 211.10f indicates: If a local assessing district does not have an assessment roll that has been certified by a qualified certified assessing officer, or if a certified assessor or a board of review for a local tax collecting unit is not in substantial compliance with the provisions of the GPTA, the State Tax Commission shall assume jurisdiction over the assessment roll and provide for the preparation of a certified roll.

### 2. How will we know if the Commission is going to assume jurisdiction over our assessment roll?

Assumption of jurisdiction is always done at a State Tax Commission public meeting. Only in very unusual circumstances will the local unit not be present when the issue is discussed. The Commission will issue a formal order assuming jurisdiction and the local unit will be provided a copy of that order within 7 days after the assumption of jurisdiction.

### 3. What do we need to do when the State Tax Commission assumes jurisdiction of the assessment roll, will someone actually come to the local unit and take the roll?

The Commission will not actually send someone to take your assessment roll. Within two weeks of the issuance of the order, staff from the Assessment and Certification Division will set up a meeting to go over the requirements of MCL 211.10f and the requirements of the State Tax Commission Order.

### 4. Since the Commission does not actually take the roll, what does assumption of jurisdiction really mean to the local unit?

While the State Tax Commission has jurisdiction of the Assessment Unit Assessment Roll, the preexisting property tax administrative duties of the Township remain essentially unchanged. For example:

- The Township Board of Review is to convene as required by statute
- Tax billing continues as required
- The appeal process before the Michigan Tax Tribunal continues (although at the discretion of the Tribunal).

Some differences resulting from the State Tax Commission jurisdiction are:

5. Values are subject to review, and at its discretion, can be changed by the State Tax Commission (individual value appeals are still under the jurisdiction of the Tribunal),
6. Actions of the Board of Review are subject to review, and at its discretion, can be changed by the State Tax Commission,

7. The Local Unit shall provide the Assessment and Certification Division field staff with a monthly detailed progress report that addresses all remedial actions being taken by the Assessment Unit.

**5. Are there any notifications that have to be provided to our taxpayers?**

Because the State Tax Commission has determined that your local unit does not have a current, certified assessment roll, the following provisions of Michigan Compiled Law 211.10f apply to your unit.

(2) If a certified assessment roll cannot be provided in sufficient time for a summer tax levy, or for the annual levy on December 1, the commission shall order the levy of interim taxes based on the tentative taxable value of individual properties as determined by the commission...

(3) Within 30 days after the final determination by the commission of the assessed valuation and taxable value for each individual property listed on the assessment roll, the commission shall cause to be mailed a notice of the new assessment and new taxable value to each owner. An owner has the right to petition the tax tribunal directly for a hearing on the assessed valuation or taxable value within 30 days after the date of the notice...

The notice shall specify:

- each parcel of property
- the assessed valuation for the current year,
- the assessed valuation for the immediately preceding year,
- the tentative taxable value for the current year,
- the taxable value for the immediately preceding year,
- the state equalized valuation for the immediately preceding year, the tentative state equalized valuation for the current year,
- the net change in the assessed valuation,
- the net change in the tentative taxable value,
- and the net change between the tentative state equalized valuation for the current year,
- and the state equalized valuation for the immediately preceding year.
- a statement informing the owner that an appeal of the assessment or taxable value must be made within 30 days of the date of the assessment notice directly to the tax tribunal, and shall also include information on how and where an appeal can be made.

**6. When will the assessment roll be returned to the local unit?**

The assessment roll cannot be returned until the local unit is in compliance with the General Property Tax Act and State Tax Commission Rules. In order to determine compliance, the Commission has determined that each local unit will under go a 14-point review and pass with a compliant score before the roll can be returned to the local unit. Once the 14-point review is passed, the roll will be certified in an Order from the Commission and the Local Unit will be billed for the cost of the assumption of jurisdiction. Once the local unit pays for the cost of assumption of jurisdiction, the roll will be returned to the local unit in an order from the Commission.

**7. How much does a “typical” assumption of jurisdiction cost?**

Unfortunately there are no “typical” assumptions of jurisdictions and therefore, no “typical” cost for an assumption. You will be billed for all of the ACD staff time involved in the assumption of jurisdiction including monitoring of the reappraisal work and the 14-point review.

**211.10f Preparation of certified assessment roll; costs; quality of tax maps and appraisal records; levy of interim taxes; substitution of latest complete assessment roll; effect and labeling of interim tax levy; notice of new assessment; petition for hearing; contents of notice; final levy; reporting difference in tax; sharing additional taxes or credits against tax liability; technical assistance; certified copy of orders; copy of final determination.**

Sec. 10f. (1) If a local assessing district does not have an assessment roll that has been certified by a qualified certified assessing officer, or if a certified assessor or a board of review for a local tax collecting unit is not in substantial compliance with the provisions of this act, the state tax commission shall assume jurisdiction over the assessment roll and provide for the preparation of a certified roll. The commission may order the county tax or equalization department to prepare the roll; may provide for the use of state employees to prepare the roll; or may order the local assessing unit to contract with a commercial appraisal firm to conduct an appraisal of the property in the assessing unit under the supervision of the county tax or equalization department and the commission. The costs of an appraisal and the preparation of the roll by the county tax or equalization department or by the commission shall be paid by the local assessing district as provided by section 10d. The commission shall consider the quality of the tax maps and appraisal records required by section 10e as part of its investigation of the facts before ordering the local assessing unit to contract for an appraisal.

(2) If a certified assessment roll cannot be provided in sufficient time for a summer tax levy, or for the annual levy on December 1, the commission shall order the levy of interim taxes based on the tentative taxable value of individual properties as determined by the commission. Tentative taxable values shall be calculated pursuant to section 27a. State equalized values necessary to determine tentative taxable values shall be determined by the commission, sitting as the state board of equalization, apportioned to the local assessing unit by the county board of commissioners, and apportioned to each property in proportion to the assessed valuation entered in the current uncertified assessment roll. If there is no current assessment roll, the commission shall substitute the latest complete assessment roll for the current roll for the interim tax levy. The payment of a tax levied as an interim tax levy does not constitute a final and ultimate discharge of the taxpayer's liability for the tax levied against that property. An interim tax levy made under this subsection shall be clearly labeled as an "interim tax levy subject to adjustment after an assessment roll is certified".

(3) Within 30 days after the final determination by the commission of the assessed valuation and taxable value for each individual property listed on the assessment roll, the commission shall cause to be mailed a notice of the new assessment and new taxable value to each owner. An owner has the right to petition the tax tribunal directly for a hearing on the assessed valuation or taxable value within 30 days after the date of the notice in the same manner as provided under section 35 of the tax tribunal act, Act No. 186 of the Public Acts of 1973, being section 205.735 of the Michigan Compiled Laws. The notice shall specify each parcel of property, the assessed valuation for the current year, the assessed valuation for the immediately preceding year, the tentative taxable value for the current year, the taxable value for the immediately preceding year, the state equalized valuation for the immediately preceding year, the tentative state equalized valuation for the current year, the net change in the assessed valuation, the net change in the tentative taxable value, and the net change between the tentative state equalized valuation for the current year and the state equalized valuation for the immediately preceding year. The notice shall include a statement informing the owner that an appeal of the assessment or taxable value

must be made within 30 days of the date of the assessment notice directly to the tax tribunal and shall also include information on how and where an appeal can be made.

(4) After the final determination of the state equalized valuations and taxable values by the commission, the assessing officer or, if there is no assessing officer, an agent designated by the commission shall determine the difference in tax, if any, between the interim levy and a levy made on the final taxable values as finally determined by the commission, which may be referred to as the "final levy". The final levy shall be at the rates that were approved and ordered spread for the year in which there was not a certified assessment roll.

(5) A difference in the tax determined in subsection (4) shall be reported to the county board of commissioners, which shall order that additional taxes or credits against individual properties be added to or subtracted from the next succeeding annual tax roll, together with a proportionate share of the property tax administration fee, if a fee is charged, applicable to the difference.

(6) Additional taxes collected or credits against the tax liability made under this section shall be shared by taxing units in the respective proportions that they share the revenue received from the final levy.

(7) The commission shall render technical assistance if necessary to implement this section.

(8) The commission shall provide the tax tribunal with a certified copy of its orders and a copy of each final determination made under this section.