MENOMINEE COUNTY – JOB ANNOUNCEMENT

Menominee County is requesting proposals from individuals/firms interested in becoming the Designated Assessor for Menominee County in compliance with Public Act 660 of 2018. The Designated Assessor serves as the assessor of record and assumes all duties and responsibilities for an assessing district that is determined to be non-compliant with an audit.

Upon approval by a majority of the taxing jurisdictions in Menominee County and the State Tax Commission, the Designated Assessor shall serve a minimum of a five-year term.

The Designated Assessor is permitted to charge an assessing district for the reasonable costs incurred in serving as the assessing district's assessor of record, including but not limited to, the costs of overseeing and administering the annual assessment, preparing and defending the assessment roll, and operating the assessing office.

Additional information regarding the County Designated Assessor can be found at: www.menomineecounty.com > Career Opportunities > Designated Assessor.

Interested individuals should submit their resume by October 30, 2020 at 4 PM CST. The resume should clearly identify certification level, and proposed terms, fees, charges, and conditions for entering into an agreement with an Assessing District Municipal Unit, to the following address:

Menominee County
Attn: County Administrator
839 10th Avenue
Menominee, MI 49858

Questions should be directed to Kandace Curran, Menominee County Equalization Director, at 906-863-2683.

Menominee County is an Equal Opportunity Employer committed to diversity in the workplace.

5102 (Rev. 01-19)

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

Bulletin 8 of 2020
June 9, 2020
Audit Process and Designated Assessor

TO: Assessors and Equalization Directors

FROM: State Tax Commission

SUBJECT: Overview of Audit Process and Designated Assessor under Public Act 660 of 2018

Public Act 660 of 2018 was approved by Governor Snyder on December 28, 2018 and amended the General Property Tax Act to provide a statutory framework to ensure proper assessing in order to guarantee the highest quality assessments for taxpayers as well as local units. The Act defines the requirements for substantial compliance with the General Property Tax Act, provides timelines for audits and follow-up audits, and details a process for bringing a local unit into compliance if they remain non-compliant after a follow-up review. The Designated Assessor is an integral part of that process.

Audit Process Overview

The Commission will conduct an audit of assessment practices according to a published schedule. If the assessing district (City, Township or Joint Assessing Authority) is determined to be in substantial compliance, the audit process for that five-year cycle is complete and the assessing district is not required to take any additional action.

If the State Tax Commission determines that an assessing district is not in substantial compliance with the General Property Tax Act, the Commission will provide the assessing district with a notice of noncompliance, including the reasons the assessing district is not in substantial compliance.

The assessing district must either appeal the audit determination by filing a written petition to be developed by the State Tax Commission or they must submit a corrective action plan to be approved by the State Tax Commission. "Corrective action plan" is defined in P.A. 660 of 2018 as "a plan developed by an assessing district that specifically indicates *how* the assessing district will achieve substantial compliance . . . and *when* substantial compliance will be achieved." (Emphasis added). Additional information related to the corrective action plan and petition to challenge the audit results will be provided by the State Tax Commission in separate guidance.

In the event the Commission conducts a follow-up review and the assessing district is not in substantial compliance after the follow-up review, the assessing district has three options:

1. The assessing district may hire a new Michigan Advanced Assessing Officer (MAAO) or Michigan Master Assessor Officer (MMAO),

2. The State Tax Commission assumes jurisdiction over the assessment roll in order to bring the roll into substantial compliance, or,
3. The local unit may move directly to the designated assessor.

Regardless of which option is selected, the Commission will conduct a second follow-up review to determine if the assessment roll is in substantial compliance. If, after the second follow-up review the assessing district continues to be in noncompliance, the local unit will move directly to the Designated Assessor process.

As defined in statute **substantial compliance** "means that any identified deficiencies do not pose a significant risk that the assessing district is unable to perform the assessment function in conformity with the state constitution and state statute."

As defined in statute **noncompliance** "means that the identified deficiencies, taken together, pose a significant risk that the assessing district is unable to perform the assessing function in conformity with the state constitution and state statute."

At the December 17, 2019 State Tax Commission meeting, the Commission determined "substantial compliance" to mean that the local unit 1) has properly calculated and appropriately documented Economic Condition Factors; 2) has properly calculated and appropriately documented land value determinations; and 3) less than 1% of the record cards are on override and less than 1% of the record cards reflect flat land values. If any of the requirements associated with those items are not met, the local unit will be considered noncompliant and the notice of noncompliance will be issued.

Once the audit is complete, if an assessing district is notified that it has fallen out of substantial compliance prior to the next audit, the State Tax Commission may require the assessing district to contract with the Designated Assessor to serve as their assessor of record. If the assessing district is notified that it has fallen out of substantial compliance more than four years after the initial finding of substantial compliance, then the regular audit process will be followed.

What is the Designated Assessor?

The Designated Assessor is part of a process to ensure that local units are in compliance with the statutory provisions of the General Property Tax Act, meaning that local units are meeting minimum assessing requirements.

The Designated Assessor is the individual selected and agreed to by the County Board of Commissioners and a majority of the assessing districts within that county, subject to final approval of the State Tax Commission.

The Designated Assessor serves as the assessor of record and assumes all duties and responsibilities as the assessor of record for an assessing district that is determined to be non-compliant with an audit.

The Designated Assessor is not an automatic requirement for Countywide assessing or for the County Equalization Director to take over as the assessor for local units. While the County can be named the Designated Assessor, it is not an automatic designation as the Designated Assessor as this is determined by the approved interlocal agreement.

Who may be the Designated Assessor?

Each Assessing District within each County is required to have an assessor of record with a certification level that meets the valuation requirements set forth by the State Tax Commission. Township and City certification levels are adjusted annually and approved by the STC. The individual who will serve as the county's Designated Assessor must be in good standing and be certified, at least, at the highest level required within the County. If the County contains an Assessing District that requires a Michigan Master Assessing Officer (MMAO), the Designated Assessor must then also be certified at the MMAO level. If the County only contains Assessing Districts that require a Michigan Advanced Assessing Officer (MAAO) certification, or a lower certification, the Designated Assessor may be certified at the level of MAAO. A Michigan Certified Assessing Officer (MCAO) may not serve as the Designated Assessor. As part of the annual certification level process, the Commission will review all MAAO Designated Assessors to ensure compliance with certification level requirements. Additionally, the STC will examine and determine a specific process, on a case by case basis, any specific instance of a MAAO that has been assigned multiple units that may place them beyond the certification requirements of a MAAO.

Notification of Selected Designated Assessor

P.A. 660 of 2018 requires that each county notify the State Tax Commission, no later than December 31, 2020, of the individual that will serve as the county's Designated Assessor. In addition, the county must provide the State Tax Commission with the interlocal agreement executed by the County Board of Commissioners, a majority of the assessing districts within that county, and the proposed Designated Assessor for the county. The interlocal agreement must provide enough detail regarding the assessment responsibilities for the designated assessor. The Commission expects the interlocal agreement will include, but not be limited to, the following:

- Information related to the scope of services being provided by the Designated Assessor, including preparation of assessment rolls, timeline for delivery of documents and execution of forms, attendance at Boards of Review meetings, duties and responsibilities related to property tax appeals, both Small Claims and Entire Tribunal, filed with the Michigan Tax Tribunal, responsibility to meet with local unit officials, and obligations of local unit assessing staff members.

- Duties and responsibilities for each local unit within the County, including providing the Designated Assessor with reasonable access to records, documents and information.

- Details relating to cost and compensation for overseeing and administering the annual assessment and operating the assessing office, including payment terms and cost reimbursement.

Failure to timely notify the State Tax Commission of the county's Designated Assessor will result in the State Tax Commission selecting a Designated Assessor for the county.

If the State Tax Commission determines that an individual named as the Designated Assessor is capable of ensuring that the assessing districts within the county will achieve and maintain substantial

compliance, the Commission shall approve that individual as the County's Designated Assessor. Once approved, the designation will not be revoked for at least five years from the approval date.

If the State Tax Commission is unable to approve the individual identified as the county's Designated Assessor because the Commission determines that the proposed Designated Assessor is not capable of ensuring that the assessing districts will achieve and maintain substantial compliance, the county must submit a new Designated Assessor candidate and accompanying interlocal agreement within sixty days of the Commission's determination. The county will be required to repeat the process until a satisfactory Designated Assessor can be approved. The State Tax Commission will appoint an individual to serve as the county's temporary Designated Assessor during this period.

The State Tax Commission will develop a form to be utilized by the County Equalization Departments to notify the Commission of the proposed Designated Assessor. The Designated Assessor form will be available by August 18, 2020. The form must be submitted to the Commission no later than December 31, 2020.

Designated Assessor Term

Once an assessing district is under contract with a Designated Assessor, the Designated Assessor will remain in place for a minimum of five years. Statute does provide for a local unit to petition the Commission to end the contract after the Designated Assessor has been in place for 3 years.

The Commission shall approve termination of a contract if it is determined that the assessing district can ***achieve and maintain*** substantial compliance with the General Property Tax Act using a different assessor of record other than the Designated Assessor.

The State Tax Commission may revoke the Designated Assessor and provide for an interim designated assessor if:

1. The Designated Assessor dies or becomes incapacitated
2. The Designated Assessor's employment status materially changes or
3. The Designated Assessor is not capable of ensuring that the assessing district is able to achieve and maintain substantial compliance with MCL 211.10g.

The interim Designated Assessor will remain in place until a new Designated Assessor can be selected following the interlocal agreement process.

If the Designated Assessor is serving as an assessor of record for an assessing district that is found to be in noncompliance, the State Tax Commission will appoint an individual to serve as the county's temporary Designated Assessor. The county will utilize the normal process to select and notify the Commission of the new Designated Assessor.

Designated Assessor Costs

The Designated Assessor is permitted to charge an assessing district for the reasonable costs incurred in serving as the assessing district's assessor of record, including, but not limited to, the costs of overseeing and administering the annual assessment, preparing and defending the assessment roll, and operating the assessing office. The assessing district is required to pay these costs in accordance with

the interlocal agreement. The costs and fees agreed to by the county, assessing districts and the Designated Assessor is a local issue and will vary statewide.

The Commission will develop guidelines as required by statute for any local unit to protest charges by the Designated Assessor.

Audit Preparation

While the audit process outlined in P.A. 660 of 2018 will not commence until 2022, assessing districts can prepare for these audits by meeting the requirements of the current Audit of Minimum Assessing Requirements (AMAR) and the "Supervising Preparation of the Assessment Roll", as those requirements existed on October 1, 2018. Additionally, assessing districts should employ an assessor certified by the State Tax Commission at the proper certification level based on the valuation requirements, adjusted annually, set forth by the State Tax Commission. Additional information about the AMAR, including the AMAR Review Sheet, and certification levels, are available on the State Tax Commission website (www.michigan.gov/statetaxcommission).