

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