

## STATE OF MICHIGAN



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## DEPARTMENT OF TREASURY

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## STATE TAX COMMISSION

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TO: County Equalization Directors

FROM: Roland C. Andersen, Manager  
Research, Statistics and Education

The following policy regarding sales ratio studies has been adopted by the State Tax Commission as an additional guide for the use of assessment sales ratio information. In some localities assessors or county equalization directors have encountered valid 1981 sales resulting in higher ratios than result from the standard 3 year sales ratio procedure prescribed in Chapter XVI of the Michigan Assessor's Manual.

At a meeting of the State Tax Commission, the following procedure was approved for the revised base studies for 1982 county equalization.

1. The 1981 revised base studies to begin 1982 equalization computations, using the standard 3 year sales ratio procedures prescribed in Chapter XVI of the Michigan Assessor's Manual, were required to be submitted on or before December 31, 1981. If not presently submitted they are still required.
2. County equalization departments may submit an additional 1981 sales study for any or all classifications of property in any township or city within their county. This sales study will compare sales from the entire 12 months of 1981 with the 1981 assessed valuations for those properties.
3. For a township or city, for which the 12 months sales ratio is substantially higher than the conventional 3 year sales ratio determined in accordance with Chapter XVI, the county equalization director may substitute the higher ratio resulting from the adjusted 12 months 1981 sales study.
4. The sales listing and L-4018 for the 1981 single year sales study shall be separate from the sales listings and L-4018 for the 1981 3 year sales study.
5. The single year sales study must contain a sufficient number of valid sales so as to be indicative of the real estate market being surveyed.
6. The State Tax Commission shall be provided with additional 12 month 1981 sales ratio studies as soon as possible and in no case later than February 1, 1982.