BULLETIN NO. 15
COMPUTERIZED TAX ROLL
DECEMBER 28, 1990

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STATE OF MICHIGAN

JOHN M. ENGLER, Governor

DEPARTMENT OF TREASURY

DOUGLAS B. ROBERTS, State Treasurer

STATE TAX COMMISSION

4th Floor Treasury Building

Lansing, Michigan 48922 - Telephone (517) 373-0500

TO: ALL ASSESSING OFFICERS AND LOCAL TREASURERS

FROM: MICHIGAN STATE TAX COMMISSION

Attached is a copy of Act 112 of 1990. This Act became effective June 21, 1990. Act 112 of 1990 permits assessing officers to prepare a tax roll for use as a collection and accounting tool by the assessor and treasurer that is prepared and maintained by a computer system and its software. This is only permitted when the system and the procedures that are followed adhere to the requirements of Act 112 of 1990. Treasurers and assessors are not permitted to use this tool unless the computerized tax roll preparation and accounts receivable system have been approved for use by the State Tax Commission and the State Treasurer as being in conformance to the requirements of Act 112. The Act calls for a precollection tax roll printed from a computerized data base that is warranted by the assessor. This requires the local assessor to maintain the data base as changes in value, legal descriptions and other items on the tax roll occur. The statute also provides for preparation of a final settlement tax roll to be prepared by the assessing officer that includes all changes that have been made since the pre collection tax roll. The local treasurers' collections must be posted on the final settlement tax roll. In addition, the statute provides for an audit trail and documentation of all changes made by the assessor and for proper accounting procedures and checks by the local treasurer. Standards that the system must meet for approval by the State Tax Commission and the State Treasurer are spelled out in the statute.

Also enclosed is a copy of an application for approval of a computerized system and instructions for filling out the applications. Applications should be initially filed with the Michigan State Tax Commission, Fourth Floor, Treasury Building, Lansing, Michigan 48922.

This statutory change is permissive. It affects only those units who wish to establish a computerized accounts receivable system and tax roll preparation system. Manually operated tax collection systems are not affected by the new procedure and must conform to the statutory provisions that are currently in force and are unchanged.

RESCINDED

Act No. 112
Public Acts of 1990
Approved by the Governor
June 20, 1990
Filed with the Secretary of State
June 21, 1990

STATE OF MICHIGAN
85TH LEGISLATURE
REGULAR SESSION OF 1990

Introduced by Reps. Krause, DeLange, Bandstra, Sikkema and Stacey

ENROLLED HOUSE BILL No. 5384

RESCINDED

AN ACT to amend Act No. 206 of the Public Acts of 1893, entitled as amended "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes thereon, and for the collection of taxes levied; making such taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection therewith; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal certain acts and parts of acts in anywise contravening any of the provisions of this act," as amended, being sections 211.1 to 211.157 of the Michigan Compiled Laws, by adding section 42a.

The People of the State of Michigan enact:

Section 1. Act No. 206 of the Public Acts of 1893, as amended, being sections 211.1 to 211.157 of the Michigan Compiled Laws, is amended by adding section 42a to read as follows:

Sec. 42a. (1) Subject to the provisions of this section, a local tax collecting unit may use a computerized data base as the tax roll if the local unit obtains written authorization from the state tax commission and the state treasurer.

(2) The state tax commission and the state treasurer shall authorize the use of a computerized data base as the tax roll if the local tax collecting unit demonstrates that the proposed system has the capacity to enable the local unit to comply and the local unit complies with all of the following requirements:

(a) An original precollection tax roll shall be printed from the computerized data base and warranted by the assessor. That printed precollection tax roll shall be maintained by the assessor until the expiration of the redemption period provided in section 74 following the May tax sale.

(b) A separate computer printout of all parcel splits and combinations, including sufficient information to document the accuracy of the splits or combinations, shall be prepared and maintained by the assessor until the expiration of the redemption period provided in section 74 following the May tax sale.

(c) A separate computer printout of all corrections and adjustments to the precollection tax roll authorized by action of the board of review, state tax commission, or tax tribunal, including sufficient information to document the accuracy of all corrections and adjustments, shall be prepared and maintained by the assessor until the expiration of the redemption period provided in section 74 following the May tax sale or the resolution of all pending appeals, whichever is later.

(d) The local tax collecting treasurer and the assessor shall produce a final computer printed settlement tax roll to certify taxes collected to the county treasurer under section 55. The assessor shall certify that state equalized valuations, adjusted valuations, and the spread of taxes and adjusted taxes are correctly recorded in the settlement tax roll. The local tax collecting treasurer shall certify delinquent taxes and certify that all tax collections are posted on the settlement tax roll. Those certifications and the settlement tax roll shall be transmitted to the county treasurer. The affidavit attached to the settlement tax roll shall include documentation that authorizes and reports all changes in the precollection tax roll.

(e) The treasurer of the local tax collecting unit shall prepare and maintain a journal of the collections totaled and reconciled to the amount of actual collections daily.

(f) A payment of the tax shall be posted to the computerized data base using a transaction or receipt number with the date of payment. A posting on the computerized data base is considered the entry of the fact and date of payment in an indelible manner on the tax roll as required by section 46(2).

(g) The computerized data base system has internal and external security procedures sufficient to assure the integrity of the system.

(h) The local tax collecting unit is capable of making available a posted computer printed tax roll.

(i) The computerized data base system is compatible with the system used by the county treasurer for the collection of delinquent taxes.

(3) Not later than May 1 of the third year following the year in which the local tax collecting unit begins using a computerized data base as the tax roll after approval under subsection (1) and every 3 years thereafter, the local tax collecting unit shall certify to the state tax commission and the department of treasury that the requirements of this section are being met.

(4) A local tax collecting unit that provides a computer terminal for public viewing of the tax roll is considered having the tax roll available for public inspection.

(5) If at any time the state treasurer or the state tax commission believes that the local tax collecting unit is no longer in compliance with subsection (2), the state treasurer or the state tax commission shall provide written notice to the local tax collecting unit. The notice shall specify the reasons that use of the computerized data base as the original tax roll is no longer in compliance with subsection (2). The local unit has not less than 60 days to provide evidence that the unit is in compliance with subsection (2) or that action to correct noncompliance has been implemented. If, after the expiration of 60 days, the state tax commission or the state treasurer believes that the local tax collecting unit is not taking satisfactory steps to correct a condition of noncompliance, then the state tax commission upon its own motion may, and upon the request of the state treasurer shall, institute proceedings to withdraw approval of the use of the computerized data base as the original tax roll. Proceedings of the commission under this subsection shall be in accordance with rules for other proceedings of the commission promulgated under the administrative procedures act, Act No. 306 of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws and shall not be considered a contested case.

This act is ordered to take immediate effect.

Clerk of the House of Representatives.

Secretary of the Senate.

Approved .....

Governor.

RESCINDED

Michigan Department of Treasury
L-4112 (12-90)

REQUEST FOR APPROVAL OF COMPUTERIZED TAX ROLL

Use this form to apply to the State Tax Commission and the State Treasurer to authorize use of a computerized data base as the tax roll. This form is issued under authority of Public Act 112 of 1990, also known as MCL 211.42a. Filing of this form is voluntary.

Act 112 of 1990 sets two conditions that must be met for the State Tax Commission and State Treasurer to authorize use of a computerized data base as the tax roll. They are: (1) the local tax collecting unit must demonstrate that the proposed system has the capacity to enable the local unit to comply with property tax law; and (2) the local unit must comply with *all* the requirements listed below.

RESCINDED

PRECOLLECTION TAX ROLL

1. Will an original precollection tax roll be printed from the computerized data base and warranted by the assessor? (Submit samples.) ☐ Yes ☐ No

2. Will the assessor maintain that printed precollection tax roll until the redemption period provided in section 74* expires after the May tax sale? ☐ Yes ☐ No

TAX ROLL CHANGES

3. Will the assessor prepare and maintain a separate computer printout of all parcel splits and combinations, including sufficient information to document the accuracy of and provide an audit trail for the splits or combinations, until the redemption period provided in section 74* expires after the May tax sale? ☐ Yes ☐ No

4. Will the assessor prepare and maintain a separate computer printout of all corrections and adjustments to the precollection tax roll authorized by the board of review, State Tax Commission or Tax Tribunal--including sufficient information to document the accuracy of and provide an audit trail for all corrections and adjustments, until the redemption period provided in section 74* expires after the May tax sale or resolution of all pending appeals, whichever is later? ☐ Yes ☐ No

SETTLEMENT TAX ROLL

5. Will the local tax collecting treasurer and the assessor produce a final computer printed settlement tax roll to certify taxes collected? (Submit samples.) ☐ Yes ☐ No

6. Will the assessor certify that state equalized valuations, adjusted valuations, and the spread of taxes and adjusted taxes are correctly recorded in the settlement tax roll? ☐ Yes ☐ No

7. Will the local tax collecting treasurer certify the delinquent taxes and that all tax collections are posted on the settlement tax roll? ☐ Yes ☐ No

8. Will those certifications and the settlement tax roll be transmitted to the county treasurer as required by Section 55 of the General Property Tax Act? ☐ Yes ☐ No

9. Will the certification by the assessor, attached to the settlement tax roll, include documentation that authorizes and reports all changes in the precollection tax roll? (Submit samples.) ☐ Yes ☐ No

*Section 74 of the General Property Tax Act provides a redemption period following the May tax sale of forty-three (43) months after December 1 of the year the taxes were first due.

Continue on page 2

PROCEDURES AND REQUIREMENTS

10. Will the treasurer of the local tax collecting unit prepare and maintain a journal of individual collections, totaled and reconciled to the amount of actual daily collections? ☐ Yes ☐ No

11. Will payment of each tax be posted to the computerized data base using a transaction or receipt number with the payment date? ☐ Yes ☐ No

    A posting on the computerized data base is considered the entry of the fact and date of payment in an indelible manner on the tax roll as required by section 46(2) of the General Property Tax Act. ☐ Yes ☐ No

12. Does the computerized data base system have internal and external security procedures sufficient to assure the integrity of the system? (Attach a description of the procedures.) ☐ Yes ☐ No

13. Is the local tax collecting unit capable of making available a posted computer printed tax roll at any time? ☐ Yes ☐ No

14. Has your city or township governing body adopted a resolution approving the request for authority to use a computerized data base as the tax roll? (Attach a certified copy of the resolution.) ☐ Yes ☐ No

15. Does the system have a "read only" terminal or other procedure for public viewing of the posted tax roll? (If other procedure is used, describe it and give an example.) ☐ Yes ☐ No

CERTIFICATION

We declare that the city or township named below, which we are authorized to represent, has the capacity to enable it to comply with the requirements and that it will comply with the requirements of Act 112 of 1990.

City or Township Name	City or Township Treasurer's Signature
Type Treasurer's Name	Assessing Officer's Signature
Type Assessing Officer's Name	

ADDITIONAL INSTRUCTIONS

Before approval is granted you must submit with this application a statement from the county treasurer stating that the proposed system is compatible with the system used by the county treasurer, or other evidence of compatibility. A sample statement is below.

Sample Statement

I, (name), Treasurer of (county name), declare that I have examined this application and have become familiar with the tax collection system described here for the (name of local unit). To the best of my knowledge, this system is compatible with the system or systems currently in use by our office.

Signature of County Treasurer

RESCINDED

INSTRUCTIONS FOR PREPARING 1990 PA 112 APPLICATION

Note: Some items on the application are not listed in this narrative. We believe those questions on the application are self explanatory.

PRECOLLECTION TAX ROLL

Item 1. Please submit copies of two pages from the tax roll and a copy of the assessor's warrant. One page of the tax roll should show metes and bounds descriptions, the second page, platted subdivision descriptions. Both pages must show the spread of taxes. An additional page must be submitted that depicts a special assessment when a special assessment is not listed on one of the other precollection tax roll pages.

TAX ROLL CHANGES

Item 3. The example must include the split of a metes and bounds description and include the parcel code(s), the original and prorated SEV and tax spreads for the split descriptions.

Item 4. The computer printout must include the parcel code number, description, tax tribunal docket number, state tax commission identification, date of ruling, board of review meeting identification, (date, etc.) original and adjusted SEV and adjusted tax spread.

SETTLEMENT TAX ROLL

Item 5. The example of the settlement roll must illustrate the posting of the tax receipt or transaction number, date of payment and partial payment validation with unpaid balance listed on the settlement roll for collecting a partial payment. (Any one or more taxes [school, county etc.] plus fees and/or penalty; undivided interest etc., as applicable)

Items 6 through 9. The collecting treasurer's certificate (item 7) must certify that all tax collections are posted in the settlement roll with the tax receipt or transaction number or numbers for payment or partial payments, the balance of unpaid taxes and date(s) paid listed in the settlement roll adjacent to the description and spread of taxes.

The assessor's warrant must certify that the original SEV, adjusted SEV, taxes spread and adjusted tax spreads are

RESCINDED

correctly recorded in the settlement roll. Copies of the printouts required for items 3 and 4 can be the documentation required by item 9.

The treasurer's certificate, assessor warrant and item 9 documentation must be attached to the settlement roll when tendered to the county treasurer.

PROCEDURES & REQUIREMENTS

Item 10. The daily collections must be deposited intact. If, for major reasons, the deposit can not be made daily, separate deposits for each day's tax collections, equalling the amount of that day's actual collections that are recorded in the tax receipts journal must be made and tendered to the bank. This will result in each deposit being listed as separate items on the bank statement.

Item 12. The description of security procedures should address the procedures you have implemented that will safeguard the data in the computer from loss due to fire or power loss, unauthorized access or changing and updating data, how data will be re-established if destroyed by fire or power loss, ability to discover unauthorized changes or posting (updating) and backup offsite storage.

Item 15. Describe the other procedure you have implemented that will allow public viewing of the posted (current updated) tax collection roll.

Please call or write one of the offices listed below if you have any questions regarding the use of the computerized data base as the tax roll or completing the application for approval to use a computerized data base tax roll.

Michigan Department of Treasury
Local Government Audit Division
2nd Floor--Treasury Building
Lansing, Michigan 48922

(517) 373-3227

Michigan State Tax Commission
Fourth Floor--Treasury Bldg.
Lansing, Michigan 48922

(517) 373-0500

RESCINDED

Instruction for preparing 1990 PA 112 Application Computerized Tax Roll

As amended 1994 Act 415

Note: Some items on the application are not listed in this narrative. We believe those questions on the application are self-explanatory.

Precollection Tax Roll

Item 1. Please submit copies of two pages from the tax roll and a copy of the assessor's warrant. One page of the tax roll should show metes and bounds descriptions, the second page, platted subdivision descriptions. Both pages must show the spread of taxes. An additional page must be submitted that depicts a special assessment when a special assessment is not listed on one of the other precollection tax roll pages.

Tax Roll Changes

Item 3. The example must include the split of a metes and bounds description and include the parcel code(s), the original and prorated SEV and TV, and tax spreads for the split descriptions.

Item 4. The computer printout must include the parcel code number, description, tax tribunal docket number, state tax commission identification, date of ruling, board of review meeting identification, (date, etc.) original and adjusted SEV and TV, and adjusted tax spread.

Settlement Tax Roll

Item 5. The example of the settlement roll must illustrate the posting of the tax receipt or transaction number, date of payment and partial payment validation with unpaid balance listed on the settlement roll for collecting a partial payment. (Any one or more taxes [school, county, etc.] plus fees and/or penalty, undivided interest etc., as applicable)

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Item 15. Describe the other procedure you have implemented that will allow public viewing of the posted (current updated) tax collection roll.

Please call or write the office listed below if you have any questions regarding the use of the computerized data base as the tax roll or completing the application for approval to use a computerized data base tax roll.

Michigan Department of Treasury
State Tax Commission
P.O. Box 30471
Lansing, MI 48909-7971

(517) 373-0500

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As amended 1994 Act 415

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Item 15. Describe the other procedure you have implemented that will allow public viewing of the posted (current updated) tax collection roll.

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