

STATE OF MICHIGAN



JOHN ENGLER, Governor

DEPARTMENT OF TREASURY

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TO: Equalization Directors  
Assessors

FROM: State Tax Commission (STC)

RE: **EQUALIZATION OF ASSESSMENTS**

The purpose of this bulletin is twofold:

- A. **To emphasize aspects of the equalization process which need attention, and to offer recommended procedures.**
- B. **To introduce and distribute a paper which is intended to explain, in the simplest possible terms, the key features of the County and State Equalization process and to introduce a new quick reference equalization calendar which deals only with equalization.**

A. This section of the bulletin addresses aspects of the equalization process where clarification is needed.

- 1. **The Process of Establishing Assessed Valuations and the System of County and State Equalization Through Which Those Assessments become State Equalized Valuations have not Changed.**

Proposal A and Public Act 415 of 1994 made many changes to the property tax system, but the basic system of assessing and equalization remains the same.

Assessors are still required to prepare an assessment roll that contains "traditional" Assessed Valuations for each parcel of property, with uniformity according to the value of the parcel, and at 50 percent of true cash value, just as was required in past years. The uniformity provisions of the 1963 Michigan Constitution are still applicable to assessments and to the County and State Equalization processes.



Assessments are to be uniform according to the true cash value of the property and are to be established at 50 percent of true cash value for each assessable parcel of property in each township or city, regardless of whether the Taxable Value for the parcel is capped. The calculation of Taxable Value is separate from the establishment of "traditional" Assessed Values.

Assessors are still required by law (MCL 211.30(4)) to deliver the completed assessment roll, with Board of Review certification, to the County Equalization Director not later than the tenth day after adjournment of the board of review or by April 9 in 1997, whichever day occurs first. (April 9, 1997 is the Wednesday following the first Monday in April in 1997).

Equalization directors are advised to make a record of the date and time that each assessment roll is turned over to them. This information may necessarily be requested by the State Tax Commission when conducting assessor investigations.

County Equalization Studies (usually 24 month studies) are still required to be prepared by Equalization Departments for each class of separately equalized property and submitted by an Equalization Department to the State Tax Commission on or before December 31 annually. SINGLE YEAR OR 12 MONTH STUDIES STILL ARE APPROPRIATE ONLY WHERE THERE ARE SEVERELY DECLINING REAL ESTATE MARKETS.

Assessors are still required to use the same time periods for sales when calculating Economic Condition Factors (ECF's) and land values as are used by equalization departments in their studies to set the starting ratios on the Form L-4018. This means that assessors are NOT allowed to incorporate market value INCREASES from the last 9 months of the current year's sales into assessments for the upcoming year. This could cause assessments to exceed 50% of TCV.

State Equalization data is still required to be produced by the Property Tax Division staff that serves the State Tax Commission. Each County Board of Commissioners still must annually equalize assessments for each Township and City within each County during its April Equalization Session by six separately equalized classifications of real property and the total personal property.

The statutes require that the State Tax Commission hold a Preliminary State Equalization meeting on the Second Monday in May and a Final State Equalization Valuation on the Fourth Monday in May to separately equalize the six classifications of real property plus personal property.

**A POINT OF EMPHASIS IS THAT THE PREPARATION OF AN**

**ANNUAL ASSESSMENT ROLL IS STILL THE RESPONSIBILITY OF EACH MICHIGAN CITY OR TOWNSHIP, AND EACH CITY AND TOWNSHIP HAS THE RESPONSIBILITY OF PROVIDING A STATE CERTIFIED ASSESSOR, CERTIFIED AT THE REQUIRED LEVEL, TO ACCOMPLISH PREPARATION OF THE ASSESSMENT ROLL IN A TIMELY AND EFFICIENT MANNER. A TOWNSHIP OR CITY STILL HAS THE RESPONSIBILITY OF CONVENING THE BOARDS OF REVIEW REQUIRED BY LAW TO REVIEW ASSESSMENT ROLLS.**

**ANOTHER POINT OF EMPHASIS IS THAT EACH COUNTY BOARD OF COMMISSIONERS IS STILL REQUIRED TO ESTABLISH EQUALIZED VALUATIONS FOR EACH CITY AND TOWNSHIP ANNUALLY, AND STILL MUST EMPLOY A PROPERLY CERTIFIED EQUALIZATION DIRECTOR TO RECOMMEND THOSE VALUATIONS, AND EACH COUNTY IS STILL OBLIGED TO PROVIDE THE EQUALIZATION DEPARTMENT WITH SUFFICIENT STAFF NECESSARY TO ACCOMPLISH THE REQUIRED COUNTY EQUALIZATION DEPARTMENT STUDY.**

**ANOTHER POINT OF EMPHASIS IS THAT EACH EQUALIZATION DIRECTOR STILL HAS THE OBLIGATION TO SHARE EQUALIZATION STUDY RESULTS WITH THE APPROPRIATE ASSESSOR AS SOON AS POSSIBLE TO THE END THAT ASSESSORS ARE AWARE OF THE EQUALIZATION STUDY RESULTS WHEN PREPARING ASSESSMENT ROLLS.**

**STATE EQUALIZATION IS STILL NECESSARY TO CONVERT ASSESSMENTS EQUALIZED BY COUNTY BOARDS OF COMMISSIONERS TO STATE EQUALIZED VALUATIONS.**

In those instances when State Equalized Valuations (SEV) are eligible to become Taxable Values, they will still be used in the calculation of property taxes for many parcels throughout the state. SEVs are used in over 150 places in the law for such things as state revenue sharing payments. Starting in 1996, State Equalized Value is also used as the property tax base of properties which have experienced a "transfer of ownership" in the immediately preceding year.

Proposal A did not change the State Tax Commission Rules and the rules still apply, as written, to the assessment/equalization activity of assessors, equalization departments and boards of review.

State Assessor's Board rules still provide that if an assessing unit receives an equalization factor of more than 1.10, the factor shall be sufficient cause for the

board to determine if the certification of the assessor who prepared the assessment roll should be revoked or suspended.

2) **Assessment/True Cash Value Ratios Over 50% on STC Form L-4023**

There has been some misunderstanding in recent years about the STC position regarding procedures to follow when the ratio for a class of property exceeds 50% on line \_05 of the form L-4023.

The practice of some counties has been to automatically reduce a ratio (which exceeds 50%) down to 50% by adding true cash value on line \_07 of the form L-4023.

The STC policy regarding procedures to follow when a ratio exceeds 50% on line \_05 of the form L-4023 is based on whether or not the starting ratio on line \_01 of the form L-4023 is supported by a reliable and accurate equalization study.

a) **Procedure When a Ratio on Line \_05 of the Form L-4023 Exceeds 50% and the Ratio on Line \_01 of the Form L-4023 Is Based on a Reliable and Accurate Study**

Article IX, Section 3 of the Michigan Constitution states that assessments on property shall not exceed 50% of true cash value.

When a ratio on line \_05 of Form L-4023 has been properly calculated and exceeds 50% (except for the situation described in paragraph c below) and this ratio is based on a reliable and accurate sales or appraisal study, the constitution and the law require that the County Board of Commissioners apply an equalization factor of less than 1.0000 in order to bring the State Equalized Value down to 50%. It would be INCORRECT procedure, in this instance, to add true cash value on line \_07 of the Form L-4023 in order to reduce the ratio to 50% and thereby have a factor of 1.0000. An example of this INCORRECT procedure is shown on a Form L-4023 on the page labeled EXAMPLE #1.

The County Board of Commissioners has the obligation to determine the correct true cash value for each class of property for each year even if this results in a class of property receiving a county equalization factor of less than 1.0000.

See also paragraph c below for special provisions for units where a complete reappraisal is being implemented.

**Important Note: If an equalization department finds it necessary to submit an amended L-4018 to the STC, a full explanation of the reason for the change must be included.**

**b) Procedure When a Ratio on Line \_05 of the Form L-4023 Exceeds 50% and the Ratio Is NOT Based on a Reliable and Accurate Study.**

Sometimes, contrary to STC Rule 209.41(4), the ratio on line \_05 of the Form L-4023 is NOT based on a reliable and accurate study such as when a ratio is based on an unsupported estimate by the equalization department. When this occurs and the ratio exceeds 50%, the ratio shall be reduced to 50% by adding true cash value on line \_07 of the Form L-4023. This is the procedure outlined in paragraph 4 on page 33 of Chapter 16 of the 1972 Assessor's Manual. **(Chapter 16 of the 1972 Assessor's Manual, along with amending STC bulletins, constitutes the applicable STC Equalization Chapter.)**

If true cash value is added on line \_07 of the form L-4023, a full explanation of the reason for this action must be included.

Any exception to this procedure of reducing the ratio to 50% in the circumstances described in section b must be accompanied by a complete explanation of the assessor's justification of assessments above the constitutional maximum level.

**c) Procedure When the Ratio on Line \_05 of the Form L-4023 Exceeds 50% and There Has Been a Complete Reappraisal in the Unit.**

Separate equalization procedures are frequently needed when analyzing the ratio for a unit where a complete reappraisal has been implemented on the current assessment roll. For purposes of this example, a complete reappraisal occurs when a revaluation is accompanied by a **reinspection of each parcel of property.**

The starting ratio for the Form L-4018 (which is carried to Line \_01 of the Form L-4023) is calculated using standard study procedures as described in Chapter 16 of the 1972 Assessor's Manual. The ratio may be based on an assessment /sales ratio study or an appraisal study or a combination of the two. In any case, the assessments that are compared to the sales or the appraisals are for a year(s) prior to the reappraisal.

Sometimes, as a result of a reappraisal, the ratio on line \_05 of the Form L-4023 is in excess of 50% especially when the unit has not been

reappraised for many years. This may be true because the reappraisal is picking up many improvements made over the years which are not identifiable at the time of the reappraisal as equalization NEW and are therefore being treated as equalization PLUS ADJUSTMENTS.

In this situation the equalization department may hold the ratio at 50% (rather than allowing it to exceed 50%) PROVIDED THAT THE EQUALIZATION DEPARTMENT HAS ANALYZED THE REAPPRAISAL AND IS CONVINCED THAT THE REAPPRAISAL IS RESULTING IN ASSESSMENTS THAT ARE AT 50% OF TRUE CASH VALUE. In this case, true cash value is added on line \_07 of the L-4023 and an explanation must be included. An example of this procedure is shown on a Form L-4023 on the page labeled EXAMPLE #2.

d. **Assessment/True Cash Value Ratios Between 49.00% and 51.00%**

The STC continues to allow a classification of property within a township or city to be equalized as assessed if the ratio on line 8 of the Form L-4023 lies between **49.00% and 50.00%**. This has not changed.

The STC does NOT recommend that ratios between **50.01% and 51.00%** be equalized as assessed because the Constitution does not allow the assessment of property in excess of 50%. The STC policy regarding ratios over 50% was discussed in paragraphs a), b) and c) above.

The STC will use the same procedures to determine whether to DEDUCT true cash value from a classification of property in a given county on the 4th Monday in May as it presently uses to determine whether to ADD true cash value to a classification. These procedures have not changed.

3. **DNR Land Assessed on the Ad Valorem Roll**

Frequently State-owned land, which is controlled by the Department of Natural Resources (DNR) and is assessed on the ad valorem roll, is separately analyzed on the Form L-4018 as a sub class within the agricultural class of property. The remainder of the agricultural class is also separately analyzed.

Sometimes the DNR land is assigned a ratio of 50% on the Form L-4018 filed by December 31 and later it is discovered that the assessments established by the STC indicate a ratio of less than 50%.

The STC advises, in this situation, that the equalization department submit a revised Form L-4018 which correctly sets the starting ratio for DNR Land at the

proper ratio (less than 50%) based on the true cash value by the STC.

The increase in value should then be treated as an Equalization PLUS ADJUSTMENT, NOT as Equalization NEW on STC Form L-4023..

**4. Treatment of Splits and Combinations of Assessments for County and State Equalization subsequent to passage of Proposal A.**

Recently there has been some confusion surrounding the processing of properties involving splits or combinations FOR EQUALIZATION PURPOSES. This confusion likely stems from the new procedures necessarily implemented to handle the calculation of TAXABLE VALUES for properties involved in splits or combinations.

The processing of assessment splits and combinations FOR EQUALIZATION PURPOSES has NOT changed since the passage of Proposal A. The recommended procedure is as follows:

**a) Regarding SPLITS of Assessments, and Equalization Procedure**

When a change of ownership or a change of description, or any other reason causes a parcel of property to be split into two or more new descriptions that wholly comprise the parent parcel, the parent Property Identification Number (PIN) number should be retired in the following year and the two or more new PIN's for the two or more child parcels should be created. This means that for the year following the split, the assessment on the parent parcel should be a LOSS on any STC equalization forms, including Forms L-4021, L-4022, and L-4023. Also, in the year following a split, the assessments assigned to the two or more "child" parcels should be treated as NEW on STC equalization forms, including Forms L-4021, L-4022, and L-4023. On STC Form L-4023, the assessments of the "child" parcels are determined by multiplying their True Cash Values by the ratio used for the current year on Line \_05. In other words, "child" parcels must be assessed at the same line \_05ratio that is used on the rest of the new property in that unit and classification. (See page 2-52 of Volume III of the Assessor's Manual regarding the retirement of parent parcel code numbers).

For example: Assume a 10-acre parent parcel is split into (2) 5-acre child parcels for the 1997 assessment roll and new parcel identification numbers are assigned to the child parcels. The retirement of the parcel identification number of the 10-acre parent parcel results in an equalization LOSS equal to the 1996 assessed value of the parent parcel.

The creation of the 2 new child parcels results in equalization NEW equal to the assessed value of the child parcels at the ratio calculated on Line 5 of the 1997 Form L-4023. In this example there is no PLUS or MINUS ADJUSTMENT for the child parcels because NEW property is assumed to be coming onto the roll at the ratio established on line \_05 of the current Form L-4023.

**b) Regarding Combinations of Assessments and Equalization Procedure**

When two or more original parcels are combined into one new parcel and a new parcel identification number is assigned to the new parcel, the retirement of the original parcels results in equalization LOSSES and the creation of the new parcel results in an equalization NEW.

The assessment of the new parcel must be set at the ratio calculated on Line \_05 of the Form L-4023.

**B. Informational Paper Regarding the Equalization Process and an Equalization Tax Calendar.**

Attached to this bulletin are two items:

1. An information paper regarding the equalization process. This paper has been distributed for many years and has been updated for distribution with this bulletin. This paper is labeled "The Equalization of Assessed Values". It is intended to be an aid in understanding the equalization process. It is NOT a technical statement of policies and procedures.
2. 1997 County and State Equalization Calendar. This calendar includes the significant dates which apply to the process of county and state equalization of 1997 assessments.

The calendar starts on June 30, 1996 even though counties routinely start their current year studies much earlier than June 30. June 30 is the first deadline which applies to 1996 studies whose purpose is to set the 1997 starting base.



# EXAMPLE #1

## ANALYSIS FOR EQUALIZED VALUATION STATE TAX COMMISSION

County	City or Township	Year
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REAL PROPERTY	No. Pcls.	Assessed Value	% Ratio	True Cash Value	Remarks
100					
101	AGRICULTURAL	1 000 000	56.00	1 785 714	Appraisal Study
102	Loss	- 0 -		- 0 -	
103		1 000 000	56.00	1 785 714	
104	Adjustment	- 0 -		- 0 -	
105		1 000 000	56.00	1 785 714	
106	New	- 0 -		- 0 -	
107		- 0 -		214 286	
108	TOTAL AGRICULTURAL	1 000 000	50.00	2 000 000	

109 Computed 50% of TCV Real Agriculture = **INCORRECT PROCEDURE WHEN THE RATIO ON LINE 1 IS BASED ON A RELIABLE AND ACCURATE STUDY**

Recommended CEV Real Agriculture = \_\_\_\_\_

200					
201	COMMERCIAL				
202	Loss				
203					
204	Adjustment				
205					
206	New				
207					
208	TOTAL COMMERCIAL				

209 Computed 50% of TCV Real Commercial = \_\_\_\_\_

Recommended CEV Real Commercial = \_\_\_\_\_

300					
301	INDUSTRIAL				
302	Loss				
303					
304	Adjustment				
305					
306	New				
307					
308	TOTAL INDUSTRIAL				

309 Computed 50% of TCV Real Industrial = \_\_\_\_\_

Recommended CEV Real Industrial = \_\_\_\_\_

809 Computed 50% of TCV, Total 6 Classes Real = \_\_\_\_\_

Recommended CEV, Total 6 Classes Real = \_\_\_\_\_

859 Computed 50% of TCV, Total Personal Property = \_\_\_\_\_

Recommended CEV, Total Personal Property = \_\_\_\_\_

# EXAMPLE #2

County	City or Township	Year
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REAL PROPERTY (Continuation)	No. Pcls.	Assessed Value	% Ratio	True Cash Value	Remarks
400					
401	RESIDENTIAL	1 000 000	40 00	2 500 000	REAPPRAISAL
402	Loss	- 0 -		- 0 -	which
403		1 000 000	40 00	2 500 000	analysis
404	Adjustment	500 000		- 0 -	shows to
405		1 500 000	60 00	2 500 000	result in
406	New	300 000	50 00	600 000	a ratio of
407				500 000	50%
408	TOTAL RESIDENTIAL	1 800 000	50 00	3 600 000	

509 Computed 50% of TCV Real Residential = **CORRECT PROCEDURE WHEN ANALYSIS SHOWS THAT THE REAPPRAISAL IS RESULTING IN ASSESSMENTS THAT ARE AT 50% OF TRUE CASH VALUE**  
 Recommended CEV Real Residential = \_\_\_\_\_

500					
501	TIMBER - CUTOVER				
502	Loss				
503					
504	Adjustment				
505					
506	New				
507					
508	TOTAL TIMBER - C.O.				

509 Computed 50% of TCV Real Timber Cutover = \_\_\_\_\_  
 Recommended CEV Real Timber Cutover = \_\_\_\_\_

600					
601	DEVELOPMENTAL				
602	Loss				
603					
604	Adjustment				
605					
606	New				
607					
608	TOTAL DEVELOPMENTAL				

609 Computed 50% of TCV Real Developmental = \_\_\_\_\_  
 Recommended CEV Real Developmental = \_\_\_\_\_

700	TOTAL REAL (Sum of lines '08)				
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## THE EQUALIZATION OF ASSESSED VALUES

Note: This paper is intended to be an aid in understanding the equalization process. It is NOT a technical statement of policies and procedures.

How could a \$20,000 assessed valuation (A.V.) for 1997 become a state equalized valuation (S.E.V.) of \$25,000 on the 1997 tax roll and tax bill? For example purposes, assume this assessment is classified residential by the assessor.

1979 P.A. 114 requires separate equalization of the total of each of the six classifications of real property and for the total of personal property, beginning with the 1981 equalization. Equalization by classification for real property does NOT mean that assessing officers must no longer maintain uniformity within and between all the classifications of property, real and personal, in each city or township. Assessments of all property are required to be at 50% of True Cash Value. True Cash Value is defined by Michigan Compiled Laws 211.27.

1. Prior to December 31, 1996, the county equalization department of each county is required to study the assessments in each separately equalized classification of property in each township and city. The results of these equalization studies are given to each assessor. The county equalization department must also send a copy of its study of each classification in each township and city to the State Tax Commission by December 31, 1996.
2. December 31, 1996, is tax day for 1997 assessments and that is the date on which the assessable status of persons and property is determined.
3. By the third Monday in February, 1997, the equalization director is required to publish the assessment level percentages and the tentative state equalized valuation multipliers separately for each of six classes of real property and the total of personal property for each township and city.
4. By the first Monday in March, 1997, the assessor of each township or city must have completed the 1997 assessment roll and determined a uniform valuation for each item of assessable property. (Statute requires 50% assessment.)
5. Between the second Monday in March and the first Monday in April, 1997, the board of review in each township and city hears complaints from property owners and may rectify errors or satisfy individual grievances if adequately convinced by factual information supporting the change.
6. Between the Tuesday following the second Monday in April and the first Monday in May, 1997, the law requires the county board of commissioners to review the assessment rolls of all units and either approve the totals of the assessments for the six classifications

of real property and the total of personal property assessed valuations of each unit or add to or deduct from those classifications of property which are not representative of 50% of true cash value.

7. On the second Monday in May, 1997, the state tax commission issues a tabular statement containing the totals for each of the six classifications of real property and the total personal property which it has determined to be the preliminary equalized valuation for each county for 1997. The statement is mailed to the county clerk. During the time between preliminary and final state equalization, the state tax commission hears complaints about the preliminary valuations.
8. On the fourth Monday in May (Tuesday after the fourth Monday in 1997 because of the holiday on Monday), the state tax commission issues the final state equalized valuations for the totals of six classifications of real property and the total of personal property for each of the 83 counties for 1997. A statement showing the results of state equalization is mailed to each county treasurer.
9. The state equalized valuation of an individual item of real property results from a calculation based on the actions of the three equalization bodies: the local assessor and board of review; the county board of commissioners; and the state tax commission acting as the state board of equalization. It is the function of the assessor to establish and maintain uniformity between individual parcels of property in the township or city. It is the function of the county equalization department to establish and maintain uniformity between townships and cities in the county by estimating the total value of each classification in each township and city. It is the function of the State Tax Commission to establish and maintain uniformity between counties by establishing the value of the total of each classification in each county.

The formula for the state equalized valuation multiplier is: the state equalized valuation of the classification of real property for the township (or city) divided by the assessed valuation of the class of real property for the township (or city) equals the S.E.V. multiplier for that classification. The assessed valuation of one parcel of property classified residential (for example, \$20,000) multiplied by the S.E.V. multiplier for residential (for example, 1.2500) produces the 1997 S.E.V. (For example, \$25,000) for that parcel for that class. The S.E.V. is entered on the tax roll and tax bill.

10. If assessment rolls are accepted by the county board of commissioners as being at the 50% level for the residential classification of property, and if the total equalized valuation for residential real property for the entire county adopted by the board of county commissioners is accepted by the state tax commission as being at the 50% level, the assessments of residential real property within that assessment unit would be equal to the state equalized valuations for residential: or in other words, the S.E.V. multiplier would equal 1.0000.

11. Because of the timing of the study to determine a revised equalization base as required from each county, every assessor has the opportunity to adjust the level of assessment (for example, from 40% to 50%) so as to avoid the necessity of applying an S.E.V. multiplier to the assessments. The study is required to be submitted to the State Tax Commission by December 31, 1996 and its results are published by mid-February, 1997. In the example of an assessor found to have a 40% assessment level for one of the six classifications of real property, if the new assessments were not increased by the assessor, the equalization process would add the amount of underassessed valuation to the total of the classification so that an S.E. V. multiplier of 1.2500 would result for all assessments in that class. (An optional additional 12 month study may be submitted by the assessor if there has been a significant reduction in the real estate market.)
12. In item number 1 preceding, assume the county equalization department's study found that residential real property was assessed for \$40,000,000 and that the true cash value amounted to \$100,000,000. This indicates a residential real property assessment level of 40.00%. The tentative S.E.V. multiplier would be  $\$50,000,000/\$40,000,000$  or a 1.2500 multiplier for the residential classification.
13. Through item number 5, assume the assessor did not change the assessment percentage level, but added \$4,000,000 as the assessments of NEW residential real property. This would not change the assessment level from 40%, and the true cash value would be \$110,000,000, and the correct equalized valuation would be \$55,000,000 for residential real property. ( $\$44,000,000 \times 1.2500 = \$55,000,000$  S.E.V.).
14. In most counties in item number 6, the equalization department would recommend that the 1997 equalized valuation of residential real property be equal to \$55,000,000 and the board of county commissioners would adopt the recommendation. Then if the state tax commission accepted the valuation adopted by the county for the total residential real property in the county, the state equalized valuation of Example Township's residential real property would be \$55,000,000 resulting in a S.E.V. multiplier of 1.2500 ( $\$55,000,000$  S.E.V. /  $\$44,000,000$  A.V.) for the residential classification of real property.
15. In items number 7 and 8, the state tax commission either approves the valuations adopted by each county board of commissioners or it determines a different state equalized valuation after considering the work of the county equalization departments, the reports from assessors and county boards of commissioners, and the recommendations from the Property Tax Division staff. In Example Township with \$44,000,000 of assessed residential real property, assume that the county did NOT add the required \$11,000,000 necessary to equal 50% of true cash value required for the residential classification. Further assume that throughout the county there was a similar undervaluation by the county board of commissioners for that classification. Assume the total residential real property equalized valuation for all units as adopted by the county was \$200,000,000 and

that for Example Township the valuation adopted was equal to the assessed valuation of \$44,000,000. In state equalization, Example County would be assigned a residential real property state equalized valuation of \$250,000,000. Example Township had been assigned 22% of the total residential real equalized valuation in the county by the board of commissioners ( $\$44,000,000 / \$200,000,000$ ). Therefore, the state equalized valuation of residential for Example Township would become 22% of \$250,000,000 or \$55,000,000. As in item number 14, the S.E.V. multiplier produced is 1.2500.

16. Proper calculation and distribution of value at each level of the equalization process is imperative. Recall the discussion under item 9 indicating that it is the function of the:
- 1) assessor to maintain uniformity between parcels
  - 2) county board of commissioners to maintain uniformity between assessing units by classification
  - 3) STC to maintain uniformity between counties by classification.

Just as county equalization cannot redistribute value to individual parcels, state equalization cannot redistribute value to individual townships or cities. Equalization by the county would probably cause faulty distribution of SEV to each unit and to each assessment. In Example Township's residential classification, rather than a correct S.E.V. multiplier of 1.2500, the multiplier might actually be 1.2910 or 1.0220.

17. This example is for the residential real property classification of property. The equalization procedures are exactly the same for the five other classes of real property. Personal property equalization differs in that all of the 5 personal property classifications are combined and not assigned separate equalized valuations. Personal property is assigned a single total equalized valuation for the total of the assessments, for all the personal property. Each classification such as commercial personal property is part of that total.

### Appeals

There are appeals from the actions described in items number 4,5, and 6 which may be filed with the Michigan Tax Tribunal. The filing date is before June 30 in the case of assessment appeals and within 30 days after the adoption of county equalization in the case of county equalization appeals. The appeals or petitions are to be addressed to the Michigan Tax Tribunal as follows:

Michigan Tax Tribunal  
P.O. Box 30232  
1033 S. Washington  
Lansing, MI 48910

## 1997 COUNTY AND STATE EQUALIZATION CALENDAR

- June 30 is a  
Sunday  
July 1, 1996      Deadline for County Equalization Director to file Interim Status Report of the ongoing study for the current year (R 209.41)
- Nov. 1, 1996      Property Tax Division staff reports to the State Tax Commission (STC) on the progress and quality of 1996 equalization studies (whose purpose is to set the starting base for 1997) for each county on tentative forms L-4030, L-4031, L-4032.
- Dec. 31, 1996      Tax day for 1997 property taxes (MCL 211.2). Due date for filing of county equalization department studies made during 1996 with the STC for all classifications in all units on Form L-4018 (R 209.41). These studies are used for the 1997 revised starting bases.
- Feb. 1, 1997      Deadline for counties to file single year studies with STC to amend starting base for those units (with classes) experiencing sharply declining real estate markets. Optional, additional single year equalization study may be originated by assessor or by county equalization director. Single year studies (calendar year 1996) submitted by Feb. 1, 1997 are used in the 1997 assessment and equalization process.
- Feb. 1, 1997      Property Tax Division staff reports to the State Tax Commission on the progress and quality of 1996 equalization studies (whose purpose is to set the starting base for 1997) for each county on preliminary forms L-4030, L-4031, L-4032.
- Feb. 17 is a  
Holiday  
Feb 18, 1997      **Third Mon. in Feb.**: Deadline for county equalization director to publish in newspaper the tentative equalization ratios and estimated SEV multipliers for 1997. (MCL 211.34a)
- March 3, 1997      **First Monday in March**: The 1997 assessment roll shall be completed and certified by the assessor (MCL 211.24).
- April 9, 1997      The township supervisor or assessor shall deliver completed assessment roll, with BOR certification, to the county equalization director **not later than the tenth day after adjournment of the board of review or by April 9** (the Wednesday following the first Monday in April ) whichever date occurs first (MCL 211.30(4)).

Note: An assessor shall file Form L-4021 with the County Equalization Department, and Form L-4022 with the County Equalization Department and the State Tax Commission, **immediately following adjournment of the board of review.** (STC Administrative Rule: R 209,26 (10a, 10b). The form L-4022 must be signed by the assessor.

- April 15, 1997      **Tues. following second Mon. in April:** County Board of Commissioners meets in equalization session (MCL 209.5 and 211.34). The clerk of each county files a tabular statement of the county equalization adopted by the County Board of Commissioners on the **Form L-4024** prescribed and furnished by the STC, immediately after adoption. **County equalization shall be completed and official report (Form L-4024) filed with STC prior to May 5, 1997** (First Monday in May). The Property Tax Division staff makes a final report to the State Tax Commission on forms L-4030, L-4031, L-4032 after the adoption of the 1997 equalization report by the County Board of Commissioners.
- April 21, 1997      **Third Mon. in April:** Equalization director files separate Form L-4023 for each unit in the county with the STC no later than April 21, 1997 (MCL 211.150), STC R 209.141(8).
- May 5, 1997      **First Monday in May:** Deadline for filing official County Board of Commissioners report of county equalization (**L-4024**) with STC (MCL 209.5). Appeal from county equalization to Michigan Tax Tribunal must be filed within 30 days after the adoption of the county equalization report by the County Board of Commissioners (MCL 205.735).
- May 12, 1997      **Second Mon. in May:** Preliminary state equalization valuation recommendations presented by the Property Tax Division staff to the State Tax Commission. (MCL 209.2).
- May 26 is a      **Fourth Mon. in May:** State Equalization Proceeding - final State  
Holiday  
May 27, 1997      Equalization order is issued by STC (MCL 209.4).