



**House
Legislative
Analysis
Section**

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**COUNTY TAX OR EQUALIZATION
DEPARTMENT REPORTS TO
STATE**

**House Bills 4222 and 4223 as introduced
First Analysis (3-7-01)**

**Sponsor: Rep. Mickey Mortimer
Committee: Local Government and
Urban Policy**

House Bills 4222 and 4223 (3-7-01)

THE APPARENT PROBLEM:

Currently county clerks file both an annual report with the State Board of Assessors (not later than December 1) about the taxes raised in each county, and also a tabular statement with the State Tax Commission (not later than the first Monday in May) about the total assessed valuation in the county. The reports are used, among other things, to arrive at the average rate of taxation in the state, based on the total assessed valuation, equalized at both the county and state level. The valuation of the counties, as equalized and filed in the Office of the Auditor General and the State Tax Commission, is the basis for apportionment of all state taxes until the next equalization is made. Once that determination is made by the state, a certified transcript is sent to the treasurer of each county.

an annual report (no later than December 1) concerning the taxes to be raised in the county to the State Board of Assessors, and also to provide an annual tabular statement concerning the total assessed valuation (by aggregate amount and by each classification of property, on or before the first Monday in May) to the State Tax Commission. Currently these reports are filed by county clerks at the county level of government.

According to committee testimony, historically these reports were made by the boards of supervisors, who submitted the information to their county clerks, enabling the clerk's office to serve as a centralized site for data collection. Today, as the duties of local government officials have become more specialized, those collection and verification responsibilities fall to others.

House Bill 4222 would amend Public Act 282 of 1905 (MCL 207. 12 and 207.13), which provides for the assessment of property and for the levy and collection of taxes by a state board of assessors. The bill would also update references to a "county board of supervisors" in the act to a "county board of commissioners."

Although the law requires that county clerks file the reports, people in the taxation and equalization departments of local governments now prepare them. Since county clerks simply receive the information that others prepare, and have, themselves, neither the time nor resources to verify that information, legislation has been proposed to make the filing of these reports the responsibility of those who prepare them, and in doing so to take the clerks out of the process.

House Bill 4223 would amend Public Act 44 of 1911 (MCL 209.4 and 209.5), which creates a state board of equalization.

The bills are tie-barred to each other so that neither could become law unless the other also was enacted.

FISCAL IMPLICATIONS:

The House Fiscal Agency notes that the bills would update some existing language in current statutes, and as written would have no direct state or local fiscal impact. (2-26-01)

THE CONTENT OF THE BILLS:

House Bills 4222 and 4223 would require the director of the county tax or equalization department to make

ARGUMENTS:

For:

As the functions of local government have increasingly become the responsibility of professional public servants whose work specialties reflect the growing size and complexity of program administration, the accountability for those functions

should shift to the professionals, as well. This legislation improves the public accountability of government employees because it makes the tax and equalization directors of county government directly responsible for their work.

POSITIONS:

The Department of Treasury supports the bills. (3-6-01)

The Michigan Association of County Clerks supports the bills. (3-6-01)

The Michigan Assessors Association supports the bills. (3-6-01)

Analyst: J. Hunault

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.