



Bureau of Local Government and School Services

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BLGSS Overview

The Bureau of Local Government and School Services is responsible for the administration and enforcement of state laws that implement provisions of the Michigan Constitution requiring taxation of real and tangible personal property, a uniform system of accounting and auditing for units of local government, and the preservation of the credit of the state.

BLGSS Core Functions

- **General Property Tax Laws**
 - General supervision of the administration of the property tax laws of the State of Michigan
 - Uniform Assessment of Real and Personal Property Tax
 - Staff support to the State Tax Commission
- **Oversight of a uniform system of accounting and auditing for local governments**
 - Provide financial and technical support to local governments
 - Ensure accurate financial information of local units is available and to report on and anticipate fiscal distress

General Property Tax Act

Sections 3 and 5 of Article IX of Michigan State Constitution

Overview of General Property Tax Act

- **General Property Tax Act**
 - Uniform Assessment of Real and Personal Property (Section 3, Article IX)
 - Equalization of Assessments (Section 3, Article IX)
 - Taxable Value Cap (Section 3, Article IX)
- **Public Act 282 of 1905: Assessment and Taxation of Public Service Businesses (Section 3, Article IX)**
 - Telephone, Telegraph, Railroad, and Rail Car Companies
 - Same Proportion of True Cash Value
 - Statewide Average Rate
- **Public Act 92 & 93 of 2014: Essential Services Assessment (ESA)**

State Tax Commission

- The State Tax Commission (STC) provides the general supervision of the administration of property tax laws of the State of Michigan.
- Staff provides support for the STC in the following areas:
 - Assessment roll audits as required by PA 660 of 2018
 - STC policy guidance recommendations for assessment administration matters
 - Education, Discipline and Certification of Assessing Officers
 - Valuation of DNR-owned property subject to payment in lieu of taxes (PILT)
 - Petitions to Correct Local Tax Rolls for Incorrectly Reported or Omitted Property
 - Property Classification Appeals
 - Conduct and review State Equalization
 - Administrative duties related functions of the 22 Public Acts within the jurisdiction of the STC

Education and Training Courses

- Executive Order 2009-51 transferred responsibility for certification and education of assessors to the State Tax Commission. During 2022, the State Tax Commission continued offering programs for the Michigan Certified Assessing Technician (MCAT), Michigan Certified Assessing Officer (MCAO), Michigan Advanced Assessing Officer (MAAO) and Michigan Master Assessing Officer (MMAO) certifications.
 - 8 MCAT courses
 - 7 MCAO courses
 - 2 Full Year MAAO courses
 - 28 MAAO self-paced courses
 - 1 MMAO Full Year courses

Continuing Education Courses

- In order to recertify each year, MCAO, MAAO and MMAO assessors are required to complete continuing education hours. Assessors can complete their continuing education by taking STC courses or approved courses sponsored by an outside organization. In 2022, staff offered the following classes:
 - 12 assessor classes
 - 12 STC Updates courses
 - 26 Board of Review courses
 - 1 Transfer of Ownership course

Audit and Exemption Processing

- Accounting and Auditing Section
 - Collect and reconcile \$2.5 billion in State Education Tax and Real Estate Transfer Tax from county treasurers
- Property Tax Exemption Section
- Principal Residence Exemption

Fiscal Oversight of Local Government

Overview

- Uniform System of Accounting and Auditing for Local Government Analytics and Outreach
- Monitors the Issuance of Debt by Local Governments
- Technical and Financial Assistance for Local Governments
- Grant Administration

Overview

- **Audit Section**
 - Establish Uniform Chart of Accounts
 - Prescribe Accounting and Auditing Procedures, Standards and Guidance
 - Receive Audit Reports and Review for Compliance
- **Municipal Finance Section**
 - Authorize Issuance of Certain Debt and Securities
 - Administrative Support for Emergency Loan Board
 - OPEB/Pension Bonding Approval (sunsets 12-31-23)
 - Deficit Elimination Plans
- **Analytics and Outreach Section**
 - Community Assistance
 - Enhance Education through conferences, trainings, and white papers
- **Responsible for annually examining the fiscal health of Michigan School districts through the evaluation of financial trends and indicators of potential fiscal stress.**

Local Government Statistics

- 1,856 Primary Units (5481 other units)
- Review \$11 billion in municipal borrowing
- Track 130 Communities with deficit elimination plans
- Monitor \$256 million in outstanding emergency loans
- Performed audits for 32 communities
- Audit Corrective Action Plans required for 735 communities
- 50 communities that have to do enhanced reporting
- Evaluate more than 1,400 pension and OPEB retirement systems for about 900 local governments
- Administer more than 250 retirement corrective action plans
- Nearly 70 local governments have completed their retirement corrective action plan(s)
- Completed over 300 individualized calls for PA 202
- Over 4900 local government officials attended a webinar hosted by CEFD in 2022

Trusted Partner Model:

Pro-Active Intervention Strategies

- **Build long-term trusted relationships as a service provider to local governments and school districts in the State of Michigan.**
- **Regulatory compliance through education and outreach**
- **Improve strategic implementation of statutory regulatory requirements to enhance our consistency and efficiency**

Questions?

