



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

MINUTES OF THE MEETING OF THE STATE TAX COMMISSION

***Holiday Inn Express and Okemos Conference Center,
Okemos A & B Rooms
2187 University Park Drive, Okemos, Michigan***

***Tuesday, December 12, 2017
9:00 a.m.***

***PRESENT: Douglas B. Roberts, Chair STC
W. Howard Morris, Member STC
Leonard D. Kutschman, Member STC

Heather S. Frick, Executive Director
LaNiece Denstead, Recording Secretary***

The item numbers referred to in the minutes correspond to the agenda items as numbered.

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the minutes of November 28, 2017. (Item 1 on agenda)

Public Comment – Agenda Items 3-7 and 10-25 Only (Item 2 on agenda):

Michael Woolford appeared before the Commission on behalf of Monroe County Equalization regarding agenda item 15, Recommendation of Assessment Administration Practices Complaint Dismissal. Mr. Woolford stated the following: I would like to thank you for the opportunity to provide a statement regarding agenda item 15. This is the complaint dismissal regarding the Monroe County Equalization Department and myself as the Director.

Our methods we use to determine the true cash value of the agricultural classification for equalization purposes have been under some form of review or investigation going on two and half years. The complaints that were made against the department and myself are just a few that the department and the Monroe County Assessor have had to deal with over this period of time. Throughout this process, we have attempted to educate, answer and explain to the extent that we all could, how we perform our duties in creating the equalization studies and assessment rolls in a fair and equitable manner across all classifications for all property owners.

We have explained and shown the methods we use to value agricultural land on multiple occasions in both formal and informal settings. We have tried to assure the complainant, that while he might disagree with the values we have chosen, that we are analyzing and determining proper land values that are

supported by the market. And that we are abiding by the General Property Tax Act and the State Tax Commissions guidelines and doing so in a fair and equitable manner. We have applied our skills, knowledge, training and abilities in carrying out the functions of County Equalization and local assessing. We have also called on other practitioners and professionals to meet with and explain the work that is being done. However, even after these efforts, the specific complaint has been filed.

As the Director, I am proud of the work my department performs for the citizens of Monroe County and I am equally fortunate to work with an outstanding group of local assessors in Monroe County. As demonstrated by the most recent AMAR, the work that is being done is very good as measured by this independent examination.

It is my position that Monroe County has always been in compliance with applicable statutes and State Tax Commission guidance in carrying out our duties and work product. Given what your staff has reviewed and their understanding of the work that is performed, I trust the Commission will dismiss the complaint filed against the Monroe County Equalization Department and communicate to the governing Board of the County of your finding that our work is compliant with the Property Tax Act, associated guidelines and procedures.

Jamie Barra (Assessor) and Eric Schneider (City of Memphis Mayor) appeared before the Commission on behalf of the City of Memphis regarding agenda item 19, Official Order Regarding City of Memphis, Macomb County. Mr. Barra stated the following: We had the opportunity in October to have the Commission hear the recommendation of the Property Services Division and at that time it was our understanding the recommendation was to assume jurisdiction of our assessment roll and order a reappraisal to have the work completed. We respectfully disagreed that our records were in poor condition that we needed that drastic action.

We are not making any excuses, there were no sales in 2014 and there have been essentially no sales throughout that period of time. We are dealing with a community that is about 550 parcels split between two counties. We report to two counties and the time and the investment in that community is different as compared to smaller units you might see. Our records are in great shape, we have record cards, we have apex drawings and we have everything in BS&A. Our ratios fall between 49 and 50% every year and we feel very strongly that we do a great job. There is a lot more to assessing in a smaller unit than just the reporting itself. What we have done since we met with you in October, you were looking to see if we were making progress and we have made progress. We had the opportunity to have Macomb County planning work with us and we have created for the very first time a complete map of the City and that includes both counties. As you can see it is in two parts and it's in the top and the bottom, the top represents data from 2012. We did request help from St. Clair County and they were not willing to give us the files for this information. We have this going forward with our ECF information and we should be able to very simply provide the map for 2018 as we said in October. We will have the best ECF and sales maps we have had in the history of our City. We have been making progress and we have been interested. What I will say is if you look at the recommendation some of the items that are on there, they were resolved in 2014 and 2015. We had resolved a lot of the issues with the 4035a's and public policy and we had sent that onto the Commission. I brought that up during my disciplinary meeting when they wanted to talk to me about these issues and they said it was not a big deal because it was specific to the two items. My point in bringing that up is to say it's not as exhaustive as that list would show. The first three items were satisfied immediately and the ECF's we are talking about are less than 40 properties that there were no sales. It all boils down to about 40 properties from which we had no

sales. If it requires a commitment to this Commission on my behalf as the assessor to give you a complete reappraisal of every commercial/industrial property, then I will do that.

The whole point of our coming before was to point out as a community we do not have the money. They do not really have the money to pay me and for my time to be there. Somebody made the comment when we were here before that at some point assessors are going to have to walk away from these units because they are going to have problems with it. But the reality is there is probably 20 to 25% of the local units out there that are in the same boat, they do not have the resources. I appreciate everything the Property Services Division is doing with the AMARs and trying to progress getting better answers, but sometimes the resources are not available. The City of Memphis has always been concerned about our assessment administration. I try to be involved in not only the assessing and I assist with other issues and talk to the County. I cannot tell you how many medical marijuana calls we get every week, but it is part of life in a small town as we try to get things done. We are making great strides and we would ask this Commission to allow us to complete 2018 and take a look at everything we got and tear it apart. We have the things in place and we have them working. We said that in our October meetings we had this map and with the help of Macomb County is the fruition of what we asked for in trying to satisfy the requirements of the Property Services Division as well as the Tax Commission. We are going to have everything complete for the 2018 year and our books are open for the State Tax Commission to review.

Mr. Schneider stated the following: I just wanted to mention that the last letter we received with the deadline we actually did not get our information from the County until the day after the deadline.

Patrick Couch (Assessor) appeared before the Commission on behalf of the City of Galesburg and Otsego Township regarding agenda items 23 and 24, Official Order Regarding City of Galesburg, Kalamazoo County and Official Order Regarding Otsego Township, Allegan County. Mr. Couch stated the following: I have some proofs. I would like to take the time to thank the Commission for listening to me. At the October 30th meeting, the seven municipalities were up for the assumption of their rolls and that was tabled for the purpose of finding out to see if the assessors were getting everything they needed to successfully complete the AMAR. I was sure with this method I would be contacted and interviewed. I am uncertain as to what the process entails because I did not hear from anybody.

At every meeting that has been held between me and a State Tax Commission representative I stated I was struggling with my land value analysis and ECF requirements for the AMAR. I have asked every instructor that I have come in contact with if I could obtain the classroom material for the land value analysis and ECF training. I have never taken the ECF and Land Value class. I was told at the MAA Educational event in Bellaire that the class materials are only available to those taking the class. The class material is copywritten. I have asked the State Tax Commission educational director for class material. I have been referred to three videos available online. I was told that these three video presentations were the equivalent of the five-day class. I can think of no reason why this material would not be readily available upon request.

It is my belief if this material had been available it would have significantly increased my performance on the AMAR. When I became an assessor, there was a training manual for every step of the process. If you had a problem, you could contact your State Tax Commission representative and they would come and help you through the process. My current position as assessor for Otsego Township in Allegan County and City of Galesburg in Kalamazoo County. I am a department of one person and I have no assistance and no one I can ask questions of or ask for help. I have always said that I have seven bosses

at the township, seven or eight at the county, five or ten at the State Tax Commission. There is not anyone in the City or Township that can tell me how to do my job. The County Equalization is helpful, but I have been told in the past it is not the Equalization Directors job to answer my questions. This leaves the State Tax Commission as the last resort for information.

Last year I attended a four-hour session put on by two instructors the State Tax Commission assigned. I was very excited to finally be getting some information on the land value analysis and ECFs. That excitement quickly faded; the instructors gave a seminar on what I call Assessing 101. It was really basic material. It was material I had learned when I became a level one assessor. I spoke with the other assessors after the class, we all wondered why we were going over the basics. The next day I attended a private session with two instructors. I came into the meeting with the idea I needed to reduce my ECF neighborhoods. I told the instructors that I would be working with Dan Kirwin of BS&A Software. They both agreed that was a great idea. At first, we were going to work on it there in Allegan County, but two instructors decided it would best if I made the changes back at my computer in Otsego Township. We spent the rest of the time comparing ECF values to other ECF's and grouping similar ECFs together. I left that day deflated. It was my last chance to get the land analysis and ECFs that I needed. I hadn't got the in-depth training that I had hoped for. I immediately called Dan Kirwin of BS&A Software and made plans for him to come to my office for four separate sessions in 2016.

We worked on the ECFs in 2016 and there was some mix up and I got the material to Kelli late, but I did have the ECF material that I presented to you today. We worked on the land analysis and ECFs and created four folders in my computer, but the file folders required by the State Tax Commission at the AMAR follow up in June of 2017 I brought a backup of these folders. I tried my best to explain what each folder was, and it became apparent that I did not have all the files. I was given a week or two to find these files. I looked and looked for these files and set up another session with Dan Kirwin. Dan Kirwin came down and checked his USB drives for backup material we used for my land values and ECFs. We couldn't find it, so Dan and I recreated the files submitted them to Kelli Sobel. She stated that I obviously had not recreated the missing files. I called Dan Kirwin and he sent an email to the Township and City Attorney that was given to you on October 30th that had some attachments. I am not sure those attachments were given to you, but they are in the file I gave you today.

I would like to ask why this class material is the State's secret? Why are test scores not given out and only given with a passing or failing grade? Why aren't assessors told the parts of the tests they did well on or didn't do well on? Why are instructors required to sign a non-disclosure agreement? Why can't the State Tax Commission instructors offer help or refer other instructors? I would like to just show you this, this is what the State Tax Commission instructors who came down and this is all we worked on for two hours is matching these neighborhoods. I thought we would get an in-depth look of making ECF's and Land Values.

Thomas Graham (Attorney) appeared before the Commission on behalf of the Monroe County Board of Commissioners regarding agenda item 15, Recommendation of Assessment Administration Practices Complaint Dismissal. Mr. Graham stated the following: I am an attorney and I represent the County of Monroe down in the southeastern portion of the State. I would say I represent the County Board of Commissioners collectively first. I represent the County Administrator and the Chairman and the Vice Chairman of the Board second. Then I try to help the individual Commissioners and we have nine County Commissioners on the County Board.

One of the Commissioners had started a campaign a couple of years ago to question the equalization and the assessment of agricultural properties within the County. There was a subcommittee created a year ago and that subcommittee has disbanded. I would say that the County Board of Commissioners collectively is not in support of this appeal. They have not voted to support this appeal. They have tried to assist as I have tried to assist the individual Commissioner who has been presenting this. This has been going on a long time and it has resulted now today apparently in this appeal against the Equalization Director. I would say that the County Board position collectively, the hierarchy of the County Board supports the Equalization Director and is not in support of this appeal. As an attorney, it is always difficult because I am trying to represent the Board and the nine Commissioners. I have tried to help the individual Commissioner. I have tried to encourage him we have had numerous meetings to try and work this out. The bottom line is he does not believe agricultural properties are being fairly assessed, which of course, is not an equalization problem. It is a local assessment problem, but he believes the Equalization Director is ultimately and fundamentally the assessor and therefore I think that is where these complaints come from.

As the Board and as the Attorney for the Board we have looked at this as best as we can, and we feel like everything is being done properly. We feel that the equalization of the 80 some thousand parcels are being assessed properly or are at least being equalized properly in Monroe County, but we are not experts. We rely on our Equalization Director which we feel is certified from the State and we believe he is doing a good job and I have told the individual Commissioner that has brought this appeal that if we are doing something wrong then we will correct it but up to this point after two years we cannot find anything that we are doing wrong. He does not like a par value being set for agricultural properties and I have tried telling him that I believe those are best to start with some sort of valuation number, a par value, and then if there are individual soil problems, drainage problems, rock problems those are best dealt with by going to the local assessor or appealing and he has many Tax Tribunal appeals going on right now but of course those take at least a year or two.

There are two letters here that I have been directed to read. The first is from my County Administrator. "I am here on behalf of the County of Monroe, I am with the law firm that serves as general counsel to the Monroe County Board of Commissioners, the County Administrator / Chief Financial Officer and all operating units. On October 20, 2017, W. Thomas Graham, partner of the firm sent written communication to Ms. Heather Frick, Executive Director of the State Tax Commission. In that communication, he made it clear that the County believed that the Monroe County Equalization Director was properly applying and carrying out the law and rules with respect to County Equalization. He continued that the County would continue to follow its past processes and procedures and it was felt that these practices were supported by and accepted by the State Tax Commission. I want to confirm this morning that the County continues to support the work of Monroe County Equalization and to make clear the County is not a party to the moving complaint."

This now shows the difficult position that I have been put in. I was provided last night an email from the individual Commissioner. I think I am going to read it into the record because it came to me and I don't see him here. He wrote an email this is Gary Wilmoth, one of the nine commissioners for the Monroe County Board. He wrote it to Doug Roberts, Howard Morris, Leonard Kutschman, Heather Frick, Tricia Kinley, Dale Zorn, Jason Sheppard, Joseph Bellino, Bill Schuette, Brian Nelson, Nick Khouri and Henry Leavens. "On Saturday, December 9, 2017 I received a letter from Heather Frick, Department of Treasury, dated November 30, 2017 stating that the staff of Property Services Division Staff State Tax Commission recommendation is to dismiss my complaint at the December 12, 2017

meeting. I feel my complaint was based on facts and Laws of the State of Michigan for appraisal purposes. In the received letter there is no explanation by which law my complaint was dismissed. If I am misinterpreting the law I think that the responsibility of the staff STC is to advise me to which law(s) that their decision was based on. It is the responsibility of Treasury Department and STC to make sure that all assessors are following property tax laws and not the responsibility of taxpayers. I am asking the STC to table the meeting agenda item 15 until these important issues are answered. I am sorry for my request on such short notice for I did not receive my letter until Saturday, December 9, 2017. Thank you in advance to consider my request.” I am just reading into the record in case it did not make its way to this body.

In short, we support the Equalization Director. We know nothing that is being done improperly. We feel the complaints have to do with individual assessments rather than equalizing. Thank you.

No other member of the public wished to speak at public comment on agenda items 3-7 and 10-25.

It was moved by Kutschman, supported by Morris, and unanimously approved Bulletin 26 of 2017 MCL 211.7o Charitable Exemption. (Item 3 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved Bulletin 27 of 2017 Boards of Review. (Item 4 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved the 2018 Nuclear Plant Composite Factors. (Item 5 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved Form 3991 – 2018 Gas Turbine and Diesel Electric Generator Report, Form 4094 – 2018 Steam Electric Report and Form 4070 – 2018 Hydroelectric Report. (Item 6 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved the Wind Turbine Reporting Form 4565 – 2018 Wind Energy System Report. (Item 7 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the staff recommendations on the Special Items Exemptions Agenda. (Item 8 on agenda) ([See attached link for file identification.](#))

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the staff recommendations on the Exemptions Agenda with the removal of Air Pollution Control Exemption Application 1-3833 – Marathon Petroleum Company LP. (Item 9 on agenda) ([See attached link for file identification.](#))

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the legislative reports for Commercial Rehabilitation Act, Obsolete Property Rehabilitation Act and Commercial Redevelopment Act for the 2016 and 2017 Tax Years. (Item 10 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved the official order to revoke Ms. Barbara VanGelderens Certificate in Assessment Administration. (Item 11 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved the official order to revoke Ms. Barbara Falk's Certificate in Assessment Administration. (Item 12 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved the official order to revoke Ms. Christina Deeren's Certificate in Assessment Administration. (Item 13 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to allow Mr. Jaime Barra to complete the State Tax Commission's Audit of Minimum Assessing Requirement (AMAR) training and hold in abeyance the recommendation to proceed to the Michigan Administrative Hearings System (MAHS). Upon completion of the AMAR training, Mr. Barra shall be ordered to appear before the Assessor Discipline Advisory Committee. Failure to complete the Audit of Minimum Assessing Requirement (AMAR) training shall result in Mr. Barra to automatically proceed to MAHS formal hearing. (Item 14 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to allow Mr. John Botto III to complete the State Tax Commission's Audit of Minimum Assessing Requirement (AMAR) training and hold in abeyance the recommendation to proceed to the Michigan Administrative Hearings System (MAHS). Upon completion of the AMAR training, Mr. Botto III shall be ordered to appear before the Assessor Discipline Advisory Committee. Failure to complete the Audit of Minimum Assessing Requirement (AMAR) training shall result in Mr. Botto III to automatically proceed to MAHS formal hearing. (Item 14 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to allow Ms. Kimberly Bruner to complete the State Tax Commission's Audit of Minimum Assessing Requirement (AMAR) training and hold in abeyance the recommendation to proceed to the Michigan Administrative Hearings System (MAHS). Upon completion of the AMAR training, Ms. Bruner shall be ordered to appear before the Assessor Discipline Advisory Committee. Failure to complete the Audit of Minimum Assessing Requirement (AMAR) training shall result in Ms. Bruner to automatically proceed to MAHS formal hearing. (Item 14 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved the Assessor Discipline Advisory Committee's recommendation and adopt the official order to refer Mr. Donald Cook to proceed to the Michigan Administrative Hearings System (MAHS) for a formal hearing regarding his certification in assessment administration. (Item 14 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved the Assessor Discipline Advisory Committee's recommendation and adopt the official order to refer Mr. Henry DeGroot to proceed to the Michigan Administrative Hearings System (MAHS) for a formal hearing regarding his certification in assessment administration. (Item 14 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to allow Mr. Mark Erhart to complete the State Tax Commission's Audit of Minimum Assessing Requirement (AMAR) training and hold in abeyance the recommendation to proceed to the Michigan Administrative Hearings System (MAHS). Upon completion of the AMAR training, Mr. Erhart shall be ordered to appear before the Assessor Discipline Advisory Committee. Failure to complete the Audit of Minimum Assessing Requirement (AMAR) training shall result in Mr. Erhart to automatically proceed to MAHS formal hearing. (Item 14 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to allow Mr. Randy Hartman to complete the State Tax Commission's Audit of Minimum Assessing Requirement (AMAR) training and hold in abeyance the recommendation to proceed to the Michigan Administrative Hearings System (MAHS). Upon completion of the AMAR training, Mr. Hartman shall be ordered to appear before the Assessor Discipline Advisory Committee. Failure to complete the Audit of Minimum Assessing Requirement (AMAR) training shall result in Mr. Hartman to automatically proceed to MAHS formal hearing. (Item 14 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to allow Mr. Mark Maki to complete the State Tax Commission's Audit of Minimum Assessing Requirement (AMAR) training and hold in abeyance the recommendation to proceed to the Michigan Administrative Hearings System (MAHS). Upon completion of the AMAR training, Mr. Maki shall be ordered to appear before the Assessor Discipline Advisory Committee. Failure to complete the Audit of Minimum Assessing Requirement (AMAR) training shall result in Mr. Maki to automatically proceed to MAHS formal hearing. (Item 14 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved the Assessor Discipline Advisory Committee's recommendation and adopt the official order to refer Mr. Fred Peterson to proceed to the Michigan Administrative Hearings System (MAHS) for a formal hearing regarding his certification in assessment administration. (Item 14 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved the Assessor Discipline Advisory Committee's recommendation and adopt the official order to refer Mr. K. Karl Schmidt Jr. to proceed to the Michigan Administrative Hearings System (MAHS) for a formal hearing regarding his certification in assessment administration. (Item 14 on agenda)

The Commission reviewed the staff recommendation regarding the complaint filed against assessor Michael Woolford that had proceeded to investigatory review pursuant to the State Tax Commission's Complaint Process Regarding Assessment Administration Practices approved by the Commission on December 16, 2015. Upon review of responses provided by the assessor, staff determined that no further action was necessary and recommended the Commission dismiss the complaint. It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the staff's recommendation to take no further action and dismiss the complaint against Mr. Michael Woolford. (Item 15 on agenda)

The Commission received an update from staff on the Assessor Education Programs. It was moved by Kutschman, supported by Morris, and unanimously approved no changes to the Michigan Certified Assessing Technician (MCAT), Michigan Certified Assessing Officer (MCAO) or the Michigan Master Assessing Officer (MMAO) Programs. The Commission approved the following changes to the Michigan Advanced Assessing Officer (MAAO) Program and Personal Property Examiner Certification beginning in 2018: (Item 16 on agenda)

Michigan Advanced Assessing Officer (MAAO) Program:

Beginning with the April 2018 program, the exam structure would change to three rather than two exams during the one-year program. The first exam would take place after Chapter 2, the second exam would cover Chapters 3, 4 and 5 and the final exam would cover Chapters 6 and 7. The number of retake exams would be limited to two rather than the current five.

Personal Property Examiner Certification:

The current three-year certification cycle for Personal Property Examiners (PPE) will end in 2018. The changes to the PPE certification program are as follows:

State Tax Commission Administrative Rule R 209.24 provides for the issuance of Personal Property Examiner (PPE) Certificates upon successful completion of an examination. By virtue of passing certification level examinations, the State Tax Commission has determined that beginning January 1, 2019 all assessing officers in Michigan certified at the Michigan Certified Assessing Office (MCAO), Michigan Advanced Assessing Officer (MAAO) and Michigan Master Assessing Officer (MMAO) level will be automatically granted a PPE endorsement on their assessor certification and will no longer be required to maintain a separate PPE Certification.

Individuals who are not certified at the MCAO, MAAO or MMAO level but are employed by or under contract with an assessor's office, County Equalization Department or the State Tax Commission can receive a three-year PPE Certification by submitting an application and remitting a recertification fee or if not currently certified as a PPE can apply for the self-study program and upon passing the exam can apply for three-year PPE certification.

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for the City of Zilwaukee, Saginaw County for failure to correct the deficiencies after the second follow-up AMAR Review and orders the City to fix the deficiencies noted in the roll and complete the work for the 2018 assessment roll. (Item 17 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for Zilwaukee Township, Saginaw County for failure to correct the deficiencies after the second follow-up AMAR Review and orders Zilwaukee Township to fix the deficiencies noted in the roll and complete the work for the 2018 assessment roll. (Item 18 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for the City of Memphis, Macomb County for failure to correct the deficiencies after the second follow-up AMAR Review and orders the City of Memphis to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2018 assessment roll. The Commission also ordered the City to provide the name of the individual hired to make the corrections and submit a copy of the contract with that individual to the STC. (Item 19 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for Ingham Township, Ingham County for failure to correct the deficiencies after the second follow-up AMAR Review and orders Ingham Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2018 assessment roll. The Commission also ordered the Township to provide the name of the individual hired to make the corrections and submit a copy of the contract with that individual to the STC. (Item 20 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for Long Rapids Township, Alpena County for failure to correct the deficiencies noted in their 2014 AMAR Review and orders Long Rapids Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2019 assessment roll. (Item 21 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for Washington Township, Gratiot County for failure to correct the deficiencies noted in their 2014 AMAR Review and orders Washington Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2019 assessment roll. (Item 22 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for the City of Galesburg, Kalamazoo County for failure to correct the deficiencies noted in their 2013 AMAR Review and orders the City of Galesburg to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2018 assessment roll. The Commission also ordered the City to provide the name of the individual hired to make the corrections and submit a copy of the contract with that individual to the STC. (Item 23 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for Otsego Township, Allegan County for failure to correct the deficiencies noted in their 2013 AMAR Review and orders Otsego Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2018 assessment roll. The Commission also ordered the Township to provide the name of the individual hired to make the corrections and submit a copy of the contract with that individual to the STC. (Item 24 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to rescind the actions of the London Township, Moneo County 2017 July Board of Review related to changing the assessed value for parcel 5810-010-023-30 for the 2017 tax year. The Commission also directed the London Township assessor to notify the affected taxpayer of the order and inform the taxpayer of the 2017 July Board of Review's lack of authority to consider a valuation claim. (Item 25 on agenda)

The Commission received additional information regarding the City of Gaylord, Otsego County. The City had terminated their contract with the current assessor and hired Mr. Robert Englebrecht to take over as the assessor. Mr. Englebrecht had submitted a detailed plan on how to make the corrections to the assessment roll. The Commission approved staff's recommendation to not assume jurisdiction of the assessment roll for the City and to conduct another follow up review in 2018. (Add on to agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the MCL 211.154 **Concurrences and the revised numbers for petition 154-17-0640**. (Item 26 on agenda) ([See attached link for file identification](#))

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt staff recommendations on MCL 211.154 petitions on the **Special Items Agenda**. (Item 27 on agenda) ([See attached link for file identification](#))

It was moved by Kutschman, supported by Morris, and unanimously approved the following MCL 211.154 petitions as a **concurrence**, initially noticed as a non-concurrence. (Item 28 on agenda)

City of East Lansing, Clinton County

154-17-0555 PITNEY BOWES, INC. 19-20-90-52-658-240
PERSONAL PROPERTY

2017 AV from \$ 3,800 to \$ 0 TV from \$ 3,800 to \$ 0

Millington Township, Tuscola County

154-17-0561 MICHAEL & EDMALYN FARMER 017-012-000-1150-00
REAL PROPERTY

2017 AV from \$ 0 to \$ 50,700 TV from \$ 0 to \$ 41,998

It was moved by Kutschman, supported by Morris, and unanimously approved to **postpone** the following MCL 211.154 petition. (Item 28 on agenda)

Maple Grove Township, Manistee County

154-17-0574 STEPHEN J. & KIMBERLY A. PAWLOSKI 5108-013-250-02
REAL PROPERTY

2015 AV from \$ 7,800 to \$ 11,500 TV from \$ 7,800 to \$ 11,500

2016 AV from \$ 7,800 to \$ 11,500 TV from \$ 7,800 to \$ 11,500

2017 AV from \$ 27,200 to \$ 11,500 TV from \$ 24,870 to \$ 11,500

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt all other MCL 211.154 petitions. ([See attached link for file identification.](#)) (Item 28 on agenda)

Administrative hearings were held regarding Air and Water Pollution Control Exemptions. (Item 29 on agenda)

Kevin Roragen appeared on behalf of Core Energy, LLC to state they have reached an agreement to the approval of the Air and Water Pollution Control Exemptions for Core Energy, LLC (File Numbers: 2-6436, 2-6438, 2-6464, 2-6465 and 2-6468). Phillip Depetro appeared on behalf of Department of Environmental Quality and John Leone from the Attorney General's office represented DEQ. The Commission heard testimony from all parties. It was moved by Kutschman, supported by Morris, and unanimously approved to adopt staff recommendation regarding the Air and Water Pollution Control Exemption Certificate 2-6436 approving the application. It was moved by Morris, supported by Kutschman, and unanimously approved to adopt staff recommendation regarding the Air and Water Pollution Control Exemption Certificate 2-6438 approving the application. It was moved by Kutschman, supported by Morris, and unanimously approved to adopt staff recommendation regarding the Air and Water Pollution Control Exemption Certificate 2-6464 approving the application. It was moved by Morris, supported by Kutschman, and unanimously approved to adopt staff recommendation regarding the Air and Water Pollution Control Exemption Certificate 2-6465 approving the application. It was moved by Kutschman, supported by Morris, and unanimously approved to adopt staff recommendation regarding the Air and Water Pollution Control Exemption Certificate 2-6468 approving the application.

Honor Sheard and Amy Ahmad appeared on behalf of Marathon Petroleum Company LP to object to the portion of the DEQ recommendation that reduces the requested amount of the exemption. (File Number: 1-3833) John Leone from the Attorney General's Office represented DEQ and Becky Radulski and Chris Ethridge appeared on behalf of Department of Environmental Quality. The Commission heard testimony from all parties. It was moved by Kutschman, supported by Morris, and unanimously approved to adopt staff recommendation regarding the Air and Water Pollution Exemption Certificate 1-3833 approving the application.

Scott and Nicole Boyd appeared on behalf of Boyd Farms LLC to object to the portion of the DEQ determination that states in part: "We do not recommend a tax exemption for the roof portion of the structure as the primary purpose of the roof is not water pollution control." (File 2-6425) Vicki Cushman, Assessor, appeared on behalf of Orient Township. Phillip Depetro appeared on behalf of Department of Environmental Quality and John Leone from the Attorney General's office represented DEQ. The Commission heard from testimony from all parties. It was moved by Kutschman, supported by Morris, and unanimously approved to adopt staff recommendation regarding the Air and Water Pollution Exemption Certificate 2-6425 approving the application.

Scott and Nicole Boyd appeared on behalf of Boyd Farms LLC to object to the portion of the DEQ determination that states in part: "We do not recommend a tax exemption for the roof portion of the structure as the primary purpose of the roof is not water pollution control." (File 2-6426) Kimber Westmaas, Assessor, appeared on behalf of Ewart Township. Phillip Depetro appeared on behalf of Department of Environmental Quality and John Leone from the Attorney General's office represented DEQ. The Commission heard from testimony from all parties. It was moved by Morris, supported by Kutschman, and unanimously approved to adopt staff recommendation regarding the Air and Water Pollution Exemption Certificate 2-6426 approving the application.

Public Comment (Item 30 on agenda):

Kim Awrey (City Clerk) & Joseph Duff (City Manager) appeared before the Commission on behalf of the City of Gaylord, Otsego County. Mr. Duff stated the following: We want to review and thank the Commission today. We have been working very tirelessly with your staff and have appointed a new assessor in our City of Gaylord to correct some of our deficiencies in our 2017 roll. We feel we are back on board now and on track and want to thank the Commission for some of their actions at the last meeting and also thank you for your actions of today. We hope you will never see this City Manager back in the State Tax Commission again unless we are arguing on behalf of some of our industries for some very needed abatements that they come through. Staff have been incredible, and we have a person going through the process of becoming an assessor on our staff. The experience has been great.

No other member of the public wished to speak at public comment.

It was moved by Roberts, supported by Morris, and unanimously approved to request the Attorney General to file amicus briefs in the Court of Appeals cases of *City of River Rouge v DTE Electric Company & EES Coke Battery, LLC*, Docket Nos. 341331 and 341332. (Add on to agenda)

The next Commission meeting will be held February 13, 2018, at the Okemos Conference Center in the Okemos A & B Rooms, 2187 University Park Drive, Okemos.

It was moved by Roberts, supported by Morris, and approved to adjourn the meeting of the State Tax Commission at 12:15 p.m.

DATE TYPED: December 13, 2017

DATE APPROVED: February 13, 2018

Douglas B. Roberts, Chair
State Tax Commission

W. Howard Morris, Member
State Tax Commission

Leonard D. Kutschman, Member
State Tax Commission

DRAFT