

Excerpt from STC Bulletin 4 of 1998 (found on page 15 of that Bulletin):

Public Act 297 of 1994 (as amended) (MCL 211.30c)

MCL 211.30c requires that when the March Board of Review or the Michigan Tax Tribunal reduces the assessed value or taxable value of a property, that reduced amount must be used as the BASIS for calculating the assessment in the immediately succeeding year.

IMPORTANT NOTE: This only applies to MICHIGAN TAX TRIBUNAL CHANGES when the MTT hearing is held in the same calendar year as the year of the assessment being appealed. Therefore, if the MTT hearing for a 1997 assessment appeal isn't held until 1998, the resulting assessment does not have to be used as the basis for the 1998 assessment.

Boards of review are cautioned that the "BASIS" for an assessment does not necessarily become the assessment. The dictionary defines basis as the base, foundation, or chief supporting factor of anything. Assessments still have to be at 50% of True Cash Value and uniform. Attached to this bulletin is a copy of a letter opinion by Deputy Attorney General Stanley D. Steinborn, which indicates the importance of achieving fifty percent of true cash value and uniformity when annually establishing assessments, notwithstanding the provisions of MCL 211.30c as added by 1994 PA 297, and amended by 1994 PA 415 and 1996 PA 476. This letter opinion stresses the importance of "harmonizing" the requirements of MCL 211.30c with the requirements of MCL 211.27a(1) and MCL 211.24(1). MCL 211.27a(1) requires that "property shall be assessed at 50% of its true cash value." MCL 211.24(1) requires assessors to annually "estimate, according to his or her best information and judgment, the true cash value and assessed value" of each parcel of real and personal property.

Please note that the fact that an assessment reduced by a Board of Review may become the "basis" of the next year's assessment is not, in and of itself, a legitimate reason for a Board of Review to reduce an assessment.