



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

ROBERT J. KLEINE
STATE TREASURER

MINUTES OF THE MEETING OF THE STATE TAX COMMISSION

***Lansing Center, Meeting Rooms 103 & 104
333 East Michigan Avenue
Lansing, Michigan***

***Tuesday, December 7, 2010
9:00 a.m.***

***PRESENT: Robert H. Naftaly, Chair STC
Douglas B. Roberts, Member STC
Barry N. Simon, Member STC***

***Kelli Sobel, Executive Director
LaNiece Densteadt, Recording Secretary***

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

It was moved by Simon, supported by Roberts, and unanimously approved to adopt the minutes of October 26, 2010 with the correction of the date. (Item 1 on agenda)

The Commission heard from the parties involved regarding Appeal of the IFT revocation for Owens-Brockway Glass Container Inc. (File No. 1999-432) and will make a decision at their December 20, 2010 meeting. (Item 2 on agenda)

The Commission heard from the parties involved in the appeal of the approval of Air Pollution Control Exemption for PCI Enterprises Company (File No. 1-3493-01) and will make a decision at their December 20, 2010 meeting. (Item 2 on agenda)

The Commission heard from the parties involved in the appeal of the approval of the Water Pollution Control Exemption for CMS Land Company (File No. 2-5728) and will make a decision at their December 20, 2010 meeting. (Item 2 on agenda)

The Commission discussed the review of the Air and Water Pollution Control Exemption Applications and requested Executive Director Sobel set up a meeting with the new DEQ Director after January 1, 2011 to discuss these issues. (Item 3 on agenda)

It was moved by Simon, supported by Roberts, and unanimously approved to adopt the Certification of the State Tax Commission General Rules 2010-01 TY. (Item 4 on agenda)

It was moved by Simon, supported by Roberts, and unanimously approved Bulletin 18 of 2010 Random Week for Qualified Businesses. (Item 5 on agenda)

It was moved by Simon, supported by Roberts, and unanimously approved Bulletin 19 of 2010 Property Tax Appeal Procedures for 2011. (Item 6 on agenda)

It was moved by Simon, supported by Roberts, and unanimously approved Bulletin 20 of 2010 Boards of Review for 2011. (Item 7 on agenda)

It was moved by Simon, supported by Roberts, and unanimously approved Bulletin 21 of 2010 Interest Rates on MTT Judgments. (Item 8 on agenda)

It was moved by Simon, supported by Roberts, and unanimously approved the revision of Bulletin 10 of 2010 Withholding Property from Forfeiture. (Item 9 on agenda)

It was moved by Roberts, supported by Simon, and unanimously approved to allow the reconsideration of classification appeal 10-0928 and change the classification of this parcel to Industrial Personal. The taxpayer failed to ask for reconsideration of the personal property parcel after the Commission had approved the classification change for the real property on October 26, 2010. (Item 10 on agenda)

It was moved by Simon, supported by Roberts, and unanimously approved to adopt the official order to return jurisdiction of the 2010 assessment roll to Benzonia Township, Benzie County. (Item 11 on agenda)

It was moved by Simon, supported by Roberts, and unanimously approved to adopt the official order to return jurisdiction of the 2009 assessment roll to Shelby Township, Macomb County. (Item 12 on agenda)

It was moved by Simon, supported by Roberts, and unanimously approved to adopt the official order to certify the 2010 assessment roll for Buena Vista Township, Saginaw County. (Item 13 on agenda)

It was moved by Simon, supported by Roberts, and unanimously approved to adopt the Revised Annual Reporting Forms – State Assessed Telephone Form 1029, Railroad Form 1028, Car Line Form 1027, and approval for BS&A to use the electronic version of the 2011 Personal Property Statement Form 632. (Item 14 on agenda)

It was moved by Simon, supported by Roberts, and unanimously approved to adopt the list of Certification Applicants. (Item 15 on agenda) ([See attached link for file identification](#))

It was moved by Roberts, supported by Naftaly, and unanimously approved to adopt the Personal Property Examiner Certifications submitted by staff. Commissioner Simon abstained from voting on his certification but approved all others. (Item 16 on agenda)

It was moved by Simon, supported by Roberts, and unanimously approved to adopt the staff recommendation on the Re-certifications and New Certifications of Computerized Tax Rolls for the following: (Item 17 on agenda)

These certifications will expire on **May 1, 2013**.

New Certifications

Lenawee County

City of Tecumseh

Oceana County

Crystal Township

It was moved by Simon, supported by Roberts, and unanimously approved to adopt the MCL 211.154 **Concurrences**. (Item 18 on agenda) ([See attached link for file identification.](#))

It was moved by Simon, supported by Roberts, and unanimously approved to adopt the MCL 211.154 **Special Items Agenda** ([See attached link for file identification.](#)) (Item 19 on agenda)

It was moved by Simon, supported by Roberts, and unanimously approved to **postpone** the following MCL 211.154 petitions until **February 14, 2011**.

Waterloo Township, Jackson County

154-10-0965 GLENN FARM SEEDS INC.; 000-05-02-152-001-01; REAL PROPERTY

2008 AV from \$ 221,600 to \$ 321,660 TV from \$ 147,739 to \$ 247,799

2009 AV from \$ 212,450 to \$ 312,510 TV from \$ 154,239 to \$ 258,702

It was moved by Simon, supported by Roberts, and unanimously approved to **postpone** the following MCL 211.154 petitions until **April 21, 2011**. (Item 20 on agenda)

East Bay Township, Grand Traverse County

154-10-1054 MERIT ENERGY; 28-03-900-107-09; PERSONAL PROPERTY

2008 AV from \$ 0 to \$ 6,300 TV from \$ 0 to \$ 6,300

2009 AV from \$ 0 to \$ 6,300 TV from \$ 0 to \$ 6,300

2010 AV from \$ 0 to \$ 6,300 TV from \$ 0 to \$ 6,300

City of Troy, Oakland County

154-10-0979 DEFIANCE TESTING & ENGINEERING; 88-99-00-040-021; PERSONAL PROPERTY

2010 AV from \$ 1,388,220 to \$ 329,010 TV from \$ 1,388,220 to \$ 329,010

City of Troy, Oakland County

154-10-0980 DEFIANCE TESTING & ENGINEERING; 88-99-00-321-380; PERSONAL PROPERTY

2008 AV from \$ 316,210 to \$ 265,930 TV from \$ 316,210 to \$ 265,930
2009 AV from \$ 294,030 to \$ 247,560 TV from \$ 294,030 to \$ 247,560
2010 AV from \$ 273,070 to \$ 224,980 TV from \$ 273,070 to \$ 224,980

City of Romulus, Wayne County

154-10-1044 RDD INVESTMENT CORP. LLC; 80-999-00-3574-000; PERSONAL PROPERTY

2008 AV from \$ 142,100 to \$ 667,950 TV from \$ 142,100 to \$ 667,950
2009 AV from \$ 133,300 to \$ 632,400 TV from \$ 133,300 to \$ 632,400

City of Westland, Wayne County

154-10-0973 DEFIANCE TESTING & ENGINEERING; 56-999-00-0806-201; Personal Property

2009 AV from \$ 821,370 to \$ 570,000 TV from \$ 821,370 to \$ 570,000
2010 AV from \$ 773,320 to \$ 561,691 TV from \$ 773,320 to \$ 561,691

154-10-0974 DEFIANCE TESTING & ENGINEERING; 56-999-00-2422-000; Personal Property

2009 AV from \$ 491,499 to \$ 262,500 TV from \$ 491,499 to \$ 262,500
2010 AV from \$ 462,620 to \$ 259,691 TV from \$ 462,620 to \$ 259,691

It was moved by Simon, supported by Roberts, and unanimously approved to **amend** the following MCL 211.154 petitions.

Leonidas Township, Saint Joseph County

154-10-1058 LAVERNE & SANDRA PLAIR; 75-008-020-004-00; REAL PROPERTY

2008 AV from \$ 46,100 to \$ 37,800 TV from \$ 37,800 to \$ 10,336

City of Livonia, Wayne County

154-10-1125 HOUSE OF LEON INC.; 46-999-00-9502-000; PERSONAL PROPERTY

2008 AV from \$ 11,240 to \$ 15,800 TV from \$ 11,240 to \$ 15,800
2009 AV from \$ 10,270 to \$ 15,750 TV from \$ 10,270 to \$ 15,750
2010 AV from \$ 10,470 to \$ 15,700 TV from \$ 10,470 to \$ 15,700

City of River Rouge, Wayne County

154-09-1912 DETROIT EDISON COMPANY; 82-50-999-00-0260-020; PERSONAL PROPERTY

2009 AV from \$ 56,944,900 to \$ 55,384,582 TV from \$ 56,944,900 to \$ 55,384,582

City of River Rouge, Wayne County

154-09-1913 DETROIT EDISON COMPANY; 82-50-999-00-0260-000; PERSONAL PROPERTY

2008 AV from \$ 6,745,600 to \$ 6,806,550 TV from \$ 6,745,600 to \$ 6,806,550
2009 AV from \$ 7,264,500 to \$ 6,610,300 TV from \$ 7,264,500 to \$ 6,610,300

154-09-1911 PCI ENTERPRISES COMPANY; 50-998-01-9892-004; PERSONAL-IFT PROPERTY

2008 AV from \$ 19,778,300 to \$ 8,363,065 TV from \$ 19,778,300 to \$ 8,363,065
2009 AV from \$ 16,433,600 to \$ 19,778,300 TV from \$ 16,433,600 to \$ 19,778,300

It was moved by Simon, supported by Roberts, and unanimously approved to **withdraw** the following MCL 211.154 petitions. (Item 20 on agenda)

Pierson Township, Montcalm County

154-10-1005 WAYNE M. VANDERHOUT; 59-015-019-010-20; REAL PROPERTY

2008 AV from \$ 112,600 to \$ 118,500 TV from \$ 89,396 to \$ 94,000
2009 AV from \$ 111,800 to \$ 117,800 TV from \$ 93,329 to \$ 98,136
2010 AV from \$ 85,700 to \$ 90,600 TV from \$ 85,700 to \$ 90,600

It was moved by Simon, supported by Roberts, and unanimously approved to **deny** the following MCL 211.154 petitions. (Item 20 on agenda)

City of River Rouge, Wayne County

154-07-2952 EES COKE BATTERY LLC; 50-999-00-1096-005; PERSONAL PROPERTY

2005 AV from \$ 44,929,900 to \$ 39,756,023 TV from \$ 44,929,900 to \$ 39,756,023
2006 AV from \$ 44,659,500 to \$ 38,680,632 TV from \$ 44,659,500 to \$ 38,680,632
2008 AV from \$ 39,161,989 to \$ 26,723,804 TV from \$ 39,161,989 to \$ 26,723,804

154-09-1912 DETROIT EDISON COMPANY; 82-50-999-00-0260-020; PERSONAL PROPERTY

2007 AV from \$ 48,720,400 to \$ 47,593,973 TV from \$ 48,720,400 to \$ 47,593,973
2008 AV from \$ 52,911,800 to \$ 45,897,591 TV from \$ 52,911,800 to \$ 45,897,591

154-10-1335 PCI ENTERPRISES; 50-999-00-0630-000; PERSONAL PROPERTY

2009 AV from \$ 10,913,600 to \$ 11,452,550 TV from \$ 10,913,600 to \$ 11,452,550

It was moved by Simon, supported by Roberts, and unanimously approved to **deny for lack of jurisdiction** the following MCL 211.154 petitions. (Item 20 on agenda)

City of River Rouge, Wayne County

154-07-2952 EES COKE BATTERY LLC; 50-999-00-1096-005; PERSONAL PROPERTY

2007 AV from \$ 44,659,500 to \$ 39,161,989 TV from \$ 44,659,500 to \$ 39,161,989

It was moved by Simon, supported by Roberts, and unanimously approved to adopt all other MCL 211.154 petitions **as submitted**. ([See attached link for file identification.](#)) (Item 20 on agenda)

It was moved by Simon, supported by Roberts, and unanimously approved the following MCL 211.154 petitions as **concurrences**. These petitions were initially noticed as non-concurrences. (Item 20 on agenda)

Benton Township, Berrien County

154-10-1090 SUNSET GRINDING CO. INC.; 11-03-9999-4217-50-5; PERSONAL PROPERTY

2010 AV from \$ 0 to \$ 10,000 TV from \$ 0 to \$ 10,000

Lincoln Township, Berrien County

154-10-0970 LIGHT ON THE HILL BUSINESS SVS.; 11-12-9999-6015-00-3; Personal Property

2008 AV from \$ 36,300 to \$ 500 TV from \$ 36,300 to \$ 500

City of Portage, Kalamazoo County

154-10-1109 STRYKER INSTRUMENTS; 90012-107-A; PERSONAL PROPERTY

2008 AV from \$ 167,100 to \$ 288,250 TV from \$ 167,100 to \$ 288,250

2009 AV from \$ 167,100 to \$ 256,700 TV from \$ 167,100 to \$ 256,700

154-10-1110 STRYKER INSTRUMENTS; 90012-070-A; PERSONAL PROPERTY

2008 AV from \$ 2,790,200 to \$ 3,021,700 TV from \$ 2,790,200 to \$ 3,021,700

2009 AV from \$ 2,385,200 to \$ 2,589,700 TV from \$ 2,385,200 to \$ 2,589,700

154-10-1111 STRYKER INSTRUMENTS; 90012-070-C; PERSONAL PROPERTY

2008 AV from \$ 4,762,300 to \$ 4,910,150 TV from \$ 4,762,300 to \$ 4,910,150

2009 AV from \$ 4,357,400 to \$ 4,498,050 TV from \$ 4,357,400 to \$ 4,498,050

City of Warren, Macomb County

154-10-1134 HERCULES WELDING DIV./OBARBA CORP.; 99-02-279-300; Personal Property

2010 AV from \$ 450,094 to \$ 841,763 TV from \$ 450,094 to \$ 841,763

Pierson Township, Montcalm County

154-10-1003 STANLEY C. & SYLVIA J. GABEL JR. TRUST; 59-015-029-001-00; Real Property

2008 AV from \$ 23,100 to \$ 25,800 TV from \$ 13,679 to \$ 15,229

2009 AV from \$ 25,000 to \$ 27,800 TV from \$ 14,280 to \$ 15,899

2010 AV from \$ 23,500 to \$ 25,700 TV from \$ 14,237 to \$ 15,851

Briley Township, Montmorency County

154-10-1014 JDB ENERGY LLC; 003-900-000-982-00; PERSONAL PROPERTY

2008 AV from \$ 0 to \$ 217,616 TV from \$ 0 to \$ 217,616
2009 AV from \$ 0 to \$ 357,645 TV from \$ 0 to \$ 357,645
2010 AV from \$ 0 to \$ 310,542 TV from \$ 0 to \$ 310,542

Montmorency Township, Montmorency County

154-10-1015 JDB ENERGY LLC; 006-900-000-072-00; PERSONAL PROPERTY

2008 AV from \$ 0 to \$ 425,307 TV from \$ 0 to \$ 425,307
2009 AV from \$ 0 to \$ 675,978 TV from \$ 0 to \$ 675,978
2010 AV from \$ 0 to \$ 633,977 TV from \$ 0 to \$ 633,977

City of Birmingham, Oakland County

154-10-0967 JACOBSON BROTHERS; 08-99-00-008-100; PERSONAL PROPERTY

2008 AV from \$ 25,000 to \$ 0 TV from \$ 25,000 to \$ 0

City of Clawson, Oakland County

154-10-1158 SVS VISION; 16-99-00-010-042; PERSONAL PROPERTY

2010 AV from \$ 0 to \$ 34,710 TV from \$ 0 to \$ 34,710

City of Southfield, Oakland County

154-10-1160 NATIONAL LOGISTICS MGT.; 76-99-78-295-000; PERSONAL PROPERTY

2008 AV from \$ 76,850 to \$ 223,520 TV from \$ 76,850 to \$ 223,520
2009 AV from \$ 66,390 to \$ 196,180 TV from \$ 66,390 to \$ 196,180

City of Dearborn, Wayne County

154-09-2827 SEVERSTAL DEARBORN INC.; 84-0000-249500; PERSONAL PROPERTY

2007 AV from \$ 30,499,850 to \$ 27,164,650 TV from \$ 30,499,850 to \$ 27,164,650
2008 AV from \$ 29,485,850 to \$ 26,273,650 TV from \$ 29,485,850 to \$ 26,273,650

City of Dearborn, Wayne County

154-09-2828 SEVERSTAL DEARBORN INC.; 83-31-020-05-174; PERSONAL-IFT PROPERTY

2008 AV from \$ 56,433,050 to \$ 40,008,950 TV from \$ 56,433,050 to \$ 40,008,950
2009 AV from \$ 52,092,000 to \$ 41,904,050 TV from \$ 52,092,000 to \$ 41,904,050

City of Dearborn, Wayne County

154-09-2829 SEVERSTAL DEARBORN INC.; 84-0000-249800; PERSONAL PROPERTY

2007 AV from \$ 6,521,500 to \$ 2,469,100 TV from \$ 6,521,500 to \$ 2,469,100

2008 AV from \$ 6,626,550 to \$ 2,277,400 TV from \$ 6,626,550 to \$ 2,277,400

154-09-2830 SEVERSTAL DEARBORN INC.; 83-31-020-05-173; PERSONAL-IFT PROPERTY

2007 AV from \$ 15,621,700 to \$ 7,689,800 TV from \$ 15,621,700 to \$ 7,689,800

2008 AV from \$ 126,150,050 to \$ 103,975,750 TV from \$ 126,150,050 to \$ 103,975,750

2009 AV from \$ 106,243,500 to \$ 103,607,200 TV from \$ 106,243,500 to \$ 103,607,200

City of Livonia, Wayne County

154-10-1021 FRANKLIN SQUARE LIVONIA ASSOC.; 46-999-00-2733-000; Personal Property

2008 AV from \$ 7,270 to \$ 14,600 TV from \$ 7,270 to \$ 14,600

2009 AV from \$ 7,170 to \$ 13,150 TV from \$ 7,170 to \$ 13,150

2010 AV from \$ 3,970 to \$ 11,850 TV from \$ 3,970 to \$ 11,850

City of Livonia, Wayne County

154-10-1078 LUCKY PALACE CHINESE FOOD; 46-999-00-4782-000; PERSONAL PROPERTY

2008 AV from \$ 5,400 to \$ 9,750 TV from \$ 5,400 to \$ 9,750

2009 AV from \$ 4,900 to \$ 9,250 TV from \$ 4,900 to \$ 9,250

2010 AV from \$ 4,500 to \$ 7,500 TV from \$ 4,500 to \$ 7,500

It was moved by Simon, supported by Roberts, to go into closed session to discuss an item of pending litigation. Roll Call Vote: Chairperson Naftaly – Yes, Commissioner Roberts – Yes, Commissioner Simon – Yes. The motion was unanimously approved.

It was moved by Simon, supported by Roberts, and unanimously approved to return to open session. Roll Call Vote: Chairperson Naftaly – Yes, Commissioners Roberts – Yes, Commissioner Simon – Yes. The motion was unanimously approved.

It was moved by Simon, supported by Roberts, and unanimously approved Bulletin 22 of 2010 Property Classification which indicates:

1. In accordance with the requirements of MCL 211.34c, all assessors shall annual determine a classification for every item of assessable property in their jurisdiction. These classifications shall be based upon the definitions contained in MCL 211.34c and further defined in this memorandum and **shall** be based upon the use of the property as of tax day and not highest and best use.
2. The State Tax Commission has determined that manufacturing and processing as referenced in MCL 211.34c(2)(d) is defined as follows:

The activity of converting or conditioning tangible personal property by changing the form, composition, quality, combination, or character of the property for ultimate sale at retail or for use in the manufacturing of a product to be ultimately sold at retail.

3. The State Tax Commission has determined that only warehousing directly associated with manufacturing and processing can be considered industrial.
4. The State Tax Commission has determined that the phrase on industrial parcels used to define industrial personal property as defined in MCL 211.34c(3)(c) means parcels on which manufacturing and processing is taking place.
5. The simple fact that a property qualifies for an IFT does not qualify that property to be classified industrial.
6. The simple fact that a property is zoned industrial does not qualify that property to be classified industrial.

It was moved by Simon, supported by Roberts, and unanimously approved to direct staff to prepare orders to change the classification for properties believed to be inappropriately classified for the 2009 and 2010 years.

It was moved by Simon, supported by Roberts, and unanimously approved to ask the Department of Treasury to withdraw any appeals with the Michigan Tax Tribunal for 2008 and the 10,331 Classification Appeals for 2009.

The next Commission meeting will be held December 20, 2010 in the Treasurer's Conference Room in the Austin Building, 430 W. Allegan, Lansing.

It was moved by Simon, supported by Roberts, and unanimously approved to adjourn the meeting of the State Tax Commission at 12:45 p.m.

DATED TYPED: December 8, 2010

DATE APPROVED: December 20, 2010

Robert H. Naftaly, Chair
State Tax Commission

Douglas B. Roberts, Member
State Tax Commission

Barry N. Simon, Member
State Tax Commission