STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

ANDY DILLON
STATE TREASURER

MINUTES OF THE MEETING OF THE STATE TAX COMMISSION

Lansing Center, Governor's Room
333 East Michigan Avenue
Lansing, Michigan

Thursday, June 9, 2011
9:00 a.m.

PRESENT: ***Douglas B. Roberts, Chair STC***
Robert H. Naftaly, 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 Naftaly, supported by Simon, and unanimously approved to adopt the minutes of May 23, 2011. (Item 1 on agenda)

Chairman Roberts asked to postpone the State Assessed Property Appeals and the approval of the Final State Assessed Roll until the end of the meeting to give the Commission time to review and discuss the letters of appeal.

It was moved by Naftaly, supported by Simon, and unanimously approved to circulate Bulletin 6 of 2011, Oil and Gas Personal Property, for comment and place it back on the August 31st agenda. (Item 4 on agenda) Bob Rhodes, of Dickinson Wright, appeared before the Commission and stated he would like to review the bulletin and submit comments.

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the Klooster v City of Charlevoix Memorandum of Advice. (See attached link for file identification.) (Item 5 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the official order to certify the 2008 assessment roll for Branch Township, Mason County. (Item 6 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the official order to certify the 2010 assessment roll for Colfax Township, Oceana County. (Item 7 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the official order to certify the 2010 assessment roll for Leavitt Township, Oceana County. (Add on to the agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the recommendation of Kelli Sobel, Executive Director to give Tawas Township, Iosco County until the 2012 roll to complete the corrective actions to the assessment roll. If the corrective actions are not complete by January 2012 the Commission will assume jurisdiction of the roll. The Commission also approved to refer the assessor for Tawas Township to the Assessor Discipline Advisory Committee. (Item 8 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt an official order to overturn some of the actions of the March Board of Review for Gilead Township, Branch County. The Commission also asked Gilead Township to ensure the Board of Review uses the proper guidelines for determining classification in the future, follow the Open Meetings Act, and understand that in Michigan property that has situs has a value. (Item 9 on agenda)

The Commission discussed when the Commission should defend the decision made by the STC and when they should not defend those decisions. Chairman Roberts stated he would like to develop guidelines of when the Commission will and will not defend their decision. Commissioner Naftaly asked that staff put together a list of the various types of decisions made and the pros and cons of defending each item. (Item 10 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the list of Certification Applicants. (See attached link for file identification) (Item 11 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the staff recommendation on the Exemptions (See attached link for file identification). (Item 12 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the staff recommendation on the Re-certifications and New Certifications of Computerized Tax Rolls for the following: (Item 13 on agenda)

These certifications will expire on **May 1, 2014**.

Recertification's

Genesee County
Grand Blanc Township

Jackson County
Columbia Township
Hanover Township
Napoleon Township
Parma Township
Pulaski Township
Waterloo Township

Lapeer County
Almont Township

Montcalm County
Sidney Township

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the MCL 211.154 **Concurrences**. (See attached link for file identification) (Item 14 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt the MCL 211.154 **Special Items Agenda.** (See attached link for file identification) (Item 15 on agenda)

It was moved by Naftaly, supported by Simon, and unanimously approved to **postpone** the following MCL 211.154 petitions until **August 31, 2011**. (Item 16 on agenda)

City of Livonia, Wayne County

154-10-2169 INTERNATIONAL PAPER COMPANY; 46-999-00-1954-000; Personal Property

2008 AV from $ 209,130 to $ 500,684 TV from $ 209,130 to $ 500,684
2009 AV from $ 224,410 to $ 447,521 TV from $ 224,410 to $ 447,521
2010 AV from $ 272,870 to $ 431,151 TV from $ 272,870 to $ 431,151

154-10-2374 INTERNATIONAL PAPER COMPANY; 46-998-01-9891-118; Personal-IFT Property

2008 AV from $ 463,720 to $ 257,536 TV from $ 463,720 to $ 257,536
2009 AV from $ 402,560 to $ 226,877 TV from $ 402,560 to $ 226,877
2010 AV from $ 360,620 to $ 202,350 TV from $ 360,620 to $ 202,350

Redford Township, Wayne County

154-10-1725 DETROIT DIESEL CORPORATION; 79-999-00-3230-500; PERSONAL PROPERTY

2008 AV from $ 20,140,300 to $ 14,627,824 TV from $ 20,140,300 to $ 14,627,824
2009 AV from $ 29,859,250 to $ 14,037,784 TV from $ 29,859,250 to $ 14,037,784
2010 AV from $ 30,127,600 to $ 16,707,242 TV from $ 30,127,600 to $ 16,707,242

It was moved by Naftaly, supported by Simon, and unanimously approved to **amend** the following MCL 211.154 petitions. (Item 16 on agenda)

City of Pontiac, Oakland County

154-10-1716 PHOENIX MANAGEMENT COMPANY; 64-99-00-930-166; Personal Property
****This was also a concurrence.**

2008 AV from $ 698,710 to $ 655,950 TV from $ 698,710 to $ 655,950
2009 AV from $ 1,728,230 to $ 722,060 TV from $ 1,728,230 to $ 722,060
2010 AV from $ 1,660,800 to $ 779,650 TV from $ 1,660,800 to $ 779,650

City of Ann Arbor, Washtenaw County

154-11-0028 AMERICAN HONDA MOTOR CO.; 09-90-00-001-688; PERSONAL PROPERTY

2009 AV from $ 675,400 to $ 1,595,300 TV from $ 675,400 to $ 1,595,300
2010 AV from $ 1,127,800 to $ 1,563,800 TV from $ 1,127,800 to $ 1,563,800

154-11-0029 MERCEDES-BENZ R & D NA; 09-92-00-320-100; PERSONAL PROPERTY
****This was also a concurrence.**

2010 AV from $ 2,198,300 to $ 2,188,500 TV from $ 2,198,300 to $ 2,188,500

154-11-0030 MERCEDES-BENZ R & D NA; 09-90-00-042-429; PERSONAL PROPERTY

2010 AV from $ 1,311,900 to $ 880,600 TV from $ 1,311,900 to $ 880,600

It was moved by Naftaly, supported by Simon, and unanimously approved to **withdraw** the following MCL 211.154 petitions. (Item 16 on agenda)

City of Novi, Oakland County

154-10-1874 V-NET SOLUTIONS WORLD WIDE MGT.; 50-99-00-009-242; Personal Property

2010 AV from $ 58,310 to $ 74,490 TV from $ 58,310 to $ 74,490

154-10-1877 EDWARD BLADES TOOL INC.; 50-99-00-009-119; PERSONAL PROPERTY

2010 AV from $ 100,960 to $ 195,260 TV from $ 100,960 to $ 195,260

City of Southfield, Oakland County

154-10-1894 THYSSEN KRUPP MATERIALS; 76-IP-04-100-489; PERSONAL-IFT PROPERTY

2008 AV from $ 0 to $ 196,630 TV from $ 0 to $ 196,630
2009 AV from $ 0 to $ 173,880 TV from $ 0 to $ 173,880
2010 AV from $ 0 to $ 156,000 TV from $ 0 to $ 156,000

Kimball Township, St. Clair County

154-10-1519 ORZEL AVIATION SERVICES CO.; 74-25-035-1006-113; REAL PROPERTY

2009 AV from $ 214,300 to $ 231,600 TV from $ 196,237 to $ 209,266
2010 AV from $ 0 to $ 214,200 TV from $ 0 to $ 195,648

City of Ann Arbor, Washtenaw County

154-11-0029 MERCEDES-BENZ R & D NA; 09-92-00-320-100; PERSONAL PROPERTY

2009 AV from $ 732,300 to $ 1,054,600 TV from $ 732,300 to $ 1,054,600

154-11-0030 MERCEDES-BENZ R & D NA; 09-90-00-042-429; PERSONAL PROPERTY

2009 AV from $ 1,439,400 to $ 2,128,000 TV from $ 1,439,400 to $ 2,128,000

City of Ecorse, Wayne County

154-10-2017 PRAXAIR; 34-998-00-9892-003; PERSONAL-IFT PROPERTY

2008 AV from $ 5,946,100 to $ 65,300 TV from $ 5,946,100 to $ 65,300

154-10-2019 PRAXAIR; 34-999-00-0758-540; PERSONAL PROPERTY

2008 AV from $ 10,539,400 to $ 16,414,700 TV from $ 10,539,400 to $ 16,414,700

Plymouth Township, Wayne County

154-10-2066 KEY PLASTICS INC.; 78-998-01-9801-058; REAL-IFT PROPERTY

2008 AV from $ 647,120 to $ 399,000 TV from $ 506,800 to $ 399,000
2009 AV from $ 647,120 to $ 399,000 TV from $ 529,090 to $ 399,000
2010 AV from $ 562,990 to $ 399,000 TV from $ 527,500 to $ 397,803

154-10-2072 METRO PLYMOUTH BUSINESS PARK LLC; 78-025-99-0006-702; Real Property

2008 AV from $ 1,268,890 to $ 1,517,010 TV from $ 1,188,570 to $ 1,317,070
2009 AV from $ 1,194,030 to $ 1,442,150 TV from $ 1,194,030 to $ 1,324,120
2010 AV from $ 2,684,780 to $ 2,848,770 TV from $ 1,190,440 to $ 1,299,437

Redford Township, Wayne County

154-10-1726 DETROIT DIESEL CORPORATION; 79-998-01-9892-005; Personal-IFT Property

2008 AV from $ 19,882,350 to $ 18,671,356 TV from $ 19,882,350 to $ 18,671,356
2009 AV from $ 18,065,500 to $ 16,953,395 TV from $ 18,065,500 to $ 16,953,395
2010 AV from $ 16,359,000 to $ 15,585,516 TV from $ 16,359,000 to $ 15,585,516

154-10-1727 DETROIT DIESEL CORPORATION; 79-998-01-9894-008; PERSONAL PROPERTY

2008 AV from $ 55,797,500 to $ 60,047,294 TV from $ 55,797,500 to $ 60,047,294
2009 AV from $ 45,864,898 to $ 64,431,414 TV from $ 45,864,898 to $ 64,431,414
2010 AV from $ 40,967,900 to $ 56,248,277 TV from $ 40,967,900 to $ 56,248,277

It was moved by Naftaly, supported by Simon, and unanimously approved the following MCL 211.154 petitions as **concurrences.** These petitions were initially noticed as non-concurrences. (Item 16 on agenda)

City of Wyoming, Kent County

154-10-1723 LEON PLASTICS INC.; 41-50-93-822-500; PERSONAL PROPERTY

2008 AV from $ 3,990,800 to $ 3,782,839 TV from $ 3,990,800 to $ 3,782,839
2009 AV from $ 4,094,600 to $ 3,530,758 TV from $ 4,094,600 to $ 3,530,758
2010 AV from $ 3,701,600 to $ 3,601,042 TV from $ 3,701,600 to $ 3,601,042

City of Brighton, Livingston County

154-11-0276 PANERA LLC - 600785; 4718-99-002-069; PERSONAL PROPERTY

2011 AV from $ 253,930 to $ 313,310 TV from $ 253,930 to $ 313,310

It was moved by Naftaly, supported by Simon, and unanimously approved to adopt all other MCL 211.154 petitions. (See attached link for file identification.) (Item 16 on agenda)

PUBLIC COMMENT (Item 17 on agenda)

Charles Leahy appeared before the Commission to discuss concerns regarding the Board of Review in Grosse Pointe Shores, concerns regarding uniform standards and training for Boards of Review.

Richard Sharland appeared before the Commission to ask what prompted the Commission including a public comment section on their agenda and to inquire about review of 154 files.

Kendra McDonald and Frederick Morgan appeared before the Commission. Ms. McDonald would like to challenge the results of her oral exams. Ms. McDonald also stated she was unable to find the rule stating you were only allowed three oral exams. Mr. Morgan mentioned in past practices you were allowed to take the oral exam as many times as you wanted to.

STATE ASSESSED PROPERTY APPEALS (Item 2 on agenda)

Talk America, Inc.

The Commission received and filed a letter on behalf of Talk America, Inc. from Terry Atkinson representing INTAX. Talk America, Inc. is protesting the value due to economic obsolescence.

Soo Line Railroad Company

The Commission received and filed a letter on behalf of Soo Line Railroad Company from Gary Brintnall representing Soo Line Railroad Company. Soo Line Railroad Company is protesting the value and is requesting to use the cost approach instead of the income approach.

Qwest Communications Company LLC

The Commission received and filed a letter on behalf of Qwest Communications Company LLC from Tom Vibber representing Qwest. Qwest is protesting the value due to economic obsolescence.

It was moved by Naftaly, supported by Simon, and unanimously approved to approve the Final 2011 State-Assessed Roll with the following values: (Item 3 on agenda)

Railroad Companies

Final True Cash Value	$ 1,984,711,472
Final Assessed Cash Value	$ 992,355,736
Final Capped Value	$ 525,968,159
Final Taxable Value	$ 525,840,922

Telephone and Telegraph Companies

Final True Cash Value	$ 3,296,262,444
Final Assessed Cash Value	$ 1,648,131,222
Final Capped Value	$ 1,730,763,903
Final Taxable Value	$ 1,646,321,863

Car Loaning Companies

Final True Cash Value	$ 159,098,146
Final Assessed Cash Value	$ 79,549,073
Final Capped Value	$ 79,549,073
Final Taxable Value	$ 79,549,073

Total Utility Roll

Final True Cash Value	$ 5,440,072,062
Final Assessed Cash Value	$ 2,720,036,031
Final Capped Value	$ 2,336,281,135
Final Taxable Value	$ 2,251,711,858

Commissioner Naftaly asked Executive Director Sobel review the Q and A on the Board of Review to see if there is anything else that needs to be addressed or may have been missed.

The next Commission meeting will be held August 31, 2011 at the Lansing Center in Meeting Room 201, 333 East Michigan Avenue, Lansing.

It was moved by Roberts, supported by Simon, and unanimously approved to adjourn the meeting of the State Tax Commission at 10:50 a.m.

DATED TYPED: **June 10, 2011**

DATE APPROVED: **August 31, 2011**

Douglas B. Roberts, Chair
State Tax Commission

Robert H. Naftaly, Member
State Tax Commission

Barry N. Simon, Member
State Tax Commission