



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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DATE: June 12, 2008
TO: Members of the State Tax Commission
FROM: Kelli Sobel, Executive Secretary
SUBJECT: Issues Update

This is to update you on a number of significant issues that we are currently working on:

- **STC Rules:** As you are aware, we have been working on our rules update for the past year. I provided you with a copy of the rules as currently proposed. The next step in the process is to prepare the regulatory impact statement and schedule the public hearing. I plan on scheduling the public hearing for August.
- **2008 Reporting Requirements:** As you know, the Commission instituted new reporting requirements for 2008. We currently have around 250 units that have not responded to one or more of the requirements. We have found through these reporting requirements over 400 parcels that were inappropriately changed to industrial personal. We have also found a number of concerning approvals of poverty exemptions that we have asked the local units to provide additional documentation.
- **Classification Appeals:** We are continuing to see a large influx of classification appeals. In order to speed up the processing of the appeals, we have decided that, in most cases, the appeals of personal property do not need to be sent out for field review. We still plan on completing action on all appeals received by the end of the calendar year.
- **14-Point Review Pilot Program:** As you are aware, the Commission accepted the recommendations of the 14-point review Committee to pilot a three prong program for 2008. We have sent out certification statements to the local units in six counties. We have received most of those statements. From all appearances, the local units have appropriately identified any deficiencies they may have in their assessing practices. The field staff are scheduled to conduct the "mini" reviews in three counties by October 1, 2008.

I have been working with DMB Purchasing to develop the work statement for the RFP for the contractors to complete full reviews in the three remaining counties. It is our plan to have the RFP on the street shortly and the contractors are scheduled to start work this fall. We have required in the work statement that the contractors hold a level 3 or 4 assessor certification.