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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

May 20, 2021

2021-7

**IMPORTANT DEADLINE INFORMATION
EMAIL SUBMISSIONS
NEW SMALL CLAIMS PRECEDENT
MEMORIAL DAY CLOSURE**

2021 Filing Dates for Petitions; June 1 for May 31 filing Deadline, and August 2 for the July 31 deadline.

The Tribunal would like to remind property owners and/or their representatives that the May 31 and July 31 appeal deadlines are rapidly approaching. However, this year both dates fall on a day which the Tribunal is closed. Therefore, Tuesday, June 1, 2021, is the deadline for filing valuation appeals involving commercial real property, industrial real property, developmental real property, commercial personal property, industrial personal property, or utility personal property valuation appeals. August 2, 2021, is the deadline for filing 2021 petitions with the Tribunal for property classified as agricultural real property, residential real property, timber-cutover real property, or agricultural personal property.

E-Mail Submissions

Pursuant to MOAHR Policy and Procedure No. 15, to reduce the risk of both the transmission and resurgence of COVID-19, *for pending cases only*, parties may file with the Tribunal by emailing the Tribunal at taxtrib@michigan.gov. However, if you have an e-filing account and are able to e-file, please use the Tribunal's e-filing system rather than email (<https://efiling.apps.lara.state.mi.us/>).

Small Claims Decision as Precedent

MCL 205.765 provides that a small claims decision is not precedent unless the Tribunal designates it as such. The Tribunal found that the question of whether the definition of "owner" within MCL 211.7dd should be applied to MCL 211.7u is one of first impression. In instances where future cases present the same facts, the Tribunal will rule according to the binding decision.

The Small Claims decision designated as precedent by the Tribunal on May 14, 2021 is: 20-004256. This case is precedential for defining ownership for purposes of a poverty exemption under MCL 211.7u.

In this poverty exemption case, Petitioner met the income and asset level tests, and occupied the subject property as her principal residence. The question remaining was whether Petitioner, a beneficiary of a trust that held title to the house, was an “owner” for purposes of the statute. At issue in determining the exemption eligibility was the fact that Petitioner was paying rent to the trust which held title to the house and in which she was the sole beneficiary. This raised the question whether Petitioner was the owner of the subject property or merely renting it as her principal residence.

Ownership for poverty exemption purposes is required under MCL 211.7u(2), which requires the claimant to “own and occupy as a principal residence the property for which an exemption is requested.” Because 7u does not define “own” and there is no definitional section applicable to section 7 of the General Property Tax Act, the Tribunal relied on the dictionary definition. As stated in *Jennings v Southwood*, 446 Mich 125, 139 (1994); “[w]hen a statute does not define a term, [the Court of Appeals] will construe the term according to its common and approved usage.”

In 20-004256, the Tribunal found that under the Black’s Law Dictionary definition, “own” is defined as “To rightfully have or possess as property; to have legal title to.” Thus, the Tribunal concluded that this definition seems to require legal title which would mean Petitioner would have the right to convey which she does not by virtue of the clear language of the trust which states: “the Trustee shall hold the Home Real Estate...for the residential use of my daughter....” Thus, while the Tribunal held that even though Petitioner’s income and asset levels meet the guidelines, and she resides at the subject property as her principal residence, Petitioner is not an owner of the subject property as required under the statute, and as such, was not eligible for the poverty exemption for the subject property.

Office Closed in Observance of Memorial Day

As noted with the change of the May 31 filing deadline, the Tribunal will be closed on Monday, May 31, 2021, in honor of Memorial Day.

Sincerely,



Steven M. Bieda
Chairperson, Michigan Tax Tribunal