



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

MINUTES OF THE MEETING OF THE STATE TAX COMMISSION

Virtual Meeting via Microsoft Teams

**Tuesday, February 9, 2021
9:00 a.m.**

PRESENT: **Peggy L. Nolde, Chairperson**
 W. Howard Morris, Member STC
 Leonard D. Kutschman, Member STC

David A. Buick, 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 Kutschman, supported by Morris, and unanimously approved to adopt the minutes of January 19, 2021 as presented. (Item 1 on agenda)

Public Comment – Agenda Items 3-14 Only (Item 2 on agenda): No member of the public wished to speak regarding agenda items 3-14.

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the 2020 STC Annual Report with the correction on page 7. (Item 3 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt staff recommendation to appoint the 2021-2022 STC Advisory Committee Members and Duties. Members appointed to the Assessor Discipline Advisory Committee include: Debra Kopp, Katherine Roslund and Justin Sears. Members appointed to the Education and Certification Advisory Committee include: Elizabeth Anderson, Shelly Baumeister, Polly Cairns, Eric Dunlap, Charles Ericson and Robert Scripture. Members appointed to the CAMA Standards (Ad Hoc) Committee include: Ted Droste, Charles Ericson, William Griffin, Dave Hieber, Stacey Kaake, Len Kutschman, Tony Meygaard, Laurie Spencer, Tom Szur, Kelly Garner, Matt Woolford and Chuck Zemla. Members appointed to the Solar Project (Ad Hoc) Committee include: Peggy Nolde, Ted Droste, David Lee, David Rowley, Timothy Schnelle and Matthew Woolford. (Item 4 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the memorandum indicating the DRAFT 2021 DNR PILT roll would be available on the State Tax Commission's website no later than February 15, 2021. The deadline for Assessor and Equalization Directors to provide comments concerning the roll will be March 15, 2021. The

2021 DNR PILT Roll (Tax Roll) is scheduled for final approval at the April 6, 2021 State Tax Commission Meeting. (Item 5 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the memorandum regarding Guidance for 2021 March Board of Review. (Item 6 on agenda)

The Commission received for informational purposes only an overview on the Solar Panel Ad Hoc Committee's plan to study current valuation practices for large scale projects within the State of Michigan and to develop an accurate, predictable, and uniform valuation method recommendation for the Commission's approval at their August 17, 2021 meeting. In carrying out this plan, the Commission is committed to ensuring uniform and equitable approaches to solar valuation in Michigan. The Committee will meet twice per month and the Executive Director will provide periodic updates to the State Tax Commission on the Committee's progress at the Commission's regular scheduled meetings. Individuals and stakeholders wishing to present information to the committee for consideration can email documentation and requests to present information via email directly to the Commission at state-tax-commission@michigan.gov and are invited to participate in the public comment standing agenda segments of the Commission's regular scheduled meetings. (Item 7 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved Bulletin 1 of 2021 4th Quarter Interest Rates. (Item 8 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved Bulletin 2 of 2021 Millage Requests and Rollbacks. (Item 9 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved Bulletin 3 of 2021 MCL 211.7u Poverty Exemption. (Item 10 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved the 2021 Millage Rollback Forms: (Item 11 on agenda)

- Form 610 – 2021 Calculation of Taxable Valuations Including Additions, Losses and Totals for Units Which Were Not Equalized as Assessed in 2020 or 2021
- Form 612 – 2021 Millage Reduction Fraction Computation
- Form 613 – 2021 Complete Millage Reduction Fraction Computation
- Form 614 – 2021 Tax Rate Request
- Form 2166 – 2021 Millage Reduction Fraction Calculations Worksheet
- Form 5190 – 2021 Allocation Rates

It was moved by Morris, supported by Kutschman, and unanimously approved Form 4626 – Assessing Officer's Report of Taxable Values as of State Equalization in May. (Item 12 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt staff recommendations regarding Local Unit Requests for Approval of Percentage Reductions in Taxable Value Under MCL 211.7u. The Commission approved the requests for Pittsfield Township – Washtenaw County, City of Southfield – Oakland County and Shelby Township –

Macomb County. The Commission denied the requests for West Bloomfield Township – Oakland County and City of Menominee – Menominee County. (Item 13 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt a policy delegating authority to staff to process amended Industrial Facilities Tax Exemption, Air and Water Pollution Control, New Personal Property, Obsolete Property Rehabilitation, Commercial Rehabilitation, Neighborhood Enterprise Zones and Charitable Nonprofit Housing Property Certificates. The delegated authority allows staff to amend certificates for the following purposes: (Item 14 on agenda)

- To correct ending dates or wrong number of years due to a clerical error
- To correct spelling of a certificate holding/company name
- To correct project location address
- To correct application type
- To correct the certificate amount due to a clerical error
- To correct the State Education Tax amount of a certificate due to a clerical error
- To revise the certificate amount to include final costs.

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the staff recommendations on the **Special Exemptions Agenda**. (Item 15 on agenda) ([Special Exemptions Agenda Link](#))

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the staff recommendations on the **Exemptions Agenda**. (Item 16 on agenda) ([Exemptions Agenda Link](#))

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the MCL 211.154 petitions on the **Concurrence Agenda**. (Item 17 on agenda) ([Concurrence Agenda Link](#))

It was moved by Kutschman, supported by Morris, and unanimously approved to **postpone** the following MCL 211.154 petitions, initially noticed as a non-concurrence. (Item 18 on agenda)

City of Melvindale, Wayne County

154-20-0362 TRIPLE CROWN SERVICES 47-001-03-0028-301
REAL PROPERTY

2018 AV from \$764,500 to \$0 TV from \$764,500 to \$0
2019 AV from \$776,700 to \$0 TV from \$776,700 to \$0
2020 AV from \$787,800 to \$0 TV from \$787,800 to \$0

154-20-0363 TRIPLE CROWN SERVICES 47-002-02-0253-000
REAL PROPERTY

2018 AV from \$16,000 to \$0 TV from \$16,000 to \$0
2019 AV from \$24,200 to \$0 TV from \$16,384 to \$0
2020 AV from \$22,600 to \$0 TV from \$22,600 to \$0

City of Melvindale, Wayne County

154-20-0379 CONSOLIDATED RAIL CORPORATION
REAL PROPERTY

47-003-99-0003-007

2018 AV from \$148,500 to \$0 TV from \$109,387 to \$0
2019 AV from \$148,500 to \$0 TV from \$112,012 to \$0
2020 AV from \$121,400 to \$0 TV from \$114,140 to \$0

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt all other MCL 211.154 petitions. (Item 18 on agenda) ([NonConcurrence Agenda Link](#))

Public Comment (Item 19 on agenda):

Michele Oberholtzer spoke before the Commission regarding the application for a poverty tax exemption. Ms. Oberholtzer stated the following: I represent United Community Housing Coalition and we are a nonprofit in Detroit. I lead the Tax Foreclosure Prevention Division and we serve thousands of primarily low-income homeowners across Wayne County. Through our work we fill out many hundreds of poverty tax exemption applications for various municipalities throughout every year. We are watching carefully the changes in the State Law regarding this new form that has come out. I just wanted to say from the perspective of someone who fills these out on behalf of homeowners I have some concerns about the State provided form. One of the biggest conflicts that I have is that in the law it states that the State may not require someone to file income taxes. If they are not required to do so, which is sort of a circular statement, they are not required to. In any case, if you have someone with no earned income for example, they are not required to file income taxes and therefore the poverty tax exemption that the local or city provides them cannot require them to do so. That form is one of the best ways to show what one's income was for the prior tax year. The State provided form has no field asking someone to indicate what their income was during the year in question, but all of the income requirements are for the prior year. So, for example, if your income for a single person household falls below \$14,000 for example for the year 2020 then you may qualify in 2021. But if the 2021 poverty tax exemption provides no means for you to indicate what your income was then the City will have no real means to determine if your income qualified or not. The income that it does request is the current monthly income which as we know a current month is not necessarily representative of entire year nor is it necessarily representative of the entire prior year. So, this is a problem that I anticipate will cause a lot of problems and currently I am appealing to the Michigan Tax Tribunal a case very similar to this. Someone gave her social security income and the City merely multiplied that number by 12 and they said she was over the income, but she was not receiving that income until her 62nd birthday midway through the year and she did not file income taxes, so her total number was never visible. One other relatively minor concern I have is that it is quite burdensome to show all of one's debts and expenses. What is your cell phone bill? What is your DTE or water bill, etc.? There is an income test and there is an asset test associated with the poverty exemption. There is no expense or debt test if someone is within the income requirements for them to then identify and produce documentation for all their monthly expenses is an undo burden. It is appropriate that someone may be able to show expenses if they exceed the income guidelines to perhaps qualify for a deviation or partial exemption but to have it as a mandatory part of the application is just wasting trees and time. Those are my comments and thank you so much.

Executive Director Buick stated the following: I have a quick update for the Commission on the status of the designated assessors' submissions. As you know the assessment reform required counties to appoint a designated assessor and submit it to the Commission by December 31, 2020. As of February 4th, we have received applications for approval of a designated assessor from 64 counties. Of those 64 counties, 52 of the submissions are considered complete and will be able to be reviewed. Twelve are incomplete where we need additional information from the County. We also have 19 counties that have not submitted anything at all. We did send a failure to file notice to each of those counties on January 14th. We have received some communication from 6 counties that they intend to file, 3 counties have stated they will not be submitting a designated assessor and we have not heard from 10 of those counties. Just a reminder for those that do not appoint a designated assessor the statute requires the Commission to appoint someone.

Looking at our current assessor numbers, MCAT's there are 316, MCAO's there are 670, MAAO's there are 737 and MMAO's there are 153. Currently we have 42 assessors that have not paid their certification fees yet, 9 of those are not renewing, 7 of those have said their checks were lost in the mail and 26 we are not sure what is going on, but we have reached out to them.

The April 6, 2021 Commission meeting is scheduled to take place at the Okemos Conference Center in the Okemos A & B Rooms, 2187 University Park Drive, Okemos. In order to limit the spread of COVID-19, the meeting may be held virtually via Microsoft Teams. In the event the meeting is held virtually, a video and audio link to the meeting will be posted on the State Tax Commission's website at www.michigan.gov/statetaxcommission one week prior to the meeting.

It was moved by Kutschman, supported by Morris, and unanimously approved to adjourn the meeting of the State Tax Commission at 10:08 am.

DATE TYPED: February 10, 2021

DATE APPROVED: April 6, 2021

**Peggy L. Nolde, Chairperson
State Tax Commission**

**W. Howard Morris, Member
State Tax Commission**

**Leonard D. Kutschman, Member
State Tax Commission**