

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN DEPARTMENT OF TREASURY LANSING

RACHAEL EUBANKS STATE TREASURER

MINUTES OF THE MEETING OF THE STATE TAX COMMISSION

Okemos Conference Center, Okemos A & B Rooms 2187 University Park Drive, Okemos, Michigan

> Monday, April 8, 2019 9:00 a.m.

PRESENT: Nick A. Khouri, Chair STC

W. Howard Morris, Member STC (Present until 12:00 p.m.)

Leonard D. Kutschman, Member STC

Heather S. Frick, 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 Morris, supported by Kutschman, and unanimously approved to adopt the minutes of February 12, 2019. (Item 1 on agenda)

Public Comment – Agenda Items 3-10 Only (Item 2 on agenda): No member of the public wished to comment.

It was moved by Kutschman, supported by Morris, and unanimously approved the 2019 Values for DNR PILT Properties. (Item 5 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to hold in abeyance the recommendation to proceed to the Michigan Administrative Hearing System (MAHS) to allow Mr. David Rozeveld to complete a course on Economic Condition Factors within six months of the order, complete the Transfers of Ownership course being offered on June 13, 2019 or another Transfers of Ownership course within six months of the order and complete the State Tax Commission's Audit of Minimum Assessing Requirements (AMAR) training. Failure to complete the courses and training shall result in Mr. Rozeveld to automatically proceeding to MAHS formal hearing. (Item 4 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to hold in abeyance the recommendation to proceed to the Michigan Administrative Hearing System (MAHS) to allow Mr. Dennis Burns to complete a course on Economic Condition Factors within six months of the order and complete the State Tax Commission's Audit of Minimum Assessing

Requirements (AMAR) training. Failure to complete the course and training shall result in Mr. Burns to automatically proceeding to MAHS formal hearing. (Item 4 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to hold in abeyance the recommendation to proceed to the Michigan Administrative Hearing System (MAHS) to allow Mr. Peter Kleiman to schedule one-on-one training with BS&A which will include how to use the software and run various reports and shall be completed within six months of the order and complete the State Tax Commission's Audit of Minimum Assessing Requirements (AMAR) training. Failure to complete the course and training shall result in Mr. Kleiman to automatically proceeding to MAHS formal hearing. (Item 4 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to hold in abeyance the recommendation to proceed to the Michigan Administrative Hearing System (MAHS) to allow Mr. Roy Kissinger to complete the State Tax Commission's Audit of Minimum Assessing Requirements (AMAR) training. Failure to complete the training shall result in Mr. Kissinger to automatically proceeding to MAHS formal hearing. (Item 4 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to hold in abeyance the recommendation to proceed to the Michigan Administrative Hearing System (MAHS) to allow Mr. Kevin Dubord to complete a course on Land Values within six months of the order and complete the Assessing.NET Level II course within six months of the order. Failure to complete the courses shall result in Mr. Kevin Dubord to automatically proceeding to MAHS formal hearing. (Item 4 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to hold in abeyance the recommendation to proceed to the Michigan Administrative Hearing System (MAHS) to allow Ms. Barbara Eaton to complete a course on Land Values within six months of the order and complete the State Tax Commission's Audit of Minimum Assessing Requirements (AMAR) training. Failure to complete the course and training shall result in Ms. Barbara Eaton to automatically proceeding to MAHS formal hearing. (Item 4 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the recommendation of the Assessor Discipline Advisory Committee and take no further disciplinary action regarding Mr. David VanderHeide's assessor certification. The Commission also unanimously approved to adopt the staff recommendation that the Commission request the Department of Attorney General to review and advise the Commission regarding its adopted Non-Disclosure Agreement. (Item 4 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the recommendation of the Assessor Discipline Advisory Committee and take no further disciplinary action regarding Mr. Eric Ostergren's assessor certification. The Commission also approved the staff recommendation to request the Department of Attorney General review and advise on their adopted Non-Disclosure Agreement. (Item 4 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the staff recommendation regarding the 2019 Cap Rates for Railroads and Carlines for State Assessed Property. (Item 5 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to overturn Richfield Township, Genesee County 2018 December Board of Review actions related to the uncapping of taxable values equal to the assessed values for parcels 16-28-677-018, 16-31-576-018 and 16-11-576-019. (Item 6 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to overturn Sanilac Township, Sanilac County 2018 July Board of Review actions related to parcel 212-011-200-070-10 and move the Disabled Veteran's exemption to the correct parcel 210-011-200-070-10. (Item 7 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the staff recommendation on the Charitable Non-Profit Housing Organization Exemptions for the following: (Item 8 on agenda)

These exemptions will expire on December 30, 2022 for a period of three (3 years) or December 30, 2024 for a period of five (5 years) or until one of the following events occur:

- 1. The eligible nonprofit housing property is occupied by a low-income person under a lease agreement, or
- 2. The eligible nonprofit housing property is transferred by the charitable nonprofit housing organization.

County	Local Unit	Parcel Number	Years Approved
Ottawa	Holland Township	70-16-16-100-063	5 years
Oceana	Village of Hesperia	64-041-610-029-00	5 years
Alpena	City of Alpena	092-257-000-027-00	5 years
Chippewa	City of Sault Ste. Marie	051-145-272-00	5 years
Presque Isle	Belknap Township	030-019-000-020-00	3 years
Saint Joseph	City of Three Rivers	75-051-145-143-00	5 years
Saint Joseph	City of Three Rivers	75-051-212-007-01	5 years
Saint Joseph	City of Three Rivers	75-051-445-192-00	5 years
Saint Joseph	City of Three Rivers	75-051-445-138-01	5 years

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the staff recommendation on the Re-certifications and New Certifications of Computerized Tax Rolls for the following: (Item 9 on agenda)

These certifications will expire on May 1, 2022.

New Certifications:

Macomb County

Village of New Haven Village of Romeo

Mason County

Summit Township

Recertification's:

Alcona County

Alcona Township Haynes Township

Bay County

City of Essexville Hampton Township

Clare County

City of Clare

Calhoun County

City of Marshall

Genesee County

Argentine Township

City of Clio

City of Davison

Flint Township

Flushing Township

Forest Township

Genesee Township

City of Grand Blanc

Mt. Morris Township

Richfield Township

City of Swartz Creek

Thetford Township

Vienna Township

Gogebic County

City of Bessemer

Erwin Township

City of Ironwood

Ironwood Township

Wakefield Township

City of Wakefield

Watersmeet Township

Hillsdale County

City of Hillsdale

Ingham County

Meridian Township

Isabella County

Chippewa Township

City of Clare

Coldwater Township

Deerfield Township

Fremont Township Lincoln Township City of Mt. Pleasant Sherman Township Union Township

Jackson County

Blackman Township Concord Township Leoni Township

Kalamazoo County

Charleston Township City of Galesburg

Kent County

Byron Township Courtland Township City of East Grand Rapids Oakfield Township

Lapeer County

Village of Almont Arcadia Township Burnside Township Village of Columbiaville Deerfield Township Lapeer Township Marathon Township Metamora Township Oregon Township

Lenawee County

City of Tecumseh

Livingston County

City of Brighton Conway Township Tyrone Township

Macomb County

Armada Township
Bruce Township
Chesterfield Township
Clinton Township
City of Fraser
Village of Grosse Pointe Shores
Harrison Township
Lenox Township
Macomb Township

City of Memphis

City of Mount Clemens

City of New Baltimore

Ray Township

Richmond Township

City of Richmond

City of St. Claire Shores

Shelby Township

City of Sterling Heights

City of Utica

City of Warren

Washington Township

Mason County

City of Ludington

Victory Township

Midland County

City of Coleman

Geneva Township

Greendale Township

Jasper Township

Jerome Township

Midland Township

Mills Township

Porter Township

Warren Township

Monroe County

Village of Dundee

Erie Township

City of Monroe

Montcalm County

City of Greenville

Osceola County

City of Evart

Evart Township

Hersey Township

LeRoy Township

Lincoln Township

Marion Township

City of Reed City

Richmond Township

Sherman Township

Silvan Township

Ottawa County

Allendale Township

Blendon Township

Chester Township

Georgetown Township

Grand Haven Township

Holland Township

City of Hudsonville

Jamestown Township

Olive Township

Polkton Township

Port Sheldon Township

Village of Spring Lake

Tallmadge Township

Wright Township

City of Zeeland

Zeeland Township

Saginaw County

Bridgeport Township

City of Saginaw

Saint Clair County

City of Richmond

Sanilac County

Maple Valley Township

Washtenaw County

Dexter Township

Wayne County

Village of Grosse Pointe Shores

Wexford County

City of Cadillac

Recertification Denials:

Gladwin County

Hay Township

Sherman Township

Macomb County

Village of Armada

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the staff recommendation on the New Certifications of Computerized Assessment Rolls for the following: (Item 10 on agenda)

These certifications will expire on May 1, 2022.

New Certifications:

Berrien County

New Buffalo Township

Recertifications:

Gladwin County

Hay Township Sherman Township

Livingston County

Hartland Township

Oakland County

City of Troy

Saginaw County

City of Saginaw

Wayne County

City of Romulus

David Bajorek, Aaron Powers, and Dr. Rick Harding appeared before the Commission on behalf of the City of River Rouge. Steve Schneider and David Fanning appeared before the Commission on behalf of DTE River Rouge, LLC and EES Coke Battery, LLC. The Commission heard from all parties. MCL 211.154 Petitions were filed by Wayne County Equalization (154-14-1140) and the City of River Rouge (154-15-0991) regarding property owned by EES Coke Battery, LLC. The City of River Rouge also filed a 154 Petition (154-15-0992) regarding property owned by DTE River Rouge, LLC. On February 14, 2017 the State Tax Commission approved to deny 154 Petitions Nos. 154-14-1140, 154-15-0991 and 154-15-0992. The City of River Rouge appealed the determination of the State Tax Commission to the Wayne County Circuit Court (Case No. 17-005372-AA). On November 13, 2017 the Wayne County Circuit Court entered an order setting aside the February 14, 2017 State Tax Commission ruling and remanded the 154 Petitions back to the State Tax Commission for further proceedings relative to each Air Pollution Control Personal Property Exemption Certificate having been issued, to what extent, if any, DTE and EES Coke obtained commercial or productive value recovered by each respective facility; whether DTE and EES Coke failed to report such commercial or productive value to the City of River Rouge; and whether such failure to report constitutes an Incorrect Reporting of property as contemplated by MCL 211.154. It was moved by Kutschman, supported by Morris, and approved to postpone a decision until the May 13, 2019 meeting to allow time to review all information presented and make Findings of Fact and Conclusions of Law as required by the Circuit Court remand. Chairman Khouri recused himself from the matter.

It was moved by Morris, supported by Kutschman, and unanimously approved the staff recommendation on the **Special Items Exemptions Agenda**. (Item 12 on agenda) (<u>See attached link for file identification</u>)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the staff recommendations on the **Exemptions Agenda**. (Item 13 on agenda) (See attached link for file identification)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the MCL 211.154 petitions on the **Concurrence Agenda**. (Item 14 on agenda) (See attached link for file identification)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the staff recommendations on MCL 211.154 petitions on the **Special Items Agenda** and to approve the assessor withdrawal of petitions 154-18-1020, 154-18-1038, 154-18-1039, 154-18-1040, 154-18-1041, 154-18-1043, 154-18-1044, 154-18-1045, 154-18-1047, 154-18-1049 and 154-18-1050. Chairman Khouri opposed the recommendation on petitions 154-18-1046 and 154-18-0611. It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to overturn Napoleon Township, Jackson County 2018 July Board of Review action related to the granting of a poverty exemption for the 2018 tax year for parcels 119-14-26-226-002-00, 119-14-26-003-00 and 052-14-23-477-018-00. (Item 15 on agenda) (See attached link for file identification)

It was moved by Kutschman, supported by Khouri, and approved the following MCL 211.154 petitions as a **concurrence**, initially noticed as a non-concurrence. (Item 16 on agenda)

Otisco Township, Ionia County

154-18-0939 MURPHY, LORIE REAL PROPERTY

64-130-035-000-070-10

2016 AV from \$66,800 to \$62,400 TV from \$63,389 to \$58,989

2017 AV from \$74,100 to \$69,300 TV from \$63,959 to \$59,519

2018 AV from \$79,000 to \$73,800 TV from \$65,302 to \$60,768

Blackman Charter Township, Jackson County

154-18-1053 PETTY MACHINE & TOOL INC, IFT PERSONAL PROPERTY

999-08-09-402-002-09

2016 AV from \$414,866 to \$0 TV from \$414,866 to \$0

2017 AV from \$414,900 to \$0 TV from \$414,900 to \$0

2018 AV from \$ 83,500 to \$0 TV from \$ 83,500 to \$0

154-18-1054 PETTY MACHINE & TOOL INC,

900-08-40-601-235-00

PERSONAL PROPERTY

2016 AV from \$3,184,034 to \$3,280,208 TV from \$3,184,034 to \$3,280,208

2017 AV from \$3,184,000 to \$3,275,121 TV from \$3,184,000 to \$3,275,121

2018 AV from \$ 264,500 to \$ 348,000 TV from \$ 264,500 to \$ 348,000

Evart Township, Osceola County

154-18-0977 DENNIS, GERALD & JUDITH REAL PROPERTY

03-550-016-00

2016 AV from \$25,500 to \$28,525 TV from \$22,214 to \$24,620

2017 AV from \$37,600 to \$30,802 TV from \$22,413 to \$24,842

2018 AV from \$31,100 to \$34,875 TV from \$22,883 to \$25,364

City of Ann Arbor, Washtenaw County

154-18-1068 BODY CONSCIOUS LLC, 09-90-00-081-648

PERSONAL PROPERTY

2016 AV from \$0 to \$1,100 TV from \$0 to \$1,100 2017 AV from \$0 to \$1,600 TV from \$0 to \$1,600 2018 AV from \$20,000 to \$1,700 TV from \$20,000 to \$1,700

It was moved by Kutschman, supported by Khouri, and approved to **postpone** the following MCL 211.154 petition **until May 13, 2019**. (Item 16 on agenda)

City of Jackson, Jackson County

154-18-0935 BREINING, TODD 2-006900000

REAL PROPERTY

2017 AV from \$0 to \$70,000 TV from \$0 to \$70,000

It was moved by Kutschman, supported by Khouri, and approved to postpone the following MCL 211.154 petition **until June 11, 2019**. (Item 16 on agenda)

Evart Township, Osceola County

154-18-0983 BROWN, GERY 03-403-097-00

REAL PROPERTY

2016 AV from \$79,700 to \$100,454 TV from \$69,808 to \$84,353

2017 AV from \$83,600 to \$105,677 TV from \$70,436 to \$85,112

2018 AV from \$85,900 to \$112,051 TV from \$71,915 to \$86,900

154-18-0988 GILIO, FRANK & DEANNA 03-150-011-00

REAL PROPERTY

2016 AV from \$55,200 to \$60,103 TV from \$46,773 to \$50,847

2017 AV from \$60,200 to \$65,403 TV from \$47,193 to \$51,305

2018 AV from \$67,900 to \$74,049 TV from \$48,184 to \$52,382

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

City of Southfield, Oakland County

154-18-0954 ESPECIALLY FOR KIDS PC, 76-99-76-376-314

PERSONAL PROPERTY

2017 AV from \$38,770 to \$49,050 TV from \$38,770 to \$49,050

2018 AV from \$75,840 to \$94,400 TV from \$75,840 to \$94,400

City of Wixom, Oakland County

154-18-1063 J&B MEDICAL SUPPLY CO,

PERSONAL PROPERTY

**This was also a concurrence.

2018 AV from \$200,910 to \$224,870 TV from \$200,910 to \$224,870

City of Plymouth, Wayne County

154-18-0801 BENINTENDE, ROBERT & KIM

49-010-06-0008-000

96 99-00-007-048

REAL PROPERTY

**This was also a concurrence.

2018 AV from \$319,500 to \$340,500 TV from \$319,500 to \$340,500

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

Public Comment (Item 17 on agenda):

Doug Bontekoe appeared on behalf of MCL 211.154 petition 154-18-1071 and his omitted property. Mr. Bontekoe asked questions regarding the Commission's decision concerning his petition and the next steps he would take. The Commission indicated to Mr. Bontekoe he would be able to appeal the Commission's determination to the Michigan Tax Tribunal within 35 days of the date of issuance of the order.

Stacy Berndt appeared on behalf of MCL 211.154 petition 154-18-0818 South Shore Tool & Die. Ms. Berndt was requesting further explanation regarding the ruling of the Commission's decision. The Commission indicated to Ms. Berndt she would be able to appeal the Commission's determination to the Michigan Tax Tribunal within 35 days of the date of issuance of the order.

It was moved by Kutschman, supported by Khouri, and approved Bulletin 4 of 2019 1st Quarter Certified Interest Rates. (Add on to agenda)

The next Commission meeting will be held May 13, 2019, at the Okemos Conference Center in the Okemos A & B Rooms, 2187 University Park Drive, Okemos.

It was moved by Kutschman, supported by Khouri, and approved to adjourn the meeting of the State Tax Commission at 1:01 p.m.

DATE TYPED: April 9, 2019
DATE APPROVED: May 13, 2019

Nick A. Khouri, Chair State Tax Commission

W. Howard Morris, Member State Tax Commission

Leonard D. Kutschman, Member State Tax Commission