



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

MINUTES OF THE MEETING OF THE STATE TAX COMMISSION

***Holiday Inn Express and Okemos Conference Center,
Okemos A & B Rooms
2187 University Park Drive, Okemos, Michigan***

***Tuesday, June 9, 2015
9:00 a.m.***

***PRESENT: Douglas B. Roberts, Chair STC
Barry S. Simon, Member STC
W. Howard Morris, 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 Simon, supported by Morris, and unanimously approved to adopt the minutes of May 26, 2015. (Item 1 on agenda)

The Commission recognized Nancy Armstrong for her 15 years of service working for the State of Michigan.

STATE ASSESSED PROPERTY APPEALS (Item 2 on agenda)

Allband Communications

Micheal Matheson appeared on behalf of Allband Communications Cooperative. Mr. Matheson indicated that Allband Communications has cases pending for the 2013 and 2014 years and would like to preserve their right of appeal for 2015.

FMC Corporation

Peter Indurante called to appeal on behalf of FMC Corporation but did not appear before the Commission.

CIT Rail, Group Equipment

Brian Gooden called to appeal on behalf of CIT Rail but did not appear before the Commission.

TDS Company

Appeal was withdrawn

It was moved by Simon, supported by Morris, and unanimously approved to adopt the Final 2015 State-Assessed Roll with the following values and reflecting the changes the Commission made earlier in the year to the telephone company tables: (Item 3 on agenda)

Railroad Companies

Final True Cash Value	\$ 2,537,701,700
Final Assessed Cash Value	\$ 1,268,850,850
Final Capped Value	\$ 627,608,245
Final Taxable Value	\$ 627,247,082

Telephone and Telegraph Companies

Final True Cash Value	\$ 2,437,623,976
Final Assessed Cash Value	\$ 1,218,811,988
Final Capped Value	\$ 1,352,230,155
Final Taxable Value	\$ 1,218,811,988

Car Loaning Companies

Final True Cash Value	\$ 266,593,372
Final Assessed Cash Value	\$ 133,296,686
Final Capped Value	\$ 133,296,686
Final Taxable Value	\$ 133,296,686

Total Utility Roll

Final True Cash Value	\$ 5,241,919,048
Final Assessed Cash Value	\$ 2,620,959,524
Final Capped Value	\$ 2,113,135,086
Final Taxable Value	\$ 1,979,355,756

Doug Shaw, Aaron Powers, Troy Newman, Sr., and Kameelah Pasha appeared before the Commission regarding the City of River Rouge March Board of Review. It was moved by Roberts, supported by Simon, and unanimously approved to adopt the official order to assume jurisdiction of the 2015 Assessment Roll for the City of River Rouge, Wayne County because of actions taken by the Board of Review in lowering values for the Commercial Class with justification. (Item 4 on agenda)

It was moved by Simon, supported by Morris, and unanimously approved to adopt the Assessor Discipline Advisory Committee's recommendation and require Mr. Jason Kohagen attend the MAA class on Tax Tribunal Procedures and the Continuing Education Class taught by Judge Lasher on the Tribunal before the end of the calendar year and provide proof to the STC of attendance after completion. (Item 5 on agenda)

It was moved by Morris, supported by Simon, and unanimously approved to adopt the Assessor Discipline Advisory Committee's recommendation and place Mr. James Fedie on probation for a period of two years. The Commission also approved Mr. Fedie be released from probation in the two years provided that: he stays under his required certification level, timely files all forms required by the State Tax Commission, successfully implements any required corrective actions related to the AMAR reviews for his local units and appears at the Discipline Advisory Committee at the end of the two year period. (Item 5 on agenda)

It was moved by Simon, supported by Morris, and unanimously approved to suspend Mr. Tim Teed's certification and refer him for a formal hearing at the Michigan Administrative Hearings System for revocation of his certification. (Item 5 on agenda)

It was moved by Simon, supported by Morris, and unanimously approved to adopt the Assessor Discipline Advisory Committee's recommendation and refer Ms. Ann Abbey for a formal hearing at the Michigan Administrative Hearings System for revocation of her certification. The Commission also approved to allow Ms. Abbey to repeat the MCAO program at no charge if she will voluntarily surrender her certification. (Item 5 on agenda)

It was moved by Morris, supported by Simon, and unanimously approved to adopt the Assessor Discipline Advisory Committee's recommendation and refer Mr. Ernest Dunham for a formal hearing at the Michigan Administrative Hearings System for revocation of his certification. (Item 5 on agenda)

It was moved by Morris, supported by Simon, and unanimously approved to adopt the official order to overturn Maple Ridge Township, Alpena County 2015 Board of Review action pertaining to parcel 042-027-000-291-00 and order the assessor to recap the taxable value of the parcel. (Item 6 on agenda)

It was moved by Morris, supported by Simon, and unanimously approved to adopt the official order to certify and return the 2015 assessment rolls for the City of Dexter, Scio Township and Webster Township, Washtenaw County. (Item 7, 8 and 9 on agenda)

It was moved by Simon, supported by Morris, and unanimously approved to adopt the AMAR Review Counties for the years 2016 through 2020. (Item 10 on agenda)

It was moved by Morris, supported by Simon, and unanimously approved to adopt the staff recommendation on the Charitable Non Profit Housing Organization Exemptions for the following: (Item 11 on agenda)

These exemptions will expire on **December 30, 2020**, 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
Washtenaw	Ypsilanti Township	K-11-14-150-001
Washtenaw	Ypsilanti Township	K-11-15-107-032
Washtenaw	Ypsilanti Township	K-11-15-407-014
Washtenaw	Ypsilanti Township	K-11-14-284-018
Washtenaw	Ypsilanti Township	K-11-14-307-044
Washtenaw	Ypsilanti Township	K-11-14-108-117
Washtenaw	Ypsilanti Township	K-11-24-211-016
Washtenaw	Ypsilanti Township	K-11-14-212-023
Washtenaw	Ypsilanti Township	K-11-03-478-019
Washtenaw	Ypsilanti Township	K-11-03-478-009
Washtenaw	Ypsilanti Township	K-11-03-127-025
Washtenaw	Ypsilanti Township	K-11-15-117-021
Washtenaw	Ypsilanti Township	K-11-03-126-017
Washtenaw	Ypsilanti Township	K-11-15-409-038
Washtenaw	Ypsilanti Township	K-11-15-138-030
Washtenaw	Ypsilanti Township	K-11-03-178-023
Washtenaw	Ypsilanti Township	K-11-11-480-018
Washtenaw	Ypsilanti Township	K-11-15-407-036
Washtenaw	Ypsilanti Township	K-11-15-433-038
Washtenaw	Ypsilanti Township	K-11-15-125-017
Washtenaw	Ypsilanti Township	K-11-11-241-015
Washtenaw	Ypsilanti Township	K-11-03-261-005
Washtenaw	Ypsilanti Township	K-11-03-162-016
Washtenaw	Ypsilanti Township	K-11-10-435-015
Washtenaw	Ypsilanti Township	K-11-10-382-009
Washtenaw	Ypsilanti Township	K-11-10-432-018
Washtenaw	Ypsilanti Township	K-11-03-178-017
Washtenaw	Ypsilanti Township	K-11-15-112-006
Washtenaw	Ypsilanti Township	K-11-10-432-004
Washtenaw	Ypsilanti Township	K-11-01-202-005
Washtenaw	Ypsilanti Township	K-11-15-405-024
Washtenaw	Ypsilanti Township	K-11-03-162-015
Washtenaw	Ypsilanti Township	K-11-10-407-005
Washtenaw	Ypsilanti Township	K-11-10-467-034
Washtenaw	Ypsilanti Township	K-11-15-409-040
Washtenaw	Ypsilanti Township	K-11-11-363-013
Washtenaw	City of Ypsilanti	11-11-10-235-013
Monroe	Frenchtown Township	58-07-906-020-00

Wexford	City of Cadillac	10-110-00-028-01
Wexford	City of Cadillac	10-052-00-016-01
Wexford	City of Cadillac	10-064-00-142-00
Wexford	City of Cadillac	10-064-00-140-00
Wexford	City of Cadillac	10-110-00-028-02
Wexford	City of Cadillac	10-110-00-028-03
Ingham	City of Lansing	33-01-01-28-126-401
Ingham	City of Lansing	33-01-01-32-176-241
Ingham	City of Lansing	33-01-01-31-452-162
Ingham	City of Lansing	33-01-01-08-327-011
Saginaw	City of Saginaw	13-0138-000000
Saginaw	City of Saginaw	13-2842-000000
Saginaw	City of Saginaw	20-1946-000000
Saginaw	City of Saginaw	18-0906-000000
Saginaw	Buena Vista Township	10-12-5-33-4206-000
Saginaw	Saginaw Township	23-12-4-16-4399-000
Monroe	City of Monroe	1900481000
Monroe	City of Monroe	2900033000

It was moved by Simon, supported by Morris, and unanimously approved to adopt the staff recommendation on the Re-certifications and New Certifications of Computerized Tax Rolls for the following: (Item 12 on agenda)

These certifications will expire on **May 1, 2018**.

New Certifications:

Montcalm County
Home Township

Ontonagon County
Interior Township

Sanilac County
Sanilac Township

Recertifications:

Genesee County
City of Flushing

Huron County
Caseville Township

Menominee County
City of Menominee

Sanilac County

Evergreen Township
Maple Valley Township
Washington Township
Village of Forestville

Ottawa County

Spring Lake Township

It was moved by Simon, supported by Morris, and unanimously approved to adopt the staff recommendation on the Exemptions Agenda. John Dahlquist and Fred Morgan appeared on behalf of the City of Trenton and Carl Rashid, Jr. appeared on behalf of FCA US LLC regarding the revocation of IFT Exemption 2007-220. (Item 13 on agenda) ([See attached link for file identification.](#))

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

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

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

It was moved by Simon, supported by Morris, and unanimously approved to **postpone** the following MCL 211.154 petitions until **August 25, 2015**. (Item 16 on agenda)

City of River Rouge, Wayne County

154-14-1100 PCI ENTERPRISES; 50-998-01-9892-004; PERSONAL PROPERTY

2014 AV from \$ 10,376,700 to \$ 9,651,400 TV from \$ 10,376,700 to \$ 9,651,400

154-14-1101 PCI ENTERPRISES; 50-999-00-0630-000; PERSONAL PROPERTY

2012 AV from \$ 8,506,200 to \$ 9,432,000 TV from \$ 8,506,200 to \$ 9,432,000

2013 AV from \$ 7,780,700 to \$ 8,486,100 TV from \$ 7,780,700 to \$ 8,486,100

2014 AV from \$ 6,941,200 to \$ 8,272,700 TV from \$ 6,941,200 to \$ 8,272,700

It was moved by Simon, supported by Morris, and unanimously approved to **postpone** the following MCL 211.154 petitions until **September 22, 2015**. (Item 16 on agenda)

City of St. Clair Shores, Macomb County

154-15-0021 PAUL R. THOMPSON; 14-23-362-002; REAL PROPERTY

2014 AV from \$ 0 to \$ 103,600 TV from \$ 0 to \$ 75,700

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

City of Sault Ste. Marie, Chippewa County

154-14-1109 HOOVER PRECISION PRODUCTS; 051-992-002-00; PERSONAL-IFT Property

2012 AV from \$ 0 to \$ 158,700 TV from \$ 0 to \$ 158,700
2013 AV from \$ 0 to \$ 144,200 TV from \$ 0 to \$ 144,200

154-14-1137 HOOVER PRECISION PRODUCTS LLC; 051-935-005-00; Personal Property

2012 AV from \$ 1,430,800 to \$ 1,230,600 TV from \$ 1,430,800 to \$ 1,230,600
2013 AV from \$ 1,484,500 to \$ 1,300,100 TV from \$ 1,484,500 to \$ 1,300,100

154-14-1138 HOOVER PRECISION PRODUCTS; 051-935-005-00; PERSONAL PROPERTY

2014 AV from \$ 1,363,800 to \$ 1,445,400 TV from \$ 1,363,800 to \$ 1,445,400

154-14-1139 HOOVER PRECISION PRODUCTS LLC; 051-992-002-00; Personal-IFT Property

2014 AV from \$ 222,100 to \$ 297,800 TV from \$ 222,100 to \$ 297,800

Delta Township, Eaton County

154-15-0097 MICROSOFT CORPORATION; 040-090-011-275-00; PERSONAL PROPERTY

2015 AV from \$ 0 to \$ 28,200 TV from \$ 0 to \$ 28,200

City of Kentwood, Kent County

154-15-0099 METROPOLITAN ALTERNATIVE HOUSING; 41-50-65-014-818; PERSONAL PROPERTY

2014 AV from \$ 0 to \$ 2,700 TV from \$ 0 to \$ 6,600
2015 AV from \$ 0 to \$ 2,600 TV from \$ 0 to \$ 6,600

City of Adrian, Lenawee County

154-15-0102 MAPLE VILLAGE LIMITED; XAO-100-0349-02; REAL PROPERTY

2013 AV from \$ 0 to \$ 1,329,611 TV from \$ 0 to \$ 1,301,600
2014 AV from \$ 0 to \$ 1,326,700 TV from \$ 0 to \$ 1,322,400
2015 AV from \$ 0 to \$ 1,392,700 TV from \$ 0 to \$ 1,343,600

City of St. Clair Shores, Macomb County

154-15-0100 VICKI GIORDANO; 14-02-351-021; REAL PROPERTY

2014 AV from \$ 0 to \$ 37,400 TV from \$ 0 to \$ 36,500

It was moved by Simon, supported by Morris, 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):

Mr. Jack Van Coevering appeared before the Commission and stated the following: I am here today on behalf of Baraga and Houghton Counties. There are four jurisdictions you addressed at your May 26th meeting in determining to assume the tax rolls. With me today is Marty Fittante, Marty is the aid for Chief of Staff for Senator Casperson, with us in the room are Representative Kivela and Representative McBroom from the Upper Peninsula. The four legislators from the Upper Peninsula sent you a letter yesterday. You may not have had a chance to read it yet, but I think it outlines the concerns of the legislators regarding the takeover of the tax rolls for City of Houghton, Baraga Township, L'Anse Township and Laird Township. The concern there is twofold and that is a general thing I think the legislators are interested in addressing and that is one a better process by which the Commission gets its fact findings. We believe that there were certain incomplete facts that the Commission needed to know before determining that there was a violation of the statute. We do not believe there was a violation. We believe that with a better process by which the Commission hears from the local units where they are notified of the process can provide you a better idea of what exactly happened. The second part of that is a general concern and that is that the statute requires that you revoke if you determine that an assessor inappropriately signed the tax roll or there is no qualified assessor to sign the tax roll. I think our situation, certainly if we disagree on facts, I think what you will see is different shades of grey for which perhaps the remedy in that statute is better used as a discretion where you may take over tax rolls and have other options aside from just simply taking over the tax rolls. An aspect of everything I have just shared with you is what has happened in the last two days. The Executive Director has reached out and I have talked to her a number of times. She has met with the legislators and she has shared with them her concerns candidly. We have tried to look at proposals they have shared with her. I think all as a result of where we began with better fact finding now and certainly the Executive Director has tried to really fill in some of the gaps in the fact finding that transpired earlier. All the reason for you to consider the letter from the legislators. We have had as a result of our conversations with Executive Director Sobel, she shared that these local units even though the tax rolls will be taken over that they will not be assessed the cost for the AMAR audit because the AMAR audit was going to happen anyway. That is great news for these local units who would really struggle if they had to fund this all themselves. The second part is that she has assured the representatives, Senator Casperson and myself that in taking over the tax rolls would be brief, that the townships would be very quick and the City of Houghton would probably be last maybe until September of this year and that is a great reassurance. Again, I go back to where we are at we would like for you to look at in terms of a policy is a more informed process with more options for the Commission at the end. It

shouldn't be just the hard work of the Executive Director Sobel it should be something that you as appointed officials have a final say in. Marty would you like to add anything.

Mr. Marty Fittante stated the following: Thank you Mr. Chair. Gentleman, like Jack, on behalf of Senator Casperson I want to thank you for your time today and really thank the Executive Director Sobel as well for reaching out last night and again this morning. I think the letter that Senator Casperson submitted along with his colleagues Representative McBroom, Kivela and Dianda and talking to the Director had some facts that were likely inaccurate. I want to really thank her for reaching out to ensure that we were operating on a complete and accurate set of facts under the circumstances. I think that as Jack pointed out there are some challenges to the process. I suspect part of it without knowing a great deal of the challenges that you have before you, is likely due to some staffing issues that you have. As you try to work through this, but the point that Jack makes to the extent that the legislature and Senator Casperson is how can we help in that regard as well. We have talked about maybe some changes statutorily with Director Sobel as well. I think there are some concerns with regards to the process that do lead us here. I think from Senator Casperson's perspective it was very concerning to him to hear that these four jurisdictions were potentially going to lose some control over their tax rolls at an expense to them. So in hearing the Director's offer this morning, it alleviates the concerns that he had and if I can speak for them and the representatives as well that the tax rolls to the three townships would be returned immediately and that there would be expeditious review of Houghton County and return that as quickly as you are able with little or no cost to the four local units. I think that came as a relief to the Senator and we really appreciate the Director's outreach this morning to extend that offer and we hope that is where this matter concludes itself.

Chairman Roberts stated the following: As Chair let me speak first and basically say I do appreciate everything you said. I will take it very, very seriously. I have not seen the letter I came directly to the meeting this morning. Though I have not seen it I will take it very seriously anything we can do to do a better process I think is important. One of the things I will just tell you is the fundamental mission in my opinion I think the State Tax Commission has is to improve the assessing function within the State. That is one of the reasons you heard me this morning already with another local unit. If we have to correct it we will get it back to you as soon as possible. We are not trying to bankrupt any local unit. We are trying to improve certification and assessors but we are also trying to get additional certified assessors. So that is our fundamental number one issue, we do other things as you can see today, but that is our number one issue. If we can have a better process than I am all for it. Will you please take back the message as my experience in government, which is also extensive, says anytime you can do something better we should do it.

Michigan Master Assessing Officer Graduation: (Item 18 on agenda)

Ms. Sobel spoke regarding the MMAO program discussing that there are four individuals that have successfully graduated from the program and all four significantly scored beyond the minimum score to graduate from the class. Ms. Sobel stated that this is a difficult one year program and it requires a significant sacrifice on behalf of the candidate and their families. Ms. Sobel also stated this was the last one year program and has now been changed to a two year program. Ms. Sobel thanked the panel members: Mike Galligan, Dave Heiber, Lisa Hobart and Micheal Lohmeier for their hard work and dedication.

Chairman Roberts stated the following: Some of my statement was stated in the previous instance, but professionalism in assessing begins with the Assessor and I congratulate the graduates. It is what makes a difference. When things get to this level something and hopefully it is an approval, but if there is a problem as you can see even today things can become a little messy. If you get it caught right in the beginning then you don't have that problem. I congratulate the graduates because they are the ones that will make a difference right on the front lines. My very best to all of you.

Commissioner Simon stated the following: I would like to first of all thank the panel members for their hard work and congratulate all of you master assessors. I know what you went through as I have done it in the past. It is not an easy task it is very time consuming and it is a lot of hard work and dedication. I congratulate you and continue your dedication to the assessment profession.

Commissioner Morris stated the following: I would like to acknowledge and thank the panel members and heartily congratulate the four new graduates for obtaining the highest level of certification in assessment.

It was moved by Roberts, supported by Simon, and unanimously approved the following individuals to receive Michigan Master Assessing Officer Certification.

Brian L. Busscher
Debra J. Kopp

Eric A. Dunlap
Terry D. Schultz

Students were issued their diplomas and certificates and Terry Schultz was named the Class Valedictorian.

It was moved by Roberts, supported by Simon, to go into closed session to discuss a settlement. Roll Call Vote: Chairperson Roberts – Yes, Commissioner Simon – Yes, Commissioner Morris – Yes. The motion was unanimously approved.

It was moved by Roberts, supported by Simon, and unanimously approved to return to open session. Roll Call Vote: Chairperson Roberts – Yes, Commissioner Simon – Yes, Commissioner Morris – Yes. The motion was unanimously approved.

It was moved by Roberts, supported by Simon, and unanimously approved to allow the Attorney General and Executive Director Sobel to work to settle the cases with All Band Communications for the 2013, 2014 and 2015 years.

It was moved by Roberts, supported by Simon, and unanimously approved to direct staff to send all applications for Air & Water Pollution Control over to the Department of Environmental Quality. The Commission also approved to develop a waiver of hearing that could be signed by the taxpayer and/or the local unit allowing them to waive their right to a hearing.

It was moved by Roberts, supported by Simon, and unanimously approved to set July 16, 2015 at 9:00 a.m. for a special State Tax Commission Meeting to approve bulletins and guidance regarding the changes to the Personal Property Tax.

It was moved by Roberts, supported by Simon, and unanimously approved to ask staff to create a policy for the Commission's approval that when a tax roll is taken the local unit would be given a specific timeline to agree or disagree. The law states that the Commission "shall" take a tax roll, it was approved to ask the legislator to changing the wording to say "may".

The next Commission meeting will be held July 16, 2015 in the Treasurer's Board Room in the Austin Building, 430 W. Allegan, Lansing.

It was moved by Roberts, supported by Simon, and unanimously approved to adjourn the meeting of the State Tax Commission at 10:40 a.m.

DATE TYPED: June 10, 2015

DATE APPROVED: July 16, 2015

**Douglas B. Roberts, Chair
State Tax Commission**

**Barry N. Simon, Member
State Tax Commission**

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