



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

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***

***Tuesday, June 11, 2019  
9:00 a.m.***

***PRESENT: Nick A. Khouri, Chair STC  
W. Howard Morris, Member STC  
Leonard D. Kutschman, Member STC  
  
David A. Buick, Acting 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 May 28, 2019. (Item 1 on agenda)

Chairman Khouri stated the following: Heather Frick we would like to thank you if you would come up here. You have been involved with the State Tax Commission and have worked with me and there were periods where we worked on a daily basis over the last four years in the Department of Treasury. I have never found a more dedicated or more knowledgeable employee. She knows the property tax system, how to run an organization and she knows how to talk to people outside the Department. Over the last four years I can't thank you enough for everything you have done for me personally and the Department. The reason we are here this morning, as you know, Heather has a much bigger job within the Department now. The State Tax Commission will still be a part of her responsibility, but she will also have a much broader responsibility. We wanted to take a minute and recognize the work she has done.

Chairman Khouri recognized Heather Frick with a plaque honoring her for her service and dedication to the State Tax Commission.

Public Comment – Agenda Items 6-12 Only (Item 2 on agenda):

No member of the public wished to speak at public comment on agenda items 6-12.

## **STATE ASSESSED PROPERTY APPEALS (Item 3 on agenda)**

Staff received the below State Assessed Appeals where agreements were reached with the taxpayer. No taxpayer or representative appeared before the State Tax Commission.

### Michigan Bell

Staff received a request from Michigan Bell, parcel 99-00-00-00-00-047, for an adjustment to the true cash value of their personal property assets. The Taxpayer claimed advancements in technology along with the archaic footprint in equipment and lines the company held in the state resulted in an obsolescence that should be reflected in the value of their personal property. Staff conducted an analysis which included a review of an appraisal supplied by the taxpayer. The Commission approved staff recommendation to approve the settlement agreement with a revised assessment of \$575,694,600, in order to reflect additional obsolescence of the personal property.

### Trinity Industries Leasing

Staff received a request to withdraw the appeal of parcel 97-00-00-00-000-438 for a discrepancy between miles reported by the railroad and carline which were resolved. The Commission approved staff recommendation to grant the request to withdraw the appeal.

### Trinity Chemical Leasing

Staff received a request to withdraw the appeal of parcel 97-00-00-00-000-437 for a discrepancy between miles reported by the railroad and carline which were resolved. The Commission approved staff recommendation to grant the request to withdraw the appeal.

### Indiana & Ohio Railroad

Staff received a revised report from the taxpayer on parcel 98-00-00-00-000-012 which resulted in a revised assessment. The Commission approved staff recommendation to approve the revised report and accept the revised values.

### Mid-Michigan Railroad

Staff received a revised report from the taxpayer on parcel 98-00-00-00-000-018 which resulted in a revised assessment. The Commission approved staff recommendation to approve the revised report and accept the revised values.

## **2019 Final State Assessed Roll (Item 4 on agenda)**

PA 282 of 1905, being MCL 207.1 through 207.21, requires that each year the State Tax Commission shall determine the assessed and taxable valuation of and provide for taxation of railroad companies, railcar companies and wired 2-way communication companies actively conducting business in Michigan.

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the Final 2019 State Assessed Roll with the following values: (Item 4 on agenda)

Railroad Companies

Final True Cash Value	\$ 2,650,089,600
Final Assessed Cash Value	\$ 1,325,044,800
Final Capped Value	\$ 753,532,085
Final Taxable Value	\$ 747,480,615

Telephone and Telegraph Companies

Final True Cash Value	\$ 2,148,861,700
Final Assessed Cash Value	\$ 1,074,430,850
Final Capped Value	\$ 1,154,638,807
Final Taxable Value	\$ 1,074,430,850

Car Loaning Companies

Final True Cash Value	\$ 255,195,700
Final Assessed Cash Value	\$ 127,597,850
Final Capped Value	\$ 127,597,850
Final Taxable Value	\$ 127,597,850

Total Utility Roll

Final True Cash Value	\$ 5,054,147,000
Final Assessed Cash Value	\$ 2,527,073,500
Final Capped Value	\$ 2,035,768,742
Final Taxable Value	\$ 1,949,509,315

It was moved by Kutschman, supported by Morris, and unanimously approved the 2020 State Tax Commission meeting schedule. (Item 5 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the Memorandum Regarding PA 672 of 2018 Changes to Qualified Forest Program. (Item 6 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the Equalization Director Guide to Overseeing a Reappraisal. (Item 7 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2019 Assessment Roll for Carmel Township, Eaton County as an uncertified unit. The Commission ordered that the 2019 assessment roll be certified and returned to Carmel Township, Eaton County and require that the 2019 assessed and taxable valuations provided to the State Tax Commission for State Equalization at their meeting on May 28, 2019 become the official assessed and taxable valuations for the year 2019. (Item 8 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction of the 2019 Assessment Roll for the City of Hudson, Lenawee County as

an uncertified unit. The Commission ordered a review of the assessing practices of the City of Hudson be conducted before the roll can be certified and returned. (Item 9 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction of the 2019 Assessment Roll for Aurelius Township, Ingham County as an uncertified unit. The Commission ordered a review of the assessing practices of Aurelius Township be conducted before the roll can be certified and returned. The Township must also hire an outside party to fix the deficiencies noted in the roll and to complete the work for the 2020 assessment roll and within 60 days of this order provide to the Commission the name of the individual hired to make the corrections and a copy of the contract with that individual. (Item 10 on agenda)

It was moved by Kutschman, supported Morris, and unanimously approved to adopt the official order to assume jurisdiction of the 2019 Assessment Roll for Skandia Township, Marquette County as an uncertified unit. The Commission ordered Skandia Township to hire an assessor of record no later than July 31, 2019 and notify the Commission of the name of the person hired before the roll can be certified and returned. (Item 11 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the staff recommendation on the Charitable Non-Profit Housing Organization Exemption for the following: (Item 12 on agenda)

This exemption will expire on **December 30, 2022 for a period of three (3 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
Washtenaw	Superior Township	J-10-35-451-033	3 Years

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, to go into closed session to discuss an item of pending litigation. Roll Call Vote: Chairperson Khouri – Yes, Commissioner Morris – Yes, Commissioner Kutschman – Yes. The motion was unanimously approved. (Item 17 on agenda)

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

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**. (Item 15 on agenda) ([See attached link for file identification](#))

It was moved by Morris, supported by Kutschman, and approved to **postpone** the following MCL 211.154 petition **until August 20, 2019**. (Item 16 on agenda)

**Evart Township, Osceola County**

- |                    |   |               |
|--------------------|---|---------------|
| <b>154-18-0983</b> | BROWN, GERY<br>REAL PROPERTY<br>2016 AV from \$79,700 to \$100,454 TV from \$69,808 to \$84,353<br>2017 AV from \$83,600 to \$105,677 TV from \$70,436 to \$85,112<br>2018 AV from \$85,900 to \$112,051 TV from \$71,915 to \$86,900               | 03-403-097-00 |
| <b>154-18-0994</b> | GONDER, THERESA M<br>REAL PROPERTY<br>2016 AV from \$76,000 to \$108,048 TV from \$40,615 to \$92,935<br>2017 AV from \$76,000 to \$110,958 TV from \$40,980 to \$93,772<br>2018 AV from \$64,000 to \$100,529 TV from \$41,840 to \$95,741         | 03-030-001-00 |
| <b>154-18-1024</b> | HENRY, EUGENE & ARLENE<br>REAL PROPERTY<br>2016 AV from \$64,900 to \$76,377 TV from \$56,760 to \$67,761<br>2017 AV from \$67,100 to \$79,418 TV from \$57,270 to \$68,370<br>2018 AV from \$62,900 to \$75,560 TV from \$58,472 to \$69,806       | 03-010-004-00 |
| <b>154-18-1028</b> | SCHANKIN, GREG B<br>REAL PROPERTY<br>2016 AV from \$194,700 to \$334,911 TV from \$168,504 to \$311,549<br>2017 AV from \$197,700 to \$348,870 TV from \$170,020 to \$314,353<br>2018 AV from \$198,600 to \$357,040 TV from \$173,590 to \$320,955 | 03-012-010-01 |
| <b>154-18-1029</b> | ALDRIDGE, ROLAND<br>REAL PROPERTY<br>2016 AV from \$32,400 to \$23,318 TV from \$27,983 to \$22,084<br>2017 AV from \$34,400 to \$25,500 TV from \$28,234 to \$22,283<br>2018 AV from \$34,200 to \$27,408 TV from \$28,826 to \$22,751             | 03-013-001-10 |
| <b>154-18-1030</b> | ALDRIDGE, ROLAND<br>REAL PROPERTY<br>2016 AV from \$31,200 to \$58,081 TV from \$26,378 to \$53,434<br>2017 AV from \$31,200 to \$58,513 TV from \$26,615 to \$53,915<br>2018 AV from \$27,900 to \$55,371 TV from \$27,175 to \$55,047             | 03-013-001-00 |

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

It was moved by Khouri, supported by Kutschman and unanimously approved the following: At our April 8, 2019 meeting, we requested the Attorney General to review the Non-Disclosure Agreement as we are a new makeup of the Commission since its adoption in 2011. As a result of staff and the Attorney General's review, we move to discontinue the use of the current Non-Disclosure Agreement and no longer enforce the current Non-Disclosure Agreement against those who already signed it. Effective today, the Non-Disclosure Agreement will no longer be used as a part of the assessor certification process. (Item 18 on agenda – Other Items for Discussion)

Public Comment (Item 19 on agenda):

No member of the public wished to speak at public comment.

The next Commission meeting will be held August 20, 2019, at the Okemos Conference Center in the Okemos A & B Rooms, 2187 University Park Drive, Okemos.

It was moved by Khouri, supported by Kutschman, and approved to adjourn the meeting of the State Tax Commission at 10:25 a.m.

**DATE TYPED:**                    **June 12, 2019**

**DATE APPROVED:**            **August 20, 2019**

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**Nick A. Khouri, Chair**  
**State Tax Commission**

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

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