



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

**Bulletin No. 15 of 2017
September 18, 2017
Random Week for
Qualified Businesses**

**TO: Assessors
Equalization Directors**

FROM: Michigan State Tax Commission

RE: RANDOM WEEK FOR "QUALIFIED BUSINESS"

Public Act (PA) 96 of 1994 provides that in certain circumstances the "qualified personal property" for a "qualified business" (usually a leasing company) may be assessed to the user of that personal property rather than to its owner (the leasing company). See State Tax Commission (STC) Bulletin No. 16 of 1994 for more information.

PA 96 of 1994 states that one of the requirements of a "qualified business" is that the business must have 30 or fewer employees during a week selected at random each year by the State Tax Commission.

The week selected at random by the State Tax Commission for 2018 assessment purposes is Monday, July 17, 2017 through Sunday, July 23, 2017

If a certified assessor audits the books and records of a business which claims to be a "qualified business" for 2018 assessment purposes, one of the things the assessor should check is whether the business had 30 or fewer employees during the week of July 17, 2017 through July 23, 2017.

Assessment Roll Changes Worksheet

The local unit of government will submit the completed form to their County Equalization Department. The form is not required to be submitted to the State Tax Commission.

[illegible]

Michigan Department of Treasury
632 (Rev. 11-17)
Issued under authority of Public Act 206 of 1893.

Approved by the State Tax Commission September 18, 2017.

2018 Personal Property Statement (As of 12-31-17)

FROM: (Name and Address of Assessor)

Parcel No.

This form must be completed
and returned to the assessor by
February 20, 2018.

L-4175 **2018**

Location(s) of Personal Property Reported on This Statement.
LIST ALL LOCATIONS. Attach additional sheets if necessary.

Date of Organization	Date Business Began at above location	Square Feet Occupied
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Assumed Names Used by Legal Entity, if any

Names of Owner(s) or Partners
(If sole proprietorship or partnership)

If Sole Proprietorship, Taxpayer's Residential Address

Legal Name of Taxpayer

Address Where Personal Property Records are Kept

Name of Person in Charge of Records	Taxpayer Telephone No.
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Description of Taxpayer's Business Activity and NAICS Code

Preparer's Name, Address and Telephone Number and E-mail address

Check One Only:

- ☐ Sole Proprietorship
☐ Partnership
☐ Limited Liability
☐ Corporation

MI ID#

NOTICE: DO NOT USE THIS FORM TO CLAIM AN EXEMPTION AS ELIGIBLE MANUFACTURING PERSONAL PROPERTY (EMPP) PURSUANT TO MCL 211.9m AND MCL 211.9n. To claim an exemption for EMPP, file Form 527 with the local assessor where the personal property is located no later than February 20, 2018. Lessors of equipment are not eligible to file Form 5278 and must complete this form. Pursuant to P.A. 153 of 2013, if the true cash value of the assessable personal property owned or a related party own, lease or possess in this local assessing unit is less than \$80,000, then you need not file this form if you file Form 5076 with the local unit where the property is located no later than February 10, 2018. See the instructions on Page 5.

SUMMARY AND CERTIFICATION. Complete ALL of the following.

- Have you excluded any exempt "Special Tools" from this statement? ☐ Yes ☐ No If Yes, state total original cost excluded _____
- Have you excluded any air and water pollution control facilities, heating or water energy conversion devices for which an exemption certificate has been issued? ☐ Yes ☐ No If Yes, attach itemized list.
- Have you, to the best of your knowledge, reported all of your assessable tangible personal property located in Michigan, including fully depreciated and/or expensed assets, to the appropriate assessing jurisdiction? ☐ Yes ☐ No If No, attach explanation.
- Did you hold a legal or equitable interest in personal property assessable in this jurisdiction which you have not reported on this statement (see instructions)? ☐ Yes ☐ No If Yes, attach itemized list.
- Are you a party (as either a landlord or a tenant) to a rental or lease agreement relating to real property in this jurisdiction? ☐ Yes ☐ No If Yes, complete Section O.
- Have any of your assets been subjected to "rebooking" of costs for accounting purposes or been purchased used (see instructions)? ☐ Yes ☐ No If Yes, attach itemized list.
- Is any of your property "daily rental property," per P.A. 537 of 1998? ☐ Yes ☐ No If Yes, attach Form 3595.
- Are other businesses operated at your location(s)? ☐ Yes ☐ No If Yes, attach itemized list.

Enter zero if appropriate.

9. Grand total from page 2	9a.	
10. Grand total from page 3	10a.	
11. Grand total from page 4	11a.	
12. Total cost of Idle Equipment from Form 2698	12a.	
13. Total cost of Personal Property Construction in Progress	13a.	X .50
14. Total cost of Cable TV, Utility and Wind Energy Assets from Forms 633, 3589 and 4565	14a.	
15. Total cost of cellular site equipment from Form(s) 4452	15a.	

TOTAL

The undersigned certifies that he/she is an owner, officer and/or the duly authorized agent for the above named taxpayer and that the above summary, with its supporting documents, provides a full and true statement of all tangible personal property owned or held by the taxpayer at the locations listed above on December 31, 2017.

Signature of Certifier

Date

ASSESSOR'S ADJUSTMENT(S)

EXEMPTION(S)

TRUE CASH VALUE

ASSESSED VALUE (50% of TCV)

Assessor Calculations

9b.
10b.
11b.
12b.
13b.
14b.
15b.

INSTRUCTIONS. Read carefully to obtain directions for the allocation of your personal property to Sections A - N.

All Tangible Personal Property in your possession at this location, including fully depreciated and expensed assets, must be reported in one of the Sections A through N. If you had "Move-Ins" of used property, you must also complete Form 3966, *2018 Taxpayer Report of Personal Property "Move-Ins" Occurring During 2017*. "Move-Ins" are items of assessable personal property (hereafter referred to as "property") that were not assessed in this city or township in 2017, including (1) purchases of used property, (2) used property you moved in from a location outside this city or township, (3) property that was exempt in 2017 (such as exempt Industrial Facilities Tax property), and (4) property that you mistakenly omitted from your statement in 2017. "Move-Ins" DO NOT include property that has been moved from another location WITHIN this city or township or that was assessed to another taxpayer within this city or township in 2017 (i.e., property reported by a previous owner or previously leased property reported by the lessor in 2017). All "Move-Ins" must be reported on Page 2 of this form and on Form 3966. Do not report 2017 acquisitions of new property on Form 3966.

Did you have "move-ins"?

☐ Yes☐ No

SECTION A: Including Furniture and Fixtures			Assessor Calculations
2017		.91	
2016		.80	
2015		.69	
2014		.61	
2013		.53	
2012		.47	
2011		.42	
2010		.37	
2009		.33	
2008		.29	
2007		.27	
2006		.24	
2005		.22	
2004		.19	
2003		.12	
Prior		.12	
TOTALS	A1		A2

SECTION B: Including Machinery and Equipment			Assessor Calculations
2017		.89	
2016		.76	
2015		.67	
2014		.60	
2013		.54	
2012		.49	
2011		.45	
2010		.41	
2009		.38	
2008		.36	
2007		.33	
2006		.31	
2005		.29	
2004		.28	
2003		.23	
Prior		.23	
TOTALS	B1		B2

SECTION C: Including Rental Videotapes and Games			Assessor Calculations
2017		.76	
2016		.53	
2015		.29	
2014		.05	
Prior		.05	
TOTALS	C1		C2

SECTION D: Including Office, Electronic, Video and Testing Equipment			Assessor Calculations
2017		.84	
2016		.64	
2015		.55	
2014		.49	
2013		.44	
2012		.41	
2011		.38	
2010		.35	
2009		.33	
2008		.31	
2007		.29	
2006		.28	
2005		.26	
2004		.25	
2003		.17	
Prior		.17	
TOTALS	D1		D2

SECTION E: Including Consumer Coin Operated Equipment			Assessor Calculations
2017		.92	
2016		.85	
2015		.77	
2014		.69	
2013		.61	
2012		.54	
2011		.46	
2010		.38	
2009		.30	
2008		.23	
2007		.15	
Prior		.15	
TOTALS	E1		E2

SECTION F: Including Computer Equipment			Assessor Calculations
2017		.60	
2016		.44	
2015		.32	
2014		.24	
2013		.19	
2012		.15	
2011		.08	
Prior		.08	
TOTALS	F1		F2

COST GRAND TOTAL (for page 2)

TAXPAYER: Add totals from cost columns of Sections A-F (A1-F1). Enter grand total here and carry to line 9a, page 1.

\$

TRUE CASH VALUE GRAND TOTAL (for page 2)

ASSESSOR: Add True Cash Value totals from Sections A-F (A2-F2). Enter grand total here and carry to line 9b, page 1.

\$

Parcel No.

L-4175**SECTION G - Other Assessable Personal Property Which You Own**

Assessable Tangible Personal Property in your possession that is not entitled to depreciation under Generally Accepted Accounting Principals (GAAP) (e.g. fine art) or that the assessor has told you to report in this Section or that is otherwise described in the instructions should be reported under this section. Any Personal Property reported in this Section should **NOT** be reported elsewhere on Form 632 (L-4175). See instructions. Attach additional sheets, if necessary.

Description of Property	Acquisition Cost New	Acquisition Year	True Cash Value Assessor's Calculations
Total Acquisition Cost New	G1		G2

SECTION H - Standard Tooling

You must report your standard tooling in this Section. Complete both columns. Notice that GAAP net book value, as reported in this Section, must implement accounting "changes in estimate", even if not otherwise material. Any Personal Property reported in this Section should **NOT** be reported elsewhere on Form 632 (L-4175). See Instructions.

Acquisition Year	Acquisition Cost New	GAAP Net Book Value
2017		
2016		
2015		
2014		
Total Acquisition Cost	H1	H2

SECTION I - Qualified Personal Property

INCLUDE ONLY "Qualified Personal Property" as defined by Michigan Compiled Laws 211.8a (6)(c). See instructions. If necessary, attach extra schedules using the same format indicated below. Any Personal Property reported in this Section should **NOT** be reported elsewhere on Form 632 (L-4175).

Description of Equipment and Model or Serial Number	Owner Name and Complete Mailing Address	Original Cost	Date of Installation	Lease Term in Months	Year of Manufacture	Total Average Monthly Rental	%	TCV to be Completed by Assessor
Total Installed Cost		I1						I2

SECTION J - Leased Property in Your Possession Which is Not Qualified Personal Property

Property you are leasing from another person or entity should be reported under this Section. "Qualified" Personal Property should be reported under Section I. See instructions. Attach additional sheets if necessary. Any Personal Property reported in this Section should **NOT** be reported elsewhere on Form 632 (L-4175).

Lease No.	Name & Address of Lessor	Description of Equipment	Lease Term (in months)	Monthly Rental	1st Year in Service	Selling Price New (estimate, if necessary)
Total Selling Price New						J1

SECTION K - Other Personal Property in Your Possession Which You Do Not Own

Property not owned by you but in your possession on December 31, 2017, under arrangements other than a lease agreement should be reported under this Section. See instructions. Any Personal Property reported in this Section should **NOT** be reported elsewhere on Form 632 (L-4175). Attach additional sheets if necessary.

Name & Address of Owner	Description of Equipment	Age (estimate if necessary)	Selling Price New (estimate, if necessary)
Total Selling Price New			K1

COST GRAND TOTAL (for page 3)

TAXPAYER: Add Total Costs and Selling Prices from Sections G-K (G1-K1). Enter grand total here and carry to line 10a, page 1.

\$

TRUE CASH VALUE GRAND TOTAL (for page 3)

ASSESSOR: Add True Cash Value totals from Sections G-I (G2-I2). Enter grand total here and carry to line 10b, page 1.

\$

SECTION L - Detail of Leases (This Section is Completed by Leasing Companies)

Equipment that you lease to others should be reported under this Section. Notice: You must also complete Sections A - F on Page 2. See instructions. You may use attachments in lieu of completing this Section only if the attachments use the same format and contain all the information as indicated below, and the Tables on Page 2 are completed. **You must report Eligible Manufacturing Personal Property (EMPP) in this Section which you are leasing to another, unless both you and your lessee (your customer) have made an election, using Form 5467, to have the lessee report the EMPP on its Form 5278. See the detailed notice at the beginning of the Instructions, at the top of the first column, Page 5.** Attach additional sheets, if necessary.

Are you a manufacturer of equipment? ☐ Yes ☐ No

Lease No.	Name & Address of Lessee	Location of Equipment	Type of Equipment	Lease Period (Mo.)	Monthly Rental	1st Year in Service	Manufacturer Cost	Original Selling Price

SECTION M - Leasehold Improvements

Total Original Selling Price

All Leasehold Improvements (LHI) made at your place of business should be reported under this Section, even if you believe that the improvements are not subject to assessment as Personal Property. Report trade fixtures, foundation costs and equipment installation costs, including wiring and utility connections, in the appropriate Section A through F, on Page 2, not as LHI. See instructions. To prevent a duplicate assessment, provide as much detail as possible. You may attach additional explanations and/or copies of "fixed asset" records, if the attachment provides all of the information requested below and if you insert the total original cost in "Total Cost Incurred" below. Personal Property reported here should **NOT** be reported elsewhere on Form 632 (L-4175).

Year Installed	Description (Describe in detail)	Original Cost	STC Multiplier	True Cash Value Assessor's Calculation
2017				
2016				
Notice: 2017 and 2016 installations must be reported above. Installations of LHI prior to 2016 are reported in this section, below this notice. The State Tax Commission has directed that commencing in 2017 all Leasehold Improvement installations in 2016, or later, must be valued as improvements made to the leased real property. Trade fixtures and installation costs for equipment, must be reported on Page 2, regardless of the date of installation. Assessor: Do not <u>assess</u> 2017 and 2016 installations as personal property except where the lease is a pre-1984 lease.				
Total Cost Incurred (including 2016 and 2017) M1				M2

SECTION N - Buildings and Other Structures on Leased or Public Land and All Freestanding Signs and Billboards

Costs of Freestanding Communications Towers and Equipment Buildings at Tower sites (unless reported on Form 4452), and Costs of Freestanding Signs and Billboards must also be reported under this Section. Any Personal Property reported in this Section should **NOT** be reported elsewhere on Form 632 (L-4175). Attach additional sheets, if necessary.

☐ Check this box if you believe that these structures are already assessed as part of the real property.

Address or Location of Building	Year Originally Built	Total Capitalized Cost	True Cash Value Assessor's Calculation *
Total Capitalized Cost N1			N2

SECTION O - Rental Information. See instructions. (Attach additional sheets, if necessary.)**IF YOU ARE THE TENANT**

Name and address of landlord _____

Is your landlord the owner of the property? ☐ Yes ☐ No If you are a sublessee, enter the name and address of the owner of the property _____

IF YOU ARE THE LANDLORD

Name and address of tenant _____

Are you the owner of the property? ☐ Yes ☐ No If you are a sublessor, enter the name and address of the owner of the property _____

TO BE COMPLETED REGARDLESS OF WHETHER YOU ARE THE LANDLORD OR TENANT

Address of property rented or leased _____

Date that current rental arrangement began: _____. Square feet occupied: _____ Monthly rental \$ _____

Date current lease expires: _____. Are there options to renew the lease? ☐ Yes ☐ No

Expenses (e.g. taxes, electric, gas, etc.) paid by the tenant _____

Assessor Value

O2

COST GRAND TOTAL (for page 4)

TAXPAYER: Add Total Cost Incurred from Section M and Total Capitalized Cost from Section N (M1 and N1). Enter grand total here and carry to line 11a, page 1.

\$

TRUE CASH VALUE GRAND TOTAL (for page 4)

ASSESSOR: Add True Cash Value totals from Sections M-O (M2-O2). Enter grand total here and carry to line 11b, page 1.

\$

Instructions for Completing Form 632 (L-4175), 2018 Personal Property Statement

NOTICE: Do NOT report Eligible Manufacturing Personal Property (EMPP), as defined in MCL 211.9m and MCL 211.9n, using this form. Instead, use *Form 5278, Eligible Manufacturing Personal Property Tax Exemption Claim, Ad Valorem Personal Property Statement, and Report of Fair Market Value of Qualified New and Previously Existing Personal Property (Combined Document)*, even if some or all of the personal property is not yet exempt. For a full definition of EMPP, see the instructions to Form 5278. Generally, personal property is EMPP if it is at a qualified location. A location qualifies if the predominant use of the personal property at the location is for Industrial Processing and/or Direct Integrated Support of Industrial Processing. Form 5278 must be fully completed and received by the assessor by February 20, 2018. Form 5278 can be accessed at www.michigan.gov/esa. A lessor of personal property is not eligible to file Form 5278, even if the personal property being leased is EMPP and it must report such EMPP on this form, unless both the lessor and the lessee have executed Form 5467, *Election of Lessee Report of Eligible Manufacturing Personal Property*, and the lessee has both reported the EMPP in question on form 5278 and has attached the fully executed Form 5467 to the 5278 submission.

NOTICE: If the true cash value of assessable personal property that you or a related party own, lease, or possess in this ("city" or "township") is under \$80,000, you may be eligible for an exemption for 2018 by filing Form 5076 by February 10, 2018. IF YOU ARE ELIGIBLE FOR THIS EXEMPTION AND FILE FORM 5076 TIMELY, YOU DO NOT HAVE TO COMPLETE THIS PERSONAL PROPERTY STATEMENT. Review Form 5076 and the instructions to that form to determine whether you qualify. Form 5076 and instructions can be accessed at www.michigan.gov/taxes by searching for Form 5076 or from the local assessor.

This form is issued under authority of the General Property Tax Act. Filing is mandatory. Failure to file may result in imprisonment for a period not less than thirty days, nor more than six months; a fine not less than \$100, nor more than \$1,000; or both fine and imprisonment at the discretion of the court. See MCL 211.21.

CAUTION: Read these instructions carefully before completing the form. **Complete all Sections.** Because this form has been coded, it is imperative that it be returned to assure proper processing of all of the personal property formerly in your possession has been removed from this assessing unit before December 31, 2017, you must notify the assessor at once in order to change the records accordingly. This statement is subject to audit by the State Tax Commission, the Equalization Department or the Assessor. **Failure to file this form by its due date will jeopardize your right to file an MCL 211.154 appeal with the State Tax Commission.** You are advised to make a copy of the completed statement for your records. This form must be filed in the city or township where the personal property is located on December 31, 2017. Do not file this form with the State Tax Commission unless you have been specifically instructed to do so by the Commission's staff.

Although you must complete all Sections of this form, you are not required to file pages that do not contain any reported cost. You must, however, insert a zero entry in the appropriate line(s) 10, 11 and/or 12 of the "Summary and Certification" on page 1 to indicate that you have no costs to report for that page; you must complete and file Section O if you are a landlord, a lessee or a sublessee. In completing this form, you may not use attachments in lieu of completing a Section, unless the instructions specifically authorize the use of attachments for completing the Section.

FACSIMILE SIGNATURES: This form must be signed at the bottom of page 1. A facsimile signature may be used (P.A. 267 of 2002), provided that the person using the facsimile signature has filed with the Property Services Division of the Department of Treasury a signed declaration, under oath, using Form 3980. A facsimile signature is a copy or a reproduction of an original signature.

GENERAL EXPLANATION: The Michigan Constitution provides for the assessment of all real and tangible personal property not exempted by law. Tangible personal property is defined as tangible property that is not real estate. Form 632 (L-4175) is used for the purpose of obtaining a statement of assessable personal property for use in making a personal property assessment. Michigan law provides that the assessor must send Form 632 (L-4175) to any person or entity that may possess assessable personal property. Michigan law also provides that a person or entity receiving Form 632 (L-4175) must complete it and return it to the assessor by the statutory due date, even if they have no assessable property to report. If you had assessable personal property in your possession on December 31, 2017, you must submit a completed Form 632 (L-4175) to the assessor of the community where the property is located by the statutory due date, even if the assessor does not send you a form to complete.

COMPLETION OF FORM 632 (L-4175)

Page 1 - Statistical Information:

FROM: Insert name and address of the assessor if you are using a form not provided by the assessor. Often this form must be filed at an address different than the assessor's mailing address for other purposes. It is your responsibility to assure that this form is sent to the correct address. If you are unsure of the mailing address, call your local assessor or county equalization department.

TO: If you are not using a preprinted form, insert your name and address. Use the address at which you wish to receive future forms and tax billings. If your form is preprinted with an incorrect address, line out the incorrect portions and insert the corrections.

Parcel No.: Unless this is an initial filing, you have already been assigned a parcel number. If you are using a form not provided by the assessor, you must insert the correct parcel number. Failure to insert your parcel number may result in a duplicate assessment.

Preparer's Name and Address: Insert the name, address, telephone number and e-mail address of the person who has prepared this statement.

(Check One): Check the appropriate box indicating the form of legal organization used by the taxpayer in conducting its business. If the taxpayer is organized as a corporation or a limited liability company, insert the Michigan corporate identification number of the business or, if not authorized to do business in Michigan, the name of the state in which it is organized.

Location(s) of Personal Property: List the street addresses of all locations that are being reported on this statement. Locations in different school districts or lying within the boundaries of designated authorities or districts must be reported separately. All personal property at a given location in the same authority or district must be reported under one account, unless the assessor has directed otherwise. You must file a separate statement for property on which the tax is abated pursuant to P.A. 198 of 1974 (I.F.T.) or P.A. 328 of 1998 (certain new personal property).

Date of Organization: Insert the date that the taxpayer's business was first organized or commenced.

Date Business Began at Above Location: Insert the date that the taxpayer first commenced business at a location reported on this statement.

Square Feet Occupied: Insert the number of square feet of space occupied by the taxpayer at the location(s) reported.

Assumed Names: State any assumed names used by the taxpayer in conducting its business at the location(s) reported.

Names of Owners or Partners: If the taxpayer is a sole proprietorship or a partnership, list the name(s) of the proprietor or partners.

If Sole Proprietorship, Taxpayer's Residential Address: Insert sole proprietor's actual residence address. Do not use mailing address, if different than residence address.

Legal Name of Taxpayer: Insert the taxpayer's exact legal name.

Address Where Personal Property Records Are Kept: Insert the address where the records used to complete this statement are kept. Only insert the address of an agent if that agent has actual possession of all documents necessary to conduct an audit.

Name of Person in Charge of Records: Insert the name of the person at the address where the records are kept who has actual control of the documents necessary to conduct an audit.

Telephone Number: Insert the telephone number of the person having charge of the records used for filing.

Description of Taxpayer's Business activity: Insert a descriptive phrase indicating the nature of the taxpayer's business activity and NAICS Code.

Page 1 – Summary and Certification:

Page 1, Line 1: "Special Tools" are exempt from taxation, pursuant to MCL 211.9b. If you are excluding "special tools" from your statement, you must check "Yes" and insert the amount of original cost excluded. "Special tool" means a finished or unfinished device such as a die, jig, fixture, mold, pattern, special gauge, or similar device, that is used, or is being prepared for use, to manufacture a product and that cannot be used to manufacture another product without substantial modification of the device. As used herein, a "product" can be a part, a special tool, a component, a subassembly or completed goods. "Special tools" do not include devices that differ in character from dies, jigs, fixtures, molds, patterns, or special gauges. Machinery or equipment, even if customized, and even if used in conjunction with special tools is not a "special tool." A die, jig, fixture, mold, pattern, gauge, or similar tool that is not a "special tool" is a "standard tool" and must be reported in Section H. Machinery or equipment, even if specialized, and even if used in conjunction with special tools or standard tools is not reported in Section H and must, instead, be reported in Section B. Only industrial tools in the nature of dies, jigs, fixtures, molds, patterns and special gauges can qualify for this exemption. Personal property not directly used to carry out a manufacturing process is not a "special tool." Dies, jigs, fixtures, molds, patterns, special gauges, or similar devices that are not "special tools" should be reported at full acquisition cost new under Section H of this form.

Page 1, Line 2: Air and water pollution control facilities and/or wind or water energy conversion devices may qualify for exemption from taxation, only if an exemption certificate has been issued by the State Tax Commission on or before December 31, 2017. If you claim such an exemption, check "Yes" and attach an itemized listing of the certificate numbers, dates of issuance and amount.

Page 1, Line 3: You must file a completed Form 622 (L-4175) with the assessor of every Michigan assessment jurisdiction in which you had assessable personal property on December 31, 2017. If you have fulfilled this obligation, check "Yes." If you have not filed in every required jurisdiction, attach an explanation. You are required to report all tangible personal property in your possession in this location **even if the property has been fully expensed or depreciated for federal income tax or financial accounting purposes.** If you answer "No," attach a detailed explanation.

Page 1, Line 4: The purpose of this question is to determine whether you are a party to a contract relative to personal property located in this jurisdiction on December 31, 2017, that you have not reported on this statement, perhaps because of your belief that another party to the contract is the proper party to report. This includes situations where you believe you hold only a security interest in personal property, in spite of the fact that the contract is labeled a "lease." If you answered "yes" to this question, attach a rider that includes the name(s) of the interest holder(s), the nature of your interest, a description of the equipment, the year the equipment was originally placed in service, its original selling price when new and the address where the property was located on December 31, 2017. "Conditional sale" leased equipment must be reported by the lessor.

Page 1, Line 5: Check "Yes" if you are a lessor (landlord), a lessee (tenant) or a sublessee (subtenant) in a rental contract relating to the real property at this location. MCL 211.8(i) provides that, under some

circumstances, the value, if any, of a sub-leasehold estate shall be assessed to the lessee. If you check "Yes," complete Section O. Your rental arrangement will be analyzed by the assessor. If you check "Yes" and have made leasehold improvements to the real estate, you must also complete Section M. Your completion of Sections M and O will not necessarily result in an increased assessment.

Page 1, Line 6: The valuation multipliers contained in Sections A through F on page 2 are intended to be applied to the acquisition cost of new, not used, personal property. If the acquisition cost new of an asset is known to you or can be reasonably ascertained through investigation, you must report that cost in the year it was new when you complete Sections A through F, even if you have adjusted the cost in your accounting records to reflect revaluation of the asset using a "purchase," "fresh start," "push-down" or similar accounting methodology, or even if your booked cost reflects a "used" purchase, lease "buy-out" price or a "trade-in" credit. If you were unable to report the acquisition cost new for one or more of your assets, you should check "Yes" and attach a list of all such assets. On the list, provide a detailed description of each asset, the year or approximate year that the asset was new, and the Section, the amount and acquisition year at which you have reported the asset. You must also provide a written explanation of the reason(s) that the original acquisition cost information is not available.

Page 1, Line 7: "Daily rental property" is tangible personal property, having a cost new of \$10,000 or less, that is exclusively offered for rental pursuant to a written agreement, on an hourly, daily, weekly or monthly basis for a term of 3 months or less (including all permitted or required extensions). If you acquired the property "used" you must determine the cost new for purposes of determining whether the property qualifies for "daily rental property" treatment. If you believe that you have such property, see Form 3595, *Property Statement - Daily Rental Property*, for additional information. If you qualify, you must complete Form 3595 and comply with the requirements set forth therein.

Page 1, Line 8: This question requires you to disclose other businesses that share space with you at the location(s) of your business. If you answer "Yes" attach a list of all other businesses operating at your location(s). If you are located in a shopping center, office building or other multi-tenant facility, you are not required to list businesses having a different legal address.

Page 1, Line 9: Complete Sections A through F, page 2, and add the totals from Sections A through F to arrive at a Cost Grand Total. Insert the Cost Grand Total in the box indicated at the bottom of page 2 and carry that amount to page 1, line 9a.

Page 1, Line 10: Complete Sections G through K, page 3, and add the totals from Sections G through K to arrive at a Cost Grand Total. Insert the Cost Grand Total in the box indicated at the bottom of page 3 and carry the amount to page 1, line 10a.

Page 1, Line 11: Complete Sections L through O, page 4, and add the totals from Sections M and N to arrive at a Cost Grand Total, as directed by the instruction at the bottom of the page. Insert the Cost Grand Total in the box indicated at the bottom of page 4 and carry the amount to page 1, line 11a.

Page 1, Line 12: If you had assets that qualified as "idle equipment" or as "obsolete or surplus equipment" on December 31, 2017, complete Form 2698, *Idle, Obsolete and Surplus Equipment*, and carry the Total Original Cost from Form 2698 to line 12a.

"Idle equipment" is equipment that is part of a discontinued process and that has been disconnected and is stored in a separate location. Assets are **not** "idle" if they are present as standby equipment, are used intermittently or are used on a seasonal basis. "Obsolete or surplus equipment" is equipment that either requires rebuilding and is in the possession of a rebuilding firm on December 31, 2017, **OR** is being disposed of by means of an advertised sale because it has been declared as surplus by an owner who has abandoned a process or plant. Property that is part of a process that has been temporarily suspended from operation or which is being offered for sale with the expectation that the process will be continued at the same location, does not qualify for idle or obsolete and surplus reporting treatment.

Only property which would otherwise be reported in Sections A through F on Page 2 of Form 632 (L-4175) qualifies to be reported as idle or obsolete and surplus equipment. For more information, see instructions to Form 2698. Do not include these assets elsewhere on this form.

Page 1, Line 13: Report the total cost incurred for Construction in Progress, as calculated on an accrual basis, based on the extent of physical presence of the Construction in Progress in the assessment jurisdiction. Construction in Progress is property of a personal property nature that has never been in service and was in the process of being installed on December 31, 2017. Do not report partially constructed electric generating facilities as Construction in Progress. Such facilities must be reported on the Real Property Statement (Form 3991 - Gas Turbine and Diesel; Form 4070 - Hydroelectric; Form 4094 - Steam).

Page 1, Line 14: If you had cable television or utility assets on December 31, 2017, complete and file Form 3589, *Cable Television and Utility Personal Property Report*, or Form 633, *Electric Distribution Cooperative Personal Property Statement*, and carry the Total Original Cost from Form 3589 or Form 633 to line 15a. See the instructions to Form 3589. If you had wind energy system assets as defined in MCL 211.8 (i), on December 31, 2017, complete Form 4565, *Wind Energy System Personal Property Report*, and carry the total original cost from Form 4565 to line 14a. See the instructions to Form 4565.

Page 1, Line 15: If you had cellular (wireless) site assets on December 31, 2017, complete and file Form 4452, *Cellular (Wireless) Site Equipment Personal Property Report*, and carry the Total Original Cost from Form 4452 to line 15a. See the instructions to Form 4452.

Page 2 - General Instructions for Sections A through F:

You must report in these Sections the full acquisition cost new, in the year of its acquisition new, of all machinery and equipment, computer equipment, furniture and fixtures, signs, coin operated equipment, office equipment, electronic, video and testing equipment, rental video tapes and games and other tangible personal property owned by you and located in this assessment jurisdiction, **even if you have fully depreciated the asset or have expensed the asset under Section 179 of the Internal Revenue Code or under your accounting policies. All costs reported must include freight, sales tax and installation costs**, even in cases where the cost was partially incurred by another. Imputed sales tax, freight and installation costs must be reported by equipment leasing companies in cases where the lessee has paid or will pay such costs, or will provide the equivalent benefit in kind. Sales/Use tax must be imputed and reported by equipment leasing companies in cases where the lessee is paying sales or use tax on installment lease payments. The costs reported must include all costs (except capitalized interest) that would be capitalized by an end-user/owner of the property under generally accepted accounting principles, including overheads and "indirect costs" associated with the process of constructing, acquiring or making the property available for use. Capitalized expenditures made to a piece of machinery or equipment after the initial acquisition year must be reported in the year the expenditure is booked as a fixed asset. These costs must be reported the same as they are shown on your financial accounting fixed asset records, assuming that you account using generally accepted accounting principles. You must also report in these Sections any other tangible personal property in your possession or under your control in this jurisdiction that is not reported under Sections G through N. If you purchased an asset used, and do not know and cannot ascertain the acquisition cost new, attach the list and explanation required by the **Page 1, Line 6** instructions. The acquisition costs for the assets reported under each Section must be totaled for each acquisition year. Place the yearly total on the line of the Section corresponding to the year that the property was acquired. You must report the original acquisition cost, **not** your estimation of the value of the property. Equipment not fully installed on December 31, 2017, should be reported on **Page 1, Line 13** and should not be reported in these Sections. Property that was reported as construction in progress **last** year but which was placed in service on or before December 31, 2017, should be entirely reported on the 2017 acquisition line of the appropriate table, not the 2016 line. Similarly, the cost of all assets

must be reported as acquired in the year that they were placed in service, rather than the year of purchase, if those years differ.

Leased assets and "daily rental property" must be reported by the **Owner** on Sections A through H in the same manner as other property, using a cost which represents the price that would be paid by an end-user to acquire ownership of the property if it were to purchase rather than lease or rent. An itemized listing of the property must also be made in Section L (for leased assets) or pursuant to the requirements of the instructions for **Page 1, Line 7** (for daily rental assets). Lessors do not report Eligible Manufacturing Personal Property (EMPP), which is instead reported by the lessee on Form 5278.

All leased and daily rental assets must be reported by, and must be assessed to, the owner (the lessor or daily rental company), in spite of any agreement to the contrary between the parties to the lease or rental agreement, unless the property is EMPP, is "qualified personal property" or is owned by a bank. Leased and rental property must be reported at selling price new, even if the owner is the manufacturer of the asset or acquired the asset in the wholesale market for an amount less than the price that the end-user would have incurred to purchase the asset. If the asset is of a type that it is never sold to an end-user or if you have constructed the asset for your own use, report the price at which the asset would sell if a market sale did occur. See STC Bulletin 8 of 2007.

The cost reported in each of the Sections of this form and on the forms used with this form should include the full invoiced cost, without deduction for the value of certain inducements such as service agreements and warranties when these inducements are regularly provided without additional charge.

Inventory is exempt from assessment. Inventory does not include personal property under lease or principally intended for lease or rental, rather than sale. Property allowed a cost recovery allowance or depreciation under the Internal Revenue Code is not inventory. Motor vehicles registered with the Michigan Secretary of State on December 31, 2017 are exempt. Special mobile equipment, as defined by MCL 257.62, and nonregistered motor vehicles are assessable. Computer software, if the purchase was evidenced by a separate invoice amount, and asset number, and if the software is commonly sold separately, is exempt.

If you have had "Move Ins" of used property during calendar year 2017, you must complete Form 3966, in addition to completing Form 632 (L-4175). You can obtain Form 3966 from the Michigan Department of Treasury Web Site at www.michigan.gov/taxes or from your local assessor. "Move-Ins" are items of assessable personal property that were not assessed in this city or township in 2017, including: acquisitions of previously used personal property (which should be reported in the year it was new and at the cost when new); used personal property you have moved in from outside this city or township; personal property that was exempt in 2017 (such as exempt industrial facilities tax property); and personal property that you mistakenly omitted from your statement in 2017. "Move-Ins" **do not include** property moved from another location **within** this city or township or assessed to another taxpayer **within** this city or township in 2017 (i.e. property reported by a previous owner or previously leased property reported by the lessor to this city or township last year). All "Move-Ins" must be reported in the appropriate Section of Form 632 (L-4175), in addition to being reported on Form 3966. **Do not report** 2017 acquisitions of new property on Form 3966.

You must report the cost of business trade fixtures in the appropriate Section, A through F, rather than in Section M where you report leasehold improvements. You must also report the costs of installing personal property in the appropriate Section, A through F. Trade fixtures and installation costs of machinery and equipment must not be reported in Section M, even if you have booked them as leasehold improvements for financial accounting purposes. Trade fixtures are items of property that have been attached to real estate by a tenant to facilitate the tenant's use of the property for business purposes and which are both capable of being removed and are removable by the tenant under the terms of the lease. Examples of trade fixtures are certain costs related to telephone and security systems and most signs.

Examples of installation costs are the costs of machine foundations and electric, water, gas and pneumatic connections for individual manufacturing machines.

The costs of an electrical generating facility, including the costs of all attached equipment that is integrated as a component in accomplishing the generating process, such as boilers, gas turbines and generators, are not reported on this form. An exception is a small, movable generating unit that has a fixed undercarriage designed to allow easy movement of the unit from place to place to provide temporary electric power. Other exceptions are wind energy systems and solar farms. See instructions to **Page 1, Line 14**.

The costs associated with a generating facility that does not have a fixed undercarriage must be reported to the assessor on the appropriate Real Property Statement (Form 3991 - Gas Turbine and Diesel; Form 4070 - Hydroelectric; Form 4094 - Steam). The costs associated with small, movable electrical generation units that have a fixed undercarriage and the costs associated with other unattached, movable machinery and equipment used at generating facilities, such as front loaders, forklifts, etc. are reported in Section B of this form.

A summary of the items that should be reported in each Section is contained in STC Bulletin 12 of 1999, its later annual supplement(s) and in these instructions. These bulletins, along with forms and other bulletins can be accessed via our Web site at www.michigan.gov/taxes. MCL 211.19 requires that you complete this form in accordance with the directions on the form and in these instructions. You may, however, attach supplementary material for the assessor to consider in making his or her valuation decisions. If you have questions regarding proper categorization of property, contact the State Tax Commission for clarification.

Completion of Section A, Page 2: The assets to be reported in this Section include decorations, seating, furniture (for offices, apartments, restaurants, stores and gaming establishments), shelving and racks, animal cages and tanks, lockers, modular office components, cabinets, counters, rent-to-own furnishings, medical exam room furnishings, therapeutic medical beds and bedding, bookcases, displays, mobile office trailers, special use sinks (such as those found in medical offices, beauty shops and restaurants), tables, nonelectronic recreational equipment, filing systems, slat walls, non-freestanding signs, window treatments, uniforms and linens, cooking, baking and eating implements, shopping carts, booths and bars. Other assets may be included at a later time.

Completion of Section B, Page 2: The assets to be reported in this Section include all assets that are not designated for disclosure in another Section. Specifically, such assets include the following types of machinery and equipment: air compressors, underground, non-coin operated amusement rides and devices, auto repair & maintenance, beauty and barber shop, boiler, furnace, bottling & canning, crane and hoist, car wash, chemical processing, construction, unlicensed vehicular, conveyor, non-coin operated dry cleaning and laundry, air makeup and exhaust systems, manufacturing and fabricating, food processing, gym & exercise, heat treating, landscaping, sawmill, incinerators, maintenance and janitorial, nonelectronic medical and dental and laboratory and veterinary equipment, mining and quarrying, mortuary & cemetery, painting, hydrocarbon refining and production and distribution, plastics, pottery & ceramics, printing and newspaper, rubber manufacturing, scales, ski lifts, smelting, stone & clay processing, supermarket, textile, tanning, vehicle mounted, waste containers, wire product manufacturing, woodworking, automated tellers (ATM), computer controlled lighting, CNC controlled manufacturing, theater equipment, restaurant food preparation and dispensing and storing and serving equipment, soft drink fountains, coin counters, beverage container return machines, storage tanks, hand tools of mechanics and trades, nonregistered motor vehicles, freestanding and other safes not assessed as real property, oil and gas field equipment and gathering lines prior to commingling product with other wells (other lines are reported in Section J, Form 3589), portable toilets, metal shipping pallets and containers, portable saw mills, LP tanks under 2,000 gallons, fuel dispensing control consoles, computer-controlled

printing presses, stereo lithography apparatus, forklift trucks, non-coin operated gaming apparatus and computerized and mechanical handling equipment, commercial mail sorting operation equipment, pill counters, pram robotics. Other assets may be included at a later time.

Completion of Section C, Page 2: Report the acquisition cost new and the year of acquisition of rental videotapes, rental video games, rental DVD's and rental laser disks owned by you at this location. Other assets may be included at a later time.

Completion of Section D, Page 2: The assets to be reported in this Section include office machines, non-computerized cash registers, faxes, mailing and binding equipment, photography and developing equipment, shredders, projectors, telephone and switchboard systems (even if computerized), audio and video equipment [used for receiving, transmitting, recording, producing and broadcasting], amplifiers, CD, cassette and disc players, speakers, cable television local origination equipment, electronic scales, surveillance equipment, electronic diagnostic and testing equipment (for automotive shops, medical offices, hospitals and dental offices), ophthalmology testing equipment, satellite dishes, video-screen arcade games, electronic testing equipment, electronic laboratory equipment, cellular telephones, medical laser equipment, reverse osmosis and hemodialysis systems, movable dynamometer, spectrum analyzer, security systems, 2-way and mobile land radio equipment, pay-per-view systems, wooden and plastic pallets and shipping containers, rental musical instruments and distributive control systems (see STC Bulletin 3 of 2000). Office machines which are not capable of being integrated into a local area or wide area computer network, office machines that are only capable of being used as a facsimile transmitting/receiving machine and/or as a copier and office machines that are multifunctional but are not capable of being used as a computer peripheral, are reported in this Section. A copier is a freestanding or desktop piece of office equipment, which is most commonly used in an office setting, and which is primarily designed to print, or to make copies of short-run text material produced in that office. Copiers generally use commercially available 8 1/2" by 11" bond or copy paper and produce duplicate originals of text documents in such a way that the use of carbon paper or other duplicating processes can be avoided. Printing presses are not copiers and must be reported in Section B of this form even if the operation of the printing press is regulated or controlled digitally, is controlled by a computer, or is automated. A printing press is a device designed primarily to produce commercial runs of printed material, such as books, pamphlets, forms, magazines, newspapers, or advertising circulars, for commercial sale, regardless of the technology employed in such production and regardless of the type of paper which is used. The definition of a printing press specifically includes any machine that employs an offset or other non-impact printing process, if the machine otherwise meets the definition of a printing press. Cellular site equipment, specifically including communication towers and land improvements must be reported on Form 4452, rather than in this Section. If you are not required to report communication tower and land improvement costs on Form 4452, you must report such costs in Section N of this form. See the instructions for Form 4452. Other assets may be included at a later time.

Completion of Section E, Page 2: The assets to be reported in this Section include consumer coin-operated equipment such as bill & change machines, juke boxes, pin ball machines, coin-operated pool tables and other non-video arcade games, snack & beverage machines, other vending machines, news boxes, laundry equipment, coin operated telephones and slot machines. Other assets may be included at a later time.

Completion of Section F, Page 2: The assets to be reported in this Section include assessable software, personal and midrange and mainframe computer and peripheral equipment, including servers, data storage devices, CPUs, input devices such as scanners and keyboards, output devices such as printers and plotters, monitors, networking equipment, computerized point of sale terminals, global positioning system equipment, lottery ticket terminals, gambling tote equipment, pager instruments, cable television converters and receivers for home satellite dish television systems.

A programmable logic control device for a machine should be reported in Section B with the machine it serves. Office machines which **are** capable of being integrated into a local area or wide area computer network and office machines that are single function, or multifunction, and which **are** capable of being used as a computer peripheral, including copiers that can be used as a computer peripheral, are reported in this Section. Other assets may be included at a later time.

Cost Grand Total, Page 2: After you have completed Sections A through F, add together the totals of cells A1 through F1 to arrive at a Cost Grand Total. Insert the Cost Grand Total in the box indicated at the bottom of page 2 and carry to page 1, line 10a.

Section G, Page 3: Report all nonexempt tangible personal property owned by you at this location that is not entitled to depreciation/cost recovery under the United States Internal Revenue Code **or** that the assessor has told you to report in this Section **or** that otherwise presents special valuation problems. An example of property not entitled to depreciation/cost recovery is fine art. Examples of properties that represent special valuation problems are: locally-assessed copper and fiber optic cable not reportable in Section M, frequently supplemented professional books, feature motion picture films, audio and video productions not sold to the public at large, musical instruments used for professional performance, LP tanks of 2,000 gallons or more that have not been assessed as real property, nuclear fuel and toll bridge company structures. Provide all requested information. An inspection of the property may be necessary. Property reported in this Section should not be reported elsewhere on this form.

Section H, Page 3: Standard tools, dies, jigs, fixtures, molds, patterns and gauges and other manufacturing requisites of a similar nature (commonly referred to as "tooling") will be valued at an amount equal to the net book value of the asset. Report both Acquisition Cost New and GAAP net book value by year of acquisition in this Section. See the instructions for line 1 for information regarding the tooling that is assessable. For purposes of personal property reporting, net book value shall be as determined using generally accepted accounting principles, in a manner consistent with the taxpayer's established methods of depreciation. The net book value for federal income tax purposes shall not be used for purposes of personal property tax reporting. If an accounting change in estimate is indicated relating to a particular asset, the net book value of that asset as reported for personal property assessment purposes shall be the value that would have existed for that asset on December 31, 2017, if the correct estimate had originally been made. Your obligation to implement the change in estimate for personal property reporting purposes shall not be affected by a determination that no financial accounting change in estimate is necessary due to lack of materiality. In no event shall assessable tooling be reported at an amount less than is indicated by its expected remaining useful life plus salvage value (if applicable under the depreciation method used).

Section I, Page 3: Report "qualified personal property" in this Section. Do not report "qualified personal property" in Sections A through F. "Qualified personal property" is property that was made available to you by a "qualified business" (usually a leasing company or a finance company) and which is not assessable to the "qualified business." Such property is assessable to you as the user. The requirements for "qualified business" treatment are strict and many leasing and financing companies do not qualify. Further, such treatment only applies to property subject to an agreement (usually labeled a lease) entered into after December 31, 1993 that qualifies for treatment as "qualified personal property." The "qualified business" is required to have filed a statement with the assessor by February 1st of the current year and is required to have made a written agreement with you in which it is **specifically** agreed that you will report the property to the assessor as "qualified personal property." See MCL 211.8a.

Section J, Page 3: Report all business machines, postage meters, machinery, equipment, furniture, fixtures, tools, burglar alarms, signs and advertising devices and other tangible personal property that you are **renting or leasing** from another person or entity. Provide all of the information requested for each lease. You **must** provide the

actual or estimated selling price new of the asset so control totals can be generated for use on the Summary and Certification portion of page 1. MCL 211.13 provides that all tangible personal property shall be assessed to the owner thereof, unless the owner is not known. A personal property statement will be sent to the owner. Property reported in this Section should not be reported elsewhere on this form.

Section K, Page 3: Report all machines, meters, machinery, equipment, furniture, fixtures, tools, signs and advertising devices that are in your possession but are not owned, leased or rented by you. Examples include equipment left with you by vendors, such as display racks, coolers or fountain equipment, property loaned to you by another, property left with you for storage or rebuilding, consigned equipment not held for resale and assets sold but not yet picked up by the purchaser. Provide all of the information requested for each asset. You **must** provide the actual or estimated selling price new of the asset so that control totals can be generated for use on the Summary and Certification portion of page 1. MCL 211.13 provides that all tangible personal property shall be assessed to the owner thereof, unless the owner is not known. A personal property statement will be sent to the owner.

Cost Grand Total, Page 3: After you have completed Sections G through K, add together the totals of cells G1 through K1 to arrive at a Cost Grand Total. Insert the Cost Grand Total in the box indicated at the bottom of page 3 and carry to line 11a on page 1.

Section L, Page 4: This Section is to be completed by leasing companies and others who lease personal property to others. In addition to completing this Section, you must complete Sections A through F and any other Sections that are applicable. You may use attachments rather than completing this Section, but only if your attachment provides all the information requested on this Section and if you insert the total original selling price where required on the form.

Section M, Page 4: This Section is to be completed by tenants who are renting or leasing real property. All improvements (leasehold improvements) you have made to the real property should be reported, even if you believe that the improvements are not subject to assessment as personal property. Provide as much detail as possible so that the assessor can determine whether a personal property assessment should be made. Coaxial and/or fiber-optic wiring costs and associated infrastructure of audio and/or visual systems serving subscribers of one or more multiple unit dwellings or temporary habitations under common ownership, and which do not use public rights-of-way shall be reported in this Section and be clearly identified as such. You may use attachments, but only if your attachment provides all the information requested in this Section and if you insert the Total Cost Incurred where required on the form. See the instructions for page 1, line 5 for additional explanation.

Section N, Page 4: Report the total capitalized cost and year of construction of buildings and other structures you have placed on land not owned by you, such as leased or public lands or on public rights-of-way. Costs of freestanding communications towers and associated equipment buildings (unless such costs have been reported on Form 4452) and costs of freestanding billboards are examples of other structures that are to be reported. The reported cost must include all costs capitalized on your records. See STC Bulletin 8 of 2007.

Section O, Page 4: Landlords and tenants must provide rental information relating to lease arrangements to which they are a party. Do not report lease or rental arrangements relating to property occupied for residential purposes. If you are a landlord with multiple properties, contact the assessor to arrange an acceptable alternative reporting method. See instructions for page 1, line 5.

Cost Grand Total, Page 4: After you have completed Sections M and N, add together the totals of cells M1 and N1 to arrive at a Cost Grand Total. Insert the Cost Grand Total in the box indicated at the bottom of page 4 and carry to line 12a on page 1.

DRAFT 09-07-17

2018 Electric Distribution Cooperative Personal Property Statement

This form is issued under the authority of PA 206 of 1893. Filing is mandatory. The Personal Property Statement must be completed for each individual local unit where electric distribution personal property is located. Include electric distribution personal property, according to the Instructions, that is located within the local unit as of the previous December 31. Reported costs should be in compliance with STC Bulletin 8 of 2007. Submit the completed Personal Property Statement annually to the appropriate local unit no later than February 20, 2018.

Name of Cooperative		Parcel Number	Area Code and Telephone Number
Address (Number and Street, P.O. Box or RR#, City, State, ZIP)		School District Name and Code	
Assessing Unit	City	Township	County

	A Miles	B Average Cost from Schedule 1A X Column A	C Estimated Original Cost of Columns A and B
1. Miles of Line Single Phase			
2. Miles of Line Two Phase.....			
3. Miles of Line Three Phase.....			
4. Number of Services including Idle and Seasonal.....			
5.			
6.			
7. TOTAL (add lines 1 thru 6)			
8. Percent Condition Factor (Schedule 1, Column F, Totals line)			
9. Depreciated Average Cost (line 7 x line 8)			
10. Other Taxable Distribution Personal Property (see attached Schedule)			
11. TOTAL (add lines 9 and 10).....			
12. System Economic Factor.....			
13. True Cash Value (line 11 x line 12).....			

(This True Cash Value amount must be carried to page 1, line 12a of Form 632 (L-4175), *Personal Property Statement*, by the **ASSESSOR**.)

* On the previous December 31, in the local unit reported on this Statement, did you have in your possession tangible distribution personal property not owned by the Cooperative, or owned by the local unit, which is not reported above?

☐ Yes* ☐ No

*If Yes, attach a rider showing the name and addresses of the owners and the description of the property on lease, rental, loan, etc. If you are leasing or purchasing distribution personal property under a lease purchase contract, include that property on line 10 above.

The undersigned certifies that he/she is an owner, officer and/or the duly authorized agent for the above named taxpayer and that the above summary, with its supporting documents, provides a full and true statement of all tangible distribution personal property owned or held by the taxpayer at the locations listed above on December 31, 2017.	
Signature of Certifier	Date

Instructions for Form 633, Distribution Personal Property

COLUMN B - ADDITIONS TO DISTRIBUTION PLANT

Enter the original cost of additions, as adjusted for allocated retirements in prior years. Do not include Work-In-Progress Construction.

COLUMN B.1 - ACQUISITION YEARS 2016 THROUGH 2003 AND PRIOR

On October 28, 2004, the STC determined that:

Retirements in the current year shall no longer be netted against the cost of additions in the current year, and instead: 75% of the retirements in the current year shall be subtracted from the oldest vintage year on the form and the remaining 25% of the retirements shall be subtracted from the reported gross investment amount (Additions to Distribution Plant on Schedule 1) for each of the other vintage years on the personal property statement on a weighted (proportional) basis, excluding the most recent vintage year.

A. Enter the total retirements of Distribution Plant for the year 2016 in the "TOTALS" Row under B.1.

B.- Allocation of Retirements that Occurred in 2017.

a. Calculate the allocation factor for each vintage year 2004 through 2016 by using the ratio of additions in Column B for that vintage year to the sum of reported additions for years 2004 through 2016.

b. Multiply the allocation factor for each year 2004 through 2016 times 25% of the Retirement that were reported for 2017. Enter the result, for each year in Column B.1 for years 2016 through 2004.

c. At the line "2003 and Prior," Column B.1 enter 75% of the Retirements that occurred in 2017.

NOTE: If 12 months of Additions and Retirements as of December 31 are not known, use what is available, such as, 12 months ending November 30. Then use 12 months ending November 30 when reporting each year.

COLUMN B.2 - ASSESSABLE PLANT

For Year 2017 Only Column B.2 is the same as Column B.

For years 2016 through 2003, and prior, each line is Column B minus Column B.1.

COLUMN C - LAND AND LAND RIGHTS

Enter the original costs of the Land and Land Rights.

Repeat instructions for Column C for Column D, Distribution Substations. Report Substations on STC Form 3589.

COLUMN E - REMAINING COST OF DISTRIBUTION PLANT IN SERVICE AT YEAR END

Subtract column C and D from column B.2.

COLUMN F - PLANT VALUE

Multiply column E by column F.

CALCULATION OF PERCENT CONDITION FACTOR

Column F Totals line is the total of column G divided by the total of Column E, in percent.

SCHEDULE 1A - CALCULATION OF AVERAGE COST OF UNITS

Schedule 1A is used to prepare Form 633, page 1, for each individual taxing unit.

The State Tax Commission requests that Electric Distribution Cooperative retain Schedule 1 and Schedule 1A for review and audit as determined by the Commission.

Schedule 1 of Form 633, Calculation of Percent Condition Factor*

Name of Cooperative

A Year	B Additions to Distribution	B.1 Retirements = _____	B.2 See Instructions	C Distribution Land and Land Rights	D Distribution Substations	E. Remaining Cost of Distribution Plant In Service (E = B.2 - C - D)	F STC Personal Property %	G Plant Value
2017							96%	
2016							93%	
2015							90%	
2014							86%	
2013							82%	
2012							78%	
2011							74%	
2010							70%	
2009							67%	
2008							64%	
2007							61%	
2006							58%	
2005							55%	
2004							52%	
2003 and prior							50%	
Totals								

The taxpayer must carry the total of Column B to page 1, Line 12a of the *Personal Property Statement*, Form L-4175 (Form 632).

* See STC Bulletin 8 of 2007 or *Cable Television & Public Utility Property Report*, Table I (Form 3589) for percentages in column F.

Calculation of weighted Percent Condition Factor
 Column F = Column G Total / Column E
 Total times 100

Schedule 1A, Calculation of Average Cost of Units

SECTION 1: SINGLE, TWO, AND THREE-PHASE AVERAGE COST CALCULATION

Name of Cooperative

Remaining Original Cost (including costs described in State Tax Commission's Bulletin 8 of 2007 and Load Control Equipment) of Distribution Plant In Service (from Schedule 1, column E, Totals line, excluding Construction Work in Progress)	1)	\$
Subtract Original Cost of Distribution Services (Dollars of Services = connected + idle + seasonal)	(2)	\$
Add one-half of Construction Work in Progress (50% of Account 107.2 Distribution Plant)	(3)	\$
Plant Dollars Applicable to Line Miles	(4)	\$

							Section 2 Verification of Unit Cost Calculations		
	A Miles	B Cost Relationship	C Cost Factor (A x B)	D (a) Average Cost per Unit	E Total Cost (C x D)	F Average Cost per Mile (E/A)	G Miles (From Col. A)	H Cost per mile (Column F)	I Total Cost (G x H)
Line Miles Single Phase		0.58							
Line Miles Two Phase		0.75							
Line Miles Three Phase		1.00							
		Total					Add Services, from line 2		
							Subtract Construction Work in Progress, from line 3		
							Verify this total to original cost, line 1 should equal line 1 above		

Average Cost of Services = $\frac{\text{Total Cost (Line 2 above)}}{\text{Number of Services in Place}}$ =

Carry to page 1, line 4.

(a) Each cell is the Plant Dollars Applicable to Line Miles (Line 4) divided by the total of Column C.

DRAFT 07-25-17

2018 Idle Equipment, Obsolete Equipment, and Surplus Equipment Report (as of 12-31-17)

INSTRUCTIONS: Idle, obsolete and surplus equipment may qualify for additional depreciation. Read the instructions on the reverse side of this form to determine whether your personal property may qualify for treatment as idle, obsolete or surplus equipment. You may also contact your assessor or the State Tax Commission. If you qualify, you must complete this schedule (Form 2698) and attach it to your personal property statement. This schedule is subject to audit. An inspection may be required. Report original total cost of equipment including sales tax, freight and installation. Assets reported on this form (2698) as idle, obsolete or surplus equipment should not be reported at some other place on **Form 632 (L-4175), Personal Property Statement.**

Owner's Name		Doing Business As	
Mailing Address (Street or RR#, City, State, ZIP Code)		Business Location (Street or RR#, City or Township, State, ZIP Code)	
Name of Person to Contact	Telephone Number	Parcel Number	

Section A - Including Furniture and Fixtures

Assessor Calculations

2017		.364	
2016		.320	
2015		.276	
2014		.244	
2013		.212	
2012		.188	
2011		.168	
2010		.148	
2009		.132	
2008		.116	
2007		.108	
2006		.096	
2005		.088	
2004		.072	
2003		.068	
Prior		.040	
TOTALS		A1	A2

Section B - Including Machinery and Equipment

Assessor Calculations

2017		.356	
2016		.304	
2015		.268	
2014		.240	
2013		.216	
2012		.196	
2011		.180	
2010		.168	
2009		.152	
2008		.144	
2007		.132	
2006		.124	
2005		.116	
2004		.112	
2003		.092	
Prior		.092	
TOTALS		B1	B2

Section C - Including Rental Videotapes and Games

Assessor Calculations

2017		.304	
2016		.212	
2015		.116	
2014		.020	
Prior		.020	
TOTALS		C1	C2

Section D - Including Office, Electronic, Video and Testing Equipment

Assessor Calculations

2017		.336	
2016		.256	
2015		.220	
2014		.196	
2013		.176	
2012		.164	
2011		.152	
2010		.140	
2009		.132	
2008		.124	
2007		.116	
2006		.112	
2005		.104	
2004		.100	
2003		.068	
Prior		.068	
TOTALS		D1	D2

NOTE: This form continues on the reverse side and must be signed by an owner, partner, corporate officer or duly authorized representative.

**Section E - Including Consumer
Coin Operated Equipment**

Assessor Calculations

2017		.368	
2016		.340	
2015		.308	
2014		.276	
2013		.244	
2012		.216	
2011		.184	
2010		.152	
2009		.120	
2008		.092	
2007		.060	
Prior		.060	
TOTALS	E1		E2

**Cost Grand Total (For Idle, Obsolete
or Surplus Equipment)**

Taxpayer: Add totals from the cost columns of Sections A-F (A1-through F1). Enter grand total and carry to line 13a, page 1, of **Form 632 (L-4175)**.

Taxpayer

**Section F - Including Computer
Equipment**

Assessor Calculations

2017		.240	
2016		.176	
2015		.128	
2014		.096	
2013		.076	
2012		.060	
2011		.032	
Prior		.032	
TOTALS	F1		F2

**True Cash Value Grand Total (For Idle,
Obsolete or Surplus Equipment)**

Assessor: Add True Cash Value totals from Sections A-F (A2 through F2). Enter grand total here and carry to line 13b, page 1, of **Form 632 (L-4175)**.

Assessor

I, _____, hereby attest that, to the best of my knowledge and belief, all of the property listed on this form is **idle equipment** or **obsolete or surplus equipment** and those terms are defined in the instructions below.

Signature	Date	Name (Please print or type)
<input type="text"/>		

Must be signed by Owner, Partner or Corporate Officer or duly appointed representative.

INSTRUCTIONS

This form is for use in reporting **idle equipment** and **obsolete or surplus equipment** as defined in these instructions. For purposes of completing this form, the allocation of personal property to Sections A through F shall be made in accordance with the instructions on the completion of Sections A through F of **Form 632 (L-4175)**. Both **idle equipment** and **obsolete or surplus equipment** will be reduced by the assessor to 40% of the value obtained by applying the normal State Tax Commission personal property multipliers to original acquisition costs.

Read the following descriptions of **idle equipment** and **obsolete or surplus equipment** to determine whether your personal property may qualify to be reported on this form. Only property that would otherwise be reported on Sections A-F of **Form 632 (L-4175)**, may be claimed as idle or obsolete or surplus equipment.

If you have personal property that qualifies, complete this form and file it with **Form 632 (L-4175)**. Assets reported as **idle equipment** or **obsolete or surplus equipment** **should not** be reported on Sections A through F of **Form 632 (L-4175)**. You must add the totals from Sections A through F (A-1 through F1) and insert this sum in the "Cost Grand Total" box above. This "Cost Grand Total" must be carried to line 13a of the "Summary and Certification" contained on page 1 of **Form 632 (L-4175)**.

Idle Equipment and Obsolete or Surplus Equipment

Idle equipment is equipment that has been disconnected and stored in a separate location. This equipment is not part of an existing process, not even on a standby basis.

Obsolete or surplus equipment is equipment that either:

- Requires rebuilding for continued economic use and is in the possession of a machine rebuilding firm on tax day, or

- Has been declared as surplus by an owner who is abandoning a process or plant and is being disposed of by means of an advertised sale or through an agent. The sale must be an unconditional sale to any and all prospective purchasers rather than being restricted to other divisions of a company.

Equipment cannot qualify as **idle** or **obsolete or surplus** until it has been placed in service. Equipment that is operating on tax day does **not** qualify for treatment as **idle equipment** or **obsolete or surplus equipment**. Standby equipment is not **idle equipment** or **obsolete or surplus equipment**. Standby equipment is equipment that is not usually in use but is ready and immediately on hand for use when needed, e.g., a standby boiler or standby production machines. The allowances for idle or obsolete and surplus equipment are available only in cases where a process has been discontinued or where individual items of property are being liquidated on a piecemeal basis. A process that has been temporarily suspended and/or which is being marketed as a complete process, for continued use at the same location, does not qualify for treatment as idle or obsolete and surplus.

Sometimes equipment, for various reasons, is normally not used throughout the year (e.g., Holiday and seasonal decorations, construction equipment) or is normally used only on an intermittent basis. This type of equipment does **not** qualify for the **idle** or **obsolete or surplus** treatment when it is seasonally or intermittently used.

Sometimes, equipment may be "idle-in-place" because storage in a separate location is not feasible. This might be due to the large size of the equipment involved or the fact that it is underground equipment. Proof should be presented to the assessor that equipment is "idle-in-place."

2018 Statement of "Qualified Personal Property" by a "Qualified Business" (as of 12-31-17)

This form is issued under authority of the General Property Tax Act (P.A. 206 of 1893). This statement is subject to audit.

INSTRUCTIONS: This form must be completed and filed with the assessor no later than February 1, 2018. A "qualified business" (defined on page 2) that wishes to have users be assessed for "Qualified Personal Property" (defined on page 2) in 2018 must complete this form and file it with the assessor no later than February 1, 2018. If this form is not filed by February 1, 2018, or if property is not included on the form, then the property is assessable in 2018 to the company that makes the property available, rather than to the user. This statement must be filed in each township and city where property is located using the format below. This statement must have assets grouped (in alphabetical order) by the user responsible for paying tax. **You may not list property subject to an agreement (frequently titled a lease) entered into before January 1, 1994. The "qualified business" must also file Form 632 (L-4175), *Personal Property Statement*, if it is the owner of property that is not "qualified property" or if the assessor sends a Form 632 (L-4175) for completion.**

Name of "Qualified Business"					
Mailing Address (Street or RR#, City, State, ZIP)			Is the "Qualified Business" a manufacturer of personal property? (See instruction #2) <input type="checkbox"/> Yes <input type="checkbox"/> No		
Name of Person to Contact		Place where records are kept		Telephone Number	
Name of Township or City where the property is located on December 31, 2017					
User's Name and Street Address Where Property is Located (see inst. #4)	Description of Equipment and Model or Serial No.	Purchase Price (see inst. #3)	Year of Purchase	Periodic Payment by User	Frequency of Payment (see inst. #5)

Attach additional schedules on **Form 2807 (L-4143a)**, if necessary, following the same reporting format.

Notary Public, State of Michigan

ss

County of _____

I, _____, being duly sworn, depose and say that the company which I represent is a qualified business as defined in Section 8a of P.A. 206 of 1893, as amended and that the personal property reported on this form is qualified personal property as defined in Section 8a of P.A. 206 of 1893, as amended.

Subscribed and sworn to before me this _____

Signed _____

day of _____, 20 _____

Title _____

Must be Signed by Owner, Partner or Corporate Officer or a duly authorized agent.

My Commission Expires _____

Signature of Preparer _____

Instructions for Completing Form 2699, 2018 Statement of “Qualified Personal Property” by a “Qualified Business”

“Qualified personal property” made available by a “qualified business” may be assessed to its user provided this form is completed and filed with the assessor no later than February 1, 2018. Read the following instructions to determine whether you are a “qualified business” and whether your personal property is “qualified personal property.”

(1) DEFINITIONS:

“Qualified Business” is a business that meets the following two (2) requirements:

(A) It is a for-profit business.

(B) It obtains services relating to the business from 30 or fewer employees during a week selected at random annually by the State Tax Commission no later than January 15. “Employees” means persons who perform a service for wages or other remuneration under a contract of hire, written or oral, expressed or implied. “Employees” includes employees of independent contractors performing services substantially similar to employees. If a person is an entity under common control or is a member of an affiliated group as those terms are defined below, the number of employees from whom services are obtained includes all employees of the group and of independent contractors in the group rendering services to the qualified business.

An “affiliated group” means two or more corporations, one of which owns or controls, directly or indirectly, 80% or more of the capital stock with voting rights of the other corporation or corporations.

An “entity under common control” — is as defined in the Michigan Revenue Administrative Bulletin 1989-48. You may obtain a copy from Treasury’s website at www.michigan.gov/treasury.

“Qualified Personal Property” is property that meets the following two requirements:

(A) It is property on which a retail sales tax has been paid or on which liability accrued at the same time as the user acquired possession of the property or on which sales tax would be payable if the property was not exempt from the tax.

(B) It is property that is subject to an agreement (frequently titled a lease) entered into after December 31, 1993. Additionally, the agreement must meet the following four (4) requirements:

(a) It must be for a noncancelable term of 12 months or more.

(b) The party that becomes the user or possessor of the personal property must be engaged in a for-profit business.

(c) The user or possessor can obtain legal title to the property by making all of the periodic payments or by making all of the periodic payments plus a final payment. If the final payment is less than the true cash value of the property, the true cash value is determined by using the personal property multipliers on Form 632-4175, Personal Property Statement.

(d) The agreement must require the user or possessor of the property to report the properties to the assessor on the personal property statement on or before February 20 and must require the user to pay the property tax.

(2) If the “qualified business” is the manufacturer of the personal property that is made available for use by another, the “qualified business” must report the original selling price in the “Purchase Price” column. If there is no original selling price, the qualified business must report the original cost. See also instruction # 3.

(3) Purchase price must include sales tax, freight, and installation.

(4) The location of the property is as indicated in the records of the “qualified business.”

(5) You may list “Mo” for monthly or “Yr” for yearly.

Draft 07/25/17

2018 Cable Television and Utility Personal Property Report (as of 12-31-17)

This form is issued under the authority of Public Act 206 of 1893.

Property Owner Name	Doing Business As	
Mailing Address (Street, City, State, ZIP)	Property Location (Street, City, State, ZIP)	
Contact Name	Telephone Number	Parcel Number

PART 1: CABLE TELEVISION ASSETS — See page 3 for instructions.

TABLE G-1 ASSETS: Underground & Aerial Plant Equipment

Year	Original Cost	Multiplier	Assessor TCV Calculations
2017		.921	
2016		.774	
2015		.651	
2014		.548	
2013		.461	
2012		.387	
2011		.326	
2010		.274	
2009		.230	
2008		.194	
2007		.163	
2006		.137	
2005		.115	
2004		.097	
2003		.082	
2002		.069	
2001		.058	
2000		.050	
1999		.050	
1998		.050	
1997		.050	
1996		.050	
1995		.050	
1994		.050	
Prior		.050	
Total			

TABLE G-2 ASSETS: Fiber Optic Equipment

Year	Original Cost	Multiplier	Assessor TCV Calculations
2017		.921	
2016		.815	
2015		.730	
2014		.650	
2013		.570	
2012		.500	
2011		.440	
2010		.380	
2009		.320	
2008		.270	
2007		.230	
2006		.190	
2005		.160	
2004		.130	
2003		.110	
2002		.090	
2001		.080	
2000		.070	
1999		.070	
1998		.070	
1997		.070	
1996		.070	
1995		.070	
1994		.070	
Prior		.070	
Total			

TABLE G-3 ASSETS: Headend Equipment

Year	Original Cost	Multiplier	Assessor TCV Calculations
2017		.876	
2016		.673	
2015		.503	
2014		.362	
2013		.249	
2012		.165	
2011		.107	
2010		.084	
2009		.067	
2008		.056	
2007		.050	
2006		.050	
2005		.050	
Prior		.050	
Total			

TABLE G-4 ASSETS: Underground Distribution Electronics Equip.

Year	Original Cost	Multiplier	Assessor TCV Calculations
2017		.94	
2016		.84	
2015		.74	
2014		.66	
2013		.55	
2012		.37	
2011		.24	
2010		.18	
2009		.14	
Prior		.10	
Total			

TABLE G-5 ASSETS: Aerial Distribution Electronics Equip.

Year	Original Cost	Multiplier	Assessor TCV Calculations
2017		.94	
2016		.84	
2015		.74	
2014		.66	
2013		.55	
2012		.45	
2011		.34	
2010		.30	
2009		.25	
2008		.15	
2007		.15	
2006		.15	
2005		.15	
Prior		.15	
Total			

PART 2: UTILITY ASSETS — See page 3 for instructions.**TABLE H ASSETS:** Gas Distribution

Year	Original Cost	Multiplier	Assessor TCV Calculations
2017		.93	
2016		.87	
2015		.81	
2014		.76	
2013		.71	
2012		.67	
2011		.63	
2010		.59	
2009		.55	
2008		.51	
2007		.47	
2006		.43	
2005		.39	
2004		.35	
2003		.31	
Prior		.32	
Total			

TABLE I ASSETS: Electric Transmission and Distribution

Year	Original Cost	Multiplier	Assessor TCV Calculations
2017		.96	
2016		.93	
2015		.90	
2014		.86	
2013		.82	
2012		.78	
2011		.74	
2010		.70	
2009		.67	
2008		.64	
2007		.61	
2006		.58	
2005		.55	
2004		.52	
2003		.50	
Prior		.50	
Total			

TABLE J ASSETS: Gas Transmission

Year	Original Cost	Multiplier	Assessor TCV Calculations
2017		.97	
2016		.91	
2015		.86	
2014		.81	
2013		.76	
2012		.71	
2011		.67	
2010		.63	
2009		.59	
2008		.56	
2007		.53	
2006		.51	
2005		.49	
2004		.47	
2003		.45	
Prior		.45	
Total			

TABLE K ASSETS: Fluid Pipeline

Year	Original Cost	Multiplier	Assessor TCV Calculations
2017		.99	
2016		1.00	
2015		1.01	
2014		1.02	
2013		1.03	
2012		1.04	
2011		1.05	
2010		1.06	
2009		1.08	
2008		1.10	
2007		1.12	
2006		1.14	
2005		1.16	
2004		1.18	
2003		1.20	
Prior		1.20	
Total			

PART 3: TOTAL ACQUISITION COSTS OF PART 1 AND PART 2

Calculations to be completed by Property Owner

1. Total all original costs of Cable Television Assets reported in the Original Cost columns of tables G-1, G-2, G-3, G-4 and G-5. (If not reporting utility assets, the total cost on Line 1 is reported to Line 15a of Form L-4175.)..... 1.
2. Total all original costs of Utility Assets (if any) reported in the Original Cost columns of tables H, I, J and K 2.
3. Total Capitalized Cost of Utility Right-of-Way and Easement Acquisition (if any) in this jurisdiction, as shown on the property owner's financial accounting records 3.
4. Add line 1, line 2 and line 3, and carry to Form L-4175, line 15a 4.

Calculations to be completed by Assessor

5. Total costs of Cable Television Assets from the Assessor TCV Calculations columns of tables G-1, G-2, G-3, G-4 and G-5..... 5.
6. Total costs of Utility Assets (if any) from the Assessor TCV Calculations columns of tables H, I, J and K 6.
7. Total Capitalized Cost of Utility Right-of-Way and Easement Acquisition from line 3..... 7.
8. Add line 5, line 6 and line 7, and carry to Form L-4175, line 15a 8.

INSTRUCTIONS FOR CABLE TELEVISION AND UTILITY PERSONAL PROPERTY REPORT

Use Part 1 to report cable television microwave signal receiving and transmission equipment, and cable television transmission and distribution assets. Use Part 2 to report the transmission and distribution assets of fluid and natural gas pipelines and to report the transmission and distribution assets of electric utilities.

Cable television converters should be reported in Section F of the **2018 Form 632 (L-4175), Personal Property Statement**. Cable television local origination equipment should be reported in Section D on Form L-4175. Coaxial and/or fiber-optic wiring costs and associated infrastructure for audio and/or visual systems serving subscribers of one or more multiple unit dwellings or temporary habitations under common ownership, which do not use public rights-of-way, shall be reported in Section M of **Form 632 (L-4175)**. Other types of assessable assets owned or possessed by the property owner should be reported on the appropriate A-O Sections of **Form 632 (L-4175)**.

All costs must be placed in the Original Cost column of the appropriate table, adjacent to the appropriate acquisition Year column. The reported cost must reflect acquisition cost new as defined in the instructions to **Form 632 (L-4175)**. If you have constructed an asset yourself, or have provided construction supervision, you must report the cost that would have been incurred if the asset had been acquired already constructed from a third party vendor. See STC Bulletin 8 of 2007.

The total acquisition costs of cable television assets from Part 1 must be added to the total capitalized acquisition costs of fluid and natural gas pipeline and electric transmission and distribution assets from Part 2.

INSTRUCTIONS: Use this form to provide the itemized listing of “daily rental property” required by Section 8c of P.A. 206 of 1893, as amended. “Daily rental property” is assessed to the owner at the location of the rental business and is not assessable at its location on December 31, 2017, (hereafter referred to as “Tax Day”) if certain requirements are met. See the reverse side of this form for the definition of “daily rental property” and for the requirements that must be met to qualify. Property reported on this form **must also be reported** in the appropriate sections, A through F, of the owner’s Form L-4175 (Form 632), *Personal Property Statement*. Assessable personal property that does not qualify as daily rental property must be reported by the owner at the location of the property on Tax Day. Report the acquisition cost **NEW** of the daily rental property including sales tax, freight and installation. Property must be listed on this form in the order of the year that it was placed in service, placing more recent years before earlier years. If additional space is needed, attach additional sheets using Form 3612, *2018 Itemized Listing of Daily Rental Property*.

I, _____, hereby attest that, to the best of my information, knowledge and belief, the property shown above and on all attached sheets is qualified as daily rental property as that phrase is defined in the instructions on the reverse side of this form. On behalf of the taxpayer, I give the assessor receiving this form permission to provide a copy of the information provided herein to the assessor of any other city or township in which the daily rental property may have been physically located on Tax Day.

Signature	Date	Title (Please print or type)
-----------	------	------------------------------

Instructions for Completing Form 3595, Itemized Listing of Daily Rental Property

Read the following requirements to determine whether your personal property may qualify to be reported on this form. If you have personal property that qualifies, complete this schedule and file it with Form 632, (L-4175), Personal Property Statement. Any property reported on this schedule must also be reported on Form L-4175.

1. To qualify as “daily rental property” BOTH of the following conditions must be met:

A. The property must be exclusively offered on an hourly, daily, weekly or monthly basis for a rental term of 6 months or less, pursuant to a written rental agreement. In determining whether a rental term extends beyond 6 months, the rental term shall be computed by adding all permitted or required extensions of the rental term, as set forth in the written agreement.

B. The property must have had an acquisition cost NEW of \$10,000.00 or less, including freight and sales tax. If you acquire the property “used,” you must determine the cost new for purposes of determining whether the property qualifies for daily rental property treatment.

Daily rental property does not include tangible personal property rented in conjunction with a service contract that extends beyond 90 days.

2. Daily rental property shall be assessed to the owner at the location of the rental business and is not assessable at its location on tax day, if ALL of the following conditions are met:

A. The location of the rental business must be in this state and the daily rental property must be located in this state on Tax Day, December 31, 2017.

B. The property must be permanently labeled with the designation “Daily Rental Property” and must be labeled with the name of the owner and either the business address or telephone number of the owner.

C. The property must have affixed to it a unique identifying number assigned by the owner.

D. If the daily rental property consists of multiple small items that are part of a matched set, or if it is impractical to label the daily rental property, the required statement and identifying number may be placed on the daily rental property’s container used to store the daily rental property when not in use.

E. No later than February 20, 2018, the owner must provide the assessor of the city or township where the daily rental business is located an itemized listing of the owner’s daily rental property as of Tax Day (using this form) and must authorize that assessor to provide a copy of such listing to any assessor where the daily rental property may have been physically located on Tax Day.

3. If the owner of the daily rental property is required to provide Form L-4175 to any local tax collecting unit other than the local tax collecting unit in which the daily rental property is assessable, Form L-4175 shall include a written statement indicating the jurisdiction in which its daily rental property is being reported.

4. The “location of the rental business” is the local tax collecting unit in which the daily rental property is kept when it is not rented to a customer.

5. The owner’s reporting of daily rental property is subject to audit by any of the following:

A. Any assessment jurisdiction in which the daily rental property is located on Tax Day.

B. The local tax collecting unit where the rental business is located.

C. The county equalization department of a county in which the daily rental property is located on Tax Day or where the rental business is located.

D. The State Tax Commission.

[illegible]

**2018 Taxpayer Report of Personal Property "Move-Ins" of Used Equipment
(As of 12-31-17) Occurring During 2017**

Issued under authority of Public Act 206 of 1893 (General Property Tax Act).

Owner's Name	Doing Business As	
Mailing Address (Street or RR#, City, State, ZIP Code)	Business Location (Street or RR#, City, State, ZIP Code)	
Name of Person to Contact	Telephone Number	Parcel Number

Do not report move-ins of NEW equipment on this form. Report in the appropriate sections below the acquisition cost and year-new of "Move-Ins" of USED equipment. These costs must also be reported in the appropriate Section of **Form 632 (L-4175), Personal Property Statement**. See the instructions to **Form 632 (L-4175)** for guidance in determining the correct Section for reporting the costs. It is not necessary to include on this report any property reported on Sections G, H, I or M of **Form 632 (L-4175)**. "Move-Ins" are items of assessable personal property that were not assessed in this jurisdiction (city or township) in 2017, including: acquisitions of previously used personal property (which should be reported in the year the property was new and at the cost when new); used personal property you have moved in from a location outside this jurisdiction; personal property that was exempt in 2017 (such as exempt Industrial Facilities Tax property); and personal property that you mistakenly omitted from your statement in 2017.

"Move-Ins" DO NOT INCLUDE property that you have moved from another location WITHIN this city or township or that was assessed in this jurisdiction to another taxpayer in 2017 (for example, property reported to this jurisdiction by a previous owner or previously leased property reported to this jurisdiction by the lessor).

Section A - Including Furniture and Fixtures		Section B - Including Machinery and Fixtures		Section C - Including Rental Video Tapes and Games		Section E - Including Consumer Coin Operated Equipment	
2017		2017		2017		2017	
2016		2016		2016		2016	
2015		2015		2015		2015	
2014		2014				2014	
2013		2013				2013	
2012		2012		Prior		2012	
2011		2011		Totals		2011	
2010		2010				2010	
2009		2009				2009	
2008		2008				2008	
2007		2007				2007	
2006		2006				Prior	
2005		2005				Totals	
2004		2004					
2003		2003					
Prior		Prior					
Totals		Totals					

Section D - Including Office, Electronic, Video and Testing Equipment		Section F - Including Computer Equipment	
2017		2017	
2016		2016	
2015		2015	
2014		2014	
2013		2013	
2012		2012	
2011		2011	
2010		Prior	
2009		Totals	
2008			
2007			
2006			
2005			
2004			
2003			
Prior			
Totals			

NOTE: This form must be signed by an owner, partner, corporate officer or duly authorized representative.

CERTIFICATION

I hereby attest that, to the best of my knowledge and belief, all of the property listed on this form is a "move-in" for this jurisdiction as that term is defined in the instructions herein.

Signature

Name (Print or Type)

Date

Title (Print or Type)

2018 Cellular (Wireless) Site Equipment Personal Property Report

INSTRUCTIONS: Use this form to report all of the tangible personal property and site improvements owned and/or used by your business at the location indicated below. Part A includes equipment that supports the telecommunication function and that would otherwise be reported on Form 632 (L-4175). Part B includes cellular telecommunication antennas, transmitting and receiving equipment and electronic and optical switching and routing equipment. Part C includes the communication tower and site improvements you have installed or are using at the location indicated below. Each location must be reported on a separate copy of this form. **Do not report the costs of property or improvements on Form 632 (L-4175) that are reported on this form. You must, however, carry the Taxpayer Grand Total Cost to line 15 of the Summary and Certification Section on Form 632 (L-4175).** All costs must be placed in the first column of the appropriate table, adjacent to the appropriate acquisition year. The reported costs must reflect acquisition cost new as defined in Form 632 (L-4175). See the instructions to Form 632 (L-4175) and to STC Bulletins 8 of 2007 and 3 of 2000 for further guidance.

Business Name	Assessment Roll Parcel Code Number
Owner's Identification Number or code for the cellular site	Name and Telephone Number of person who can arrange access to site
Property Location (Street or RR#, City or Township or nearest intersection of the cellular site)	

PART A: SUPPORT EQUIPMENT. If you have "Move-Ins," complete Form 3966 for Part A assets.

SECTION A: Including Furniture and Fixtures			Assessor Calculations
2017		.91	
2016		.80	
2015		.69	
2014		.61	
2013		.53	
2012		.47	
2011		.42	
2010		.37	
2009		.33	
2008		.29	
2007		.27	
2006		.24	
2005		.22	
2004		.19	
2003		.17	
Prior		.12	
TOTALS	A1		A2

SECTION D: Including Office, Electronic, Video and Testing Equipment			Assessor Calculations
2017		.84	
2016		.64	
2015		.55	
2014		.49	
2013		.44	
2012		.41	
2011		.38	
2010		.35	
2009		.33	
2008		.31	
2007		.29	
2006		.28	
2005		.26	
2004		.25	
2003		.17	
Prior		.17	
TOTALS	D1		D2

SECTION B: Including Machinery and Equipment			Assessor Calculations
2017		.89	
2016		.76	
2015		.67	
2014		.60	
2013		.54	
2012		.49	
2011		.45	
2010		.42	
2009		.38	
2008		.36	
2007		.33	
2006		.31	
2005		.29	
2004		.28	
2003		.23	
Prior		.23	
TOTALS	B1		B2

SECTION F: Including Computer Equipment			Assessor Calculations
2017		.60	
2016		.44	
2015		.32	
2014		.24	
2013		.19	
2012		.15	
2011		.08	
Prior		.08	
TOTALS	F1		F2

TOTAL COST (for Part A)

Add cost totals from cost columns of Sections A, B, D and F
(A-1, B-1, D-1 and F-1) (A-2, B-2, D-2 and F-2)

\$

\$

PART B: CELLULAR TELEPHONE ELECTRONIC AND OPTICAL SWITCHING AND ROUTING EQUIPMENT

You must complete the "Historic Cost New" column, and, if necessary, the "Move-Ins" column. See the instructions to Form 3966 to determine whether you have "Move-Ins" to report.

NOTE: Power equipment, including electrical bays and generators, should be reported in Section B. All electronic equipment including antennas (which are different than towers), signal transmission and reception equipment, filter and amplification electronics, voice activated radios, multiplexers, repeaters, switching equipment, cabling and conduits, and cable and wiring connections should be reported using this table.

Year	Historic Cost New	Assessor Calculations	Move-Ins	Year	Historic Cost New	Assessor Calculations	Move-Ins
2017		.77		2011		.08	
2016		.48		2010		.05	
2015		.35		2009		.04	
2014		.25		2008		.04	
2013		.20		Prior		.04	
2012		.14					
TOTAL COST (for Part B)							

PART C: COMMUNICATION TOWER AND RELATED FACILITIES

Is the equipment reported in Part B above located on a communication tower? ☐ Yes ☐ No

If your answer to the previous question was "yes", do you own the tower? ☐ Yes ☐ No

If you are not the owner of the communication tower, provide the following information for the owner:

Name		Telephone Number	
Contact Person	Address		

Complete the following if you are the owner of the tower or have installed improvements (including equipment and buildings):

1. Type of Tower (lattice, monopole or guyed)	2. Height of tower (in feet)	3. Year Built	4. Did you hire a company to construct or supervise the construction of the tower for you?
---	------------------------------	---------------	--

Cost of Tower by Category of Cost (See instructions on Form 3994 for a list of the types of costs which must be included):

Soil borings and testing

Site development

Foundations (including installation)

Tower (steel and equipment*)

Tower (installation and erection)

Fence and Building

Administrative and overhead

Other (please specify)

TOTAL COST (for Part C)

Were any unusual circumstances encountered in the construction of this tower which would cause the costs to be unusually high or low?

☐ Yes ☐ No

If yes, explain.

If you have capitalized costs for this site in a vintage year different than the year the tower was originally built, attach an itemization of costs by type and vintage year.

TAXPAYER: GRAND TOTAL COST -- Add cost totals from Parts A, B and C. Carry to line 16a of Form 632 (L-4175).

ASSESSOR: TRUE CASH VALUE GRAND TOTAL -- Add True Cash Value totals from Parts A and B. Carry to line 16b of Form 632 (L-4175). Part C Costs relate to real property and should be addressed as provided for in STC Bulletins 8 of 2002.

CERTIFICATION

The undersigned certifies that he/she is an owner, officer and/or duly authorized agent for the above named taxpayer and that the above report, with its supporting documents, provides a full and true statement of all tangible personal property owned or held by the taxpayer at the location listed above on December 31, 2017.

Signature of Certifier	Date
------------------------	------

09-07-17 draft

Automotive Manufacturing Equipment Personal Property Report

Issued under authority of Public Act 206 of 1893.

INSTRUCTIONS: When completed, please attach this form to your Form 632 (L-4175), *Personal Property Statement*, and submit it to the local unit assessor by February 20, 2018. Read Instructions carefully. Spreadsheets submitted should be printed and attached to a completed copy of this form.

Parcel Number

FROM: (Name and Address of Assessor)	TO: (Name and Address of Taxpayer)
--------------------------------------	------------------------------------

AUTOMOTIVE MANUFACTURING EQUIPMENT PERSONAL PROPERTY REPORTING TOTALS	
1. Part A: Presses and Transfer Machines	1.
2. Part B: Robots and CNC Equipment	2.
3. Part C: Paint Systems and Conveyor Systems	3.
4. Part D: Support Equipment.....	4.
5. Totals of Parts A, B, C, and D	5.

The total of Parts A, B, C and D are to be carried to the first page of Form 632 (L-4175), *Personal Property Statement*. Report the total under the "Assessor's Adjustment(s)" column labeled as Automotive Property.

CERTIFICATION	
The undersigned certifies that he/she is owner, officer and/or the duly authorized agent for the above named taxpayer and that completion of this form, with its supporting documents, provides a full and true statement of all tangible automotive manufacturing equipment personal property owned or held by the taxpayer at the location listed on this form as of December 31, 2017.	
Signature of Individual Certifying this Statement	Date

Reporting Tables

PART A: Presses and Transfer Machines			Assessor Calculation
2017		.73	
2016		.60	
2015		.51	
2014		.44	
2013		.38	
2012		.28	
2011		.27	
2010		.26	
2009		.25	
2008		.24	
2007		.23	
2006		.22	
2005		.21	
2004		.21	
2003		.20	
2002		.19	
2001		.18	
2000		.17	
1999		.16	
1998		.15	
1997		.14	
Prior		.13	
TOTALS	A1		A2

PART C: Paint Systems and Conveyor System			Assessor Calculation
2017		.18	
2016		.15	
2015		.13	
2014		.12	
2013		.11	
2012		.10	
2011		.09	
2010		.08	
2009		.08	
2008		.07	
2007		.07	
2006		.06	
2005		.06	
2004		.06	
2003		.05	
Prior		.05	
TOTALS	C1		C2

PART B: Robots and CNC Equipment			Assessor Calculation
2017		.45	
2016		.33	
2015		.26	
2014		.21	
2013		.18	
2012		.14	
2011		.12	
2010		.09	
2009		.07	
2008		.06	
2007		.04	
2006		.02	
Prior		.01	
TOTALS	B1		B2

PART D: Support Equipment			Assessor Calculation
2017		.53	
2016		.46	
2015		.40	
2014		.36	
2013		.32	
2012		.29	
2011		.27	
2010		.25	
2009		.23	
2008		.22	
2007		.20	
2006		.19	
2005		.17	
2004		.17	
Prior		.14	
TOTALS	D1		D2

Instructions for Form 4798, Automotive Manufacturing Equipment Personal Property Report

Notice: This form is issued under authority of the General Property Tax Act. This form should be attached to the annual filing of the Form 632 (L-4175). Filing is mandatory. Failure to file may result in imprisonment for a period not less than thirty days, nor more than six months; a fine not less than \$100, nor more than \$1,000; or both fine and imprisonment at the discretion of the court. See MCL 211.21.

Instructions: This form is to be used to report certain assets of a qualified automotive manufacturer. A qualified automotive manufacturer is defined as: a company whose primary business is the design, development, manufacture and wholesale of automobiles and or light duty trucks. A qualified automotive manufacturer's overall business must perform all of these functions in order to report certain equipment on this form. **All remaining assessable personal property is required to be reported on Form 632 (L-4175).** Both the Automotive Manufacturing Equipment Personal Property Report and Form 632 (L-4175) must be submitted to the assessor's office at the same time, on or before February 20 of each year to be considered timely filed.

Equipment to be reported using this form is limited to the following:

Part A - Presses and Transfer Machines: Presses are defined as automotive stamping presses used to form raw material into automotive body component parts. The term Presses include the associated die change tables, hydraulic power units, electrical motors, motor control centers, the presses, coil cradles, coil cars, uncoilers, levelers, shears, and press feeds, and integrated Computer Numeric Control (CNC) systems which are integrated into the press equipment. The term Presses does NOT include press support equipment such as: blank handling equipment, blank washers, pick and place blank feeders, and roll out feed part handling conveyors.

Transfer Machines are defined as customized machines used to mill, drill, face, or hone castings or machined parts often used in engine, transmission, crankshaft or other general metal cutting operations. These machines may have limited functionality as evidenced by the presence of limited tool-changers and Computer Controls but are not flexible in the functions performed.

The items referred to in this Part A are to be reported at their full acquisition cost new in their year of acquisition in the Reporting Tables below at Part A.

Part B - Robots and CNC Equipment: Robots are defined as the primary robot, integrated CNC control systems, related power cables, and related robot attachments such as welders and welding controls. These robots are used in a qualified automobile manufacturer's engine, transmission, powertrain, frame, body, component part, stamping or finished vehicle facility. They are programmable, multifunctional, manipulator designed and controlled through an external or (usually) internal computer and often equipped with tactile sensors and other devices and tools to perform one or several programmed jobs including the movement of material, parts, tools, or specialized devices through various programmed motions for the performance of various tasks.

CNC Equipment is defined as flexible manufacturing machines used to mill, drill, face, or hone castings or machined parts often used in engine, transmission, crankshaft or other general metal cutting operations. These machines have tool changers and flexible CNC controls with flexible programmable functions. This category varies from Transfer Machines in that a transfer machine may perform the same operations and have some programmability of the associated electronic control, but does not have flexibility in its operations.

The items referred to in this Part B are to be reported at their full acquisition cost new in their year of acquisition, in the Reporting Tables below at Part B.

Part C - Paint Systems and Conveyor Systems: Paint systems are defined as an integrated set of equipment used to prepare and paint the body of an automobile. The system is extensively engineered to paint a vehicle of a certain length, width, and height, and to dry the paint in a specified period of time. This process requires the integration of a large amount of custom designed equipment including phosphate dip tanks, electrocoat tanks, paint booths, robotic painting stations (excluding robots), dryers, conveyor, color kitchens with tanks, pumps, valves, computer mixing systems, boilers used to heat liquids in the phosphate and electrocoat lines, Programmable Logic Controller (PLC) control panels, and safety equipment.

Conveyor Systems are defined as all conveyor systems and related items in facilities, including overhead steel supporting structures and columns, chains, crossover conveyors, over-aisle conveyors, elevators, lowerators, automotive assembly skid systems, car or truck assembly stations/operations, subassembly systems, door and body assembly, engine assembly, transmission assembly and PLC electronic control stations that operate the conveyor systems. Conveyor Systems excludes any robots used on the assembly line and any of the hand tools used at the assembly stations.

The items referred to in this Part C are to be reported at their full acquisition cost new in their year of acquisition, in the Reporting Tables below at Part C.

Part D - Support Equipment: Support Equipment is defined as equipment that supports primary production equipment. Support equipment specifically includes air compressors, automatic storage and retrieval systems, bridge cranes, broaches, cooling towers, coordinate measuring machines, press support equipment, power distribution equipment and substations.

Support equipment does not include automated guided vehicles (AGV's), pallet and storage racking, office furniture and business machines, or leasehold improvements.

The items referred to in this Part D are to be reported at their full acquisition cost new in their year of acquisition, in the Reporting Tables below at Part D.

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION
OFFICIAL ORDER**

FINDINGS OF FACT

Whereas, the State Tax Commission at its meeting on September 18, 2017 received a report and recommendation from the Assessor Discipline Advisory Committee regarding Ms. Vicki Cushman, MAAO, and

Whereas, the State Tax Commission received six complaints regarding Ms. Cushman alleging that she had engaged in inappropriate assessing practices while she was the assessor of record for Evert Township, Hartwick Township and Middle Branch Township and

Whereas, Ms. Cushman appeared before the Assessor Discipline Advisory Committee on September 28, 2016 and did not provide adequate justification for the errors that had occurred and

Whereas, The Assessor Discipline Advisory Committee and Ms. Cushman entered into a Consent Agreement which was presented to the State Tax Commission on November 29, 2016 and

Whereas, the November 29, 2016 Official Order of the State Tax Commission ordered the recommendation for referral to the Michigan Administrative Hearing System (MAHS) formal hearing would be held in abeyance pending attendance and completion by Ms. Cushman of a 2017 Michigan Certified Assessing Officer Program and reappearance before the Assessor Discipline Advisory Committee and

Whereas, Ms. Cushman completed the 2017 Michigan Certified Assessing Officer Program and reappeared before the Assessor Discipline Advisory Committee on July 17, 2017.

CONCLUSIONS OF LAW

THEREFORE be it resolved that the State Tax Commission based on the facts of the case stated in the consent agreement provided and the recommendation of the Assessor Discipline Advisory Committee, has determined that Vicki Cushman has violated Michigan Administrative Code R 211.447, specifically pertaining to malfeasance, misfeasance and nonfeasance of duties imposed by law or rule; and

BE IT FURTHER RESOLVED that the State Tax Commission may, based on the facts of a case, decide upon any action between issuance of a certificate in assessment administration and suspension of a certificate in assessment administration; and

BE IT FURTHER RESOLVED that as a result of the violation of Michigan Administrative Code by Ms. Cushman, the State Tax Commission orders that Ms. Cushman be referred to the Michigan Administrative Hearings System (MAHS) for a formal hearing regarding the revocation of her certification in assessment administration contingent upon the further conditions of the Consent Agreement.

BE IT FURTHER RESOLVED that the recommendation for MAHS hearing will be held in abeyance and the State Tax Commission will allow Ms. Cushman to attend the October 2017 Michigan Advanced Assessing Officer Program free of charge.

BE IT FURTHER RESOLVED that upon completion of the 2017 Michigan Advanced Assessing Officer Program Ms. Cushman shall be ordered to appear before the Assessor Discipline Advisory Committee. Failure to complete the program or to not remain in good standing shall result in Ms. Cushman to automatically proceed to MAHS formal hearing.

The authority for the actions required by this Official Order is found Section 10d of Act 206 of the Public Acts of 1893, as amended, being Michigan Compiled Law 211.10d and Executive Order 2009-51.

WITNESS, my hand and seal of the State Tax Commission this 18th day of September, A.D. 2017.



Douglas B. Roberts, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

I hereby certify that this is a true copy of the
Order of the State Tax Commission on file in
The State Tax Commission Office as provided
In Act 147, P.A. 1960

Heather S. Frick, Executive Director

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION
OFFICIAL ORDER**

FINDINGS OF FACT

Whereas, the State Tax Commission at its meeting on September 18, 2017 received a report and recommendation from the Assessor Discipline Advisory Committee regarding Ms. Barbara Falk, MAAO, and

Whereas, the State Tax Commission received complaints regarding Ms. Falk alleging that she had engaged in inappropriate assessing practices while she was the assessor of record for Buckeye Township, Sherman Township and Tobacco Township and

Whereas, the complaints alleged Ms. Falk failed to properly complete Form 4035a, failed to document economic condition factors or land value determinations, failed to have land value maps, had a record card accuracy below the required 90% and failed to correct the deficiencies outlined in the Audit of Minimum Assessing Requirements (AMAR) corrective action plans submitted by the local units and approved by the STC and

Whereas, Ms. Falk appeared before the Assessor Discipline Advisory Committee on December 5, 2016 and did not provide adequate justification for the errors that had occurred and

Whereas, The Assessor Discipline Advisory Committee and Ms. Falk entered into a Consent Agreement which was presented to the State Tax Commission on February 14, 2017 and

Whereas, the February 14, 2017 Official Order of the State Tax Commission ordered the recommendation for referral to the Michigan Administrative Hearing System (MAHS) formal hearing would be held in abeyance pending attendance and completion by Ms. Falk of the State Tax Commission's Audit of Minimum Assessing Requirement (AMAR) pilot training and reappearance before the Assessor Discipline Advisory Committee and

Whereas, Ms. Falk completed the Audit of Minimum Assessing Requirement (AMAR) pilot training and reappeared before the Assessor Discipline Advisory Committee on July 17, 2017.

CONCLUSIONS OF LAW

THEREFORE be it resolved that the State Tax Commission based on the facts of the case stated in the consent agreement provided and the recommendation of the Assessor Discipline Advisory Committee, has determined that Barbara Falk has violated Michigan Administrative Code R 211.447, specifically pertaining to malfeasance, misfeasance and nonfeasance of duties imposed by law or rule; and

BE IT FURTHER RESOLVED that the State Tax Commission may, based on the facts of a case, decide upon any action between issuance of a certificate in assessment administration and suspension of a certificate in assessment administration; and

BE IT FURTHER RESOLVED that as a result of the violation of Michigan Administrative Code by Ms. Falk, the State Tax Commission orders that Ms. Falk be referred to the Michigan Administrative Hearings System (MAHS) for a formal hearing regarding the suspension or revocation of her certification in assessment administration as stated in the terms of the Consent Agreement.

The authority for the actions required by this Official Order is found Section 10d of Act 206 of the Public Acts of 1893, as amended, being Michigan Compiled Law 211.10d and Executive Order 2009-51.

WITNESS, my hand and seal of the State Tax Commission this 18th day of September, A.D. 2017.



Douglas B. Roberts, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

I hereby certify that this is a true copy of the
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Heather S. Frick, Executive Director

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION
OFFICIAL ORDER**

FINDINGS OF FACT

Whereas, the State Tax Commission at its meeting on September 18, 2017 received a report and recommendation from the Assessor Discipline Advisory Committee regarding Ms. Barbara VanGelderren, MAAO, and

Whereas, the State Tax Commission received complaints regarding Ms. VanGelderren alleging that she had engaged in inappropriate assessing practices while she was the assessor of record for Manlius Township and

Whereas, the complaints alleged Ms. VanGelderren failed to have a policy on public inspection of records, failed to properly complete Form 4035a, failed to have documented economic condition factors or land value determinations, failed to have land value maps, had true cash values on the assessment roll that did not agree with the true cash values on the record cards, had parcels with flat land values without reason and failed to correct the deficiencies outlined in the corrective action plan submitted by the local unit and approved by the STC and

Whereas, Ms. VanGelderren appeared before the Assessor Discipline Advisory Committee on December 5, 2016 and did not provide adequate justification for the errors that had occurred and

Whereas, The Assessor Discipline Advisory Committee and Ms. VanGelderren entered into a Consent Agreement which was presented to the State Tax Commission on February 14, 2017 and

Whereas, the February 14, 2017 Official Order of the State Tax Commission ordered the recommendation for referral to the Michigan Administrative Hearing System (MAHS) formal hearing would be held in abeyance pending completion of a BS&A software course on accessing and exporting assessment reports, completion of the State Tax Commission's Audit of Minimum Assessing Requirement (AMAR) pilot training, and reappearance before the Assessor Discipline Advisory Committee and

Whereas, Ms. VanGelderren completed a BS&A software course on accessing and exporting assessment reports and the Audit of Minimum Assessing Requirement (AMAR) pilot training and reappeared before the Assessor Discipline Advisory Committee on July 17, 2017 and

Whereas, the Assessor Discipline Advisory Committee heard testimony from Ms. VanGelderren and the instructors of the AMAR pilot training regarding Ms. VanGelderren's participation in the training, and also reviewed the totality of the

circumstances regarding the issues and corrective actions for Manlius Township and found that Ms. VanGelderén did not provide adequate justification for the errors that had occurred.

CONCLUSIONS OF LAW

THEREFORE be it resolved that the State Tax Commission based on the facts of the case and the recommendation of the Assessor Discipline Advisory Committee, has determined that Barbara VanGelderén has violated Michigan Administrative Code R 211.447, specifically pertaining to malfeasance, misfeasance and nonfeasance of duties imposed by law or rule; and

BE IT FURTHER RESOLVED that the State Tax Commission may, based on the facts of a case, decide upon any action between issuance of a certificate in assessment administration and suspension of a certificate in assessment administration; and

BE IT FURTHER RESOLVED that as a result of the violation of Michigan Administrative Code by Ms. VanGelderén, the State Tax Commission orders that Ms. VanGelderén be referred to the Michigan Administrative Hearings System (MAHS) for a formal hearing regarding the suspension or revocation of her certification in assessment administration.

The authority for the actions required by this Official Order is found Section 10d of Act 206 of the Public Acts of 1893, as amended, being Michigan Compiled Law 211.10d and Executive Order 2009-51.

WITNESS, my hand and seal of the State Tax Commission this 18th day of September, A.D. 2017.



Douglas B. Roberts, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

I hereby certify that this is a true copy of the
Order of the State Tax Commission on file in
The State Tax Commission Office as provided
In Act 147, P.A. 1960

Heather S. Frick, Executive Director

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION
OFFICIAL ORDER**

FINDINGS OF FACT

Whereas, the State Tax Commission at its meeting on September 18, 2017 received a report and recommendation from the Assessor Discipline Advisory Committee regarding Ms. Christina Deeren, MCAO, and

Whereas, the State Tax Commission received complaints regarding Ms. Deeren alleging that she had engaged in inappropriate assessing practices while she was the assessor of record for the City of Saint Ignace, Mackinac County and

Whereas, the complaints and Audit of 2017 City of St. Ignace Assessment Database prepared by Shila Kiander included information that Ms. Deeren failed to have documented Economic Condition Factors, failed to complete reappraisal of the residential class in 2016 and implemented for the 2017 assessment roll, failed to consistently value water and septic/sewer in accordance with the Assessor's Manual for both the commercial and residential classes, failed to properly document or explain adjustments made to buildings in the commercial and residential classes, had values in override since 2013, had true cash values as indicated on the assessment roll that did not agree with the true cash values on the record cards, and had taxable values on the assessment change notices that did not reflect application of the indicated tentative equalization factor and

Whereas, Ms. Deeren appeared before the Assessor Discipline Advisory Committee on July 17, 2017 and did not provide adequate justification for the errors that had occurred.

CONCLUSIONS OF LAW

THEREFORE be it resolved that the State Tax Commission based on the facts of the case and the recommendation of the Assessor Discipline Advisory Committee, has determined that Christina Deeren has violated Michigan Administrative Code R 211.447, specifically pertaining to malfeasance, misfeasance and nonfeasance of duties imposed by law or rule; and

BE IT FURTHER RESOLVED that the State Tax Commission may, based on the facts of a case, decide upon any action between issuance of a certificate in assessment administration and suspension of a certificate in assessment administration; and

BE IT FURTHER RESOLVED that as a result of the violation of Michigan Administrative Code by Ms. Deeren, the State Tax Commission orders that Ms. Deeren

be referred to the Michigan Administrative Hearings System (MAHS) for a formal hearing regarding the suspension or revocation of her certification in assessment administration.

The authority for the actions required by this Official Order is found Section 10d of Act 206 of the Public Acts of 1893, as amended, being Michigan Compiled Law 211.10d and Executive Order 2009-51.

WITNESS, my hand and seal of the State Tax Commission this 18th day of September, A.D. 2017.



Douglas B. Roberts, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

I hereby certify that this is a true copy of the
Order of the State Tax Commission on file in
The State Tax Commission Office as provided
In Act 147, P.A. 1960

Heather S. Frick, Executive Director

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION**

OFFICIAL ORDER

Whereas, the State Tax Commission at its meeting on September 18, 2017 received a report regarding the City of Benton Harbor, Berrien County and

Whereas, the staff report indicated that the City of Benton Harbor July Board of Review did not meet due to the lack of a quorum and

Whereas, the City of Benton Harbor had received four disabled veterans exemption applications with all supporting documentation that should have been presented to the March Board of Review and were not and/or would have been considered by the July Board of Review had they met and

Whereas, the failure of the City of Benton Harbor to timely consider these applications had led to a significant hardship for the taxpayers involved and

Whereas, Michigan Compiled Law 211.10f(1) provides that "If a local assessing district does not have an assessment roll that has been certified by a qualified certified assessing officer, or if a certified assessor or a board of review for a local tax collecting unit is not in substantial compliance with the provisions of this act, the state tax commission shall assume jurisdiction over the assessment roll and provide for the preparation of a certified roll. The commission may order the county tax or equalization department to prepare the roll; may provide for the use of state employees to prepare the roll; or may order the local assessing unit to contract with a commercial appraisal firm to conduct an appraisal of the property in the assessing unit under the supervision of the county tax or equalization department and the commission. The costs of an appraisal and the preparation of the roll by the county tax or equalization department or by the commission shall be paid by the local assessing district as provided by section 10d (Michigan Compiled Law 211.10d). The commission shall consider the quality of the tax maps and appraisal records required by section 10e (Michigan Compiled Law 211.10e) as part of its investigation of the facts before ordering the local assessing unit to contract for an appraisal."

NOW THEREFORE, in the best interest of equitable property tax administration, the State Tax Commission orders that the disabled veteran's exemptions for the following parcels be granted for the 2017 tax year: 11-54-2600-0010-00-7350-07, 11-54-7570-0001-01-0, 11-52-0830-0002-01-0 and 11-51-3000-0015-00-2.

BE IT FURTHER RESOLVED that the State Tax Commission orders the City of Benton Harbor to process the exemption for these four qualifying parcels and cancel any 2017 taxes associated with these parcels.

BE IT FURTHER RESOLVED that the State Tax Commission asks the City of Benton Harbor to ensure that all Board of Review members are given proper notice of the Board of Review meeting dates and that alternates to the Board of Review are appointed.

The authority for the actions required by this Official Order is found in the General Property Tax Act, as amended by 1986, Public Act 223, being sections 211.1 through 211.157 of the Michigan Compiled Laws.

WITNESS, my hand and seal of the State Tax Commission this 18th day of September A.D., 2017.

Douglas B. Roberts, Chairperson

W. Howard Morris, Member

Leonard Kutschman, Member

I hereby certify that this is a true copy of the Order of the State Tax Commission on file in The State Tax Commission Office as provided In Act 147, P.A. 1960

Heather S. Frick, Executive Director



2017 State Tax Commission Classification Appeals								
Petition No	Owner Name	County	Unit	Parcel Code	Current Class	Requested Class	Response Req Class	STC Staff Req Class
17-001	Richard Angevine	Benzie	Banzonia	10-02-104-001-00	Agricultural Real	Residential Real	Agricultural Real	Residential Real
17-002	Lewis & Francoise Magyar	Alcona	Haynes	080-030-200-020-07	Residential Real	Agricultural Real	Residential Real	Agricultural Real
17-003	Terry & Dolores Frever	Missaukee	Norwich	010-018-004-50	Commercial Real	Residential Real	Commercial Real	Commercial Real
17-004	Elizabeth Burnette	Hillsdale	Wheatland	30-09-003-300-003-03-6-1	Residential Real	Agricultural Real	Residential Real	Residential Real
17-005	Bernd Croissant	Manistee	Manistee	07-104-015-00	Residential Real	Agricultural Real	Residential Real	Residential Real
17-006	Willard Butterfield	Bay	Williams	09-140-021-100-030-07	Residential Real	Agricultural Real	Residential Real	Residential Real
17-007	Bruce & Lori Albosta	Saginaw	Albee	04-10-4-18-4108-000	Residential Real	Agricultural Real	Residential Real	Agricultural Real
17-008	Bruce & Lori Albosta	Saginaw	Albee	04-10-4-03-1004-000	Residential Real	Agricultural Real	Residential Real	Agricultural Real
17-009	Brent Huff	Van Buren	Pine Grove	80-15-002-006-20	Residential Real	Agricultural Real	Residential Real	Residential Real
17-010	Richard Payter	Presque Isle	Bismarck	041-022-000-050-01	Residential Real	Agricultural Real	Residential Real	Residential Real
17-011	Gordon Food Service, Inc.	Kent	Wyoming	41-50-93-543-000	Commercial Personal	Industrial Personal	Industrial Personal	Commercial Personal
17-012	Kent Real Estate LLC	Kent	Wyoming	41-17-25-300-048	Commercial Real	Industrial Real	Industrial Real	Commercial Real
17-013	FPT-Pontiac Division LLC	Oakland	Pontiac	64-99-80-103-600	Commercial Personal	Industrial Personal	Commercial Personal	Commercial Personal
17-014	SLC Recycling	Macomb	Warren	99-02-337-801	Commercial Personal	Industrial Personal	Did not appeal Class change	Industrial Personal
17-015	Diane & Greg Mischel	Genesee	Davison	25-05-24-100-017	Residential Real	Agricultural Real	Residential Real	Residential Real
17-016	Dan Bauer	Grand Traverse	Mayfield	28-09-010-001-10	Residential Real	Agricultural Real	Residential Real	Residential Real
17-017	Michael & Melanie Bauer	Branch	Batavia	12-060-020-200-025-00	Agricultural Real	Residential Real	Agricultural Real	Residential Real
17-018	Stacia Lyon	Hillsdale	Wheatland	30-09-003-100-001-03-6-1	Residential Real	Agricultural Real	Residential Real	Agricultural Real
17-019	Arthur & Marjorie Levine	Washtenaw	Scio	H-08-17-100-012	Residential Real	Agricultural Real	Residential Real	Residential Real

Michigan State Tax Commission

Audit of Minimum Assessing Requirements

AMAR Review Sheet

The State Tax Commission, per [MCL 211.10f](#), has jurisdiction to determine substantial compliance with the requirements of the [General Property Tax Act](#). The AMAR review reflects the minimum assessing requirements of a local unit of government based on statute and [STC Rules](#), Policy, Bulletins and [Publications](#). Local units of government that do not meet one or more of the minimum requirements must submit a corrective action plan detailing how and when the deficiencies will be resolved.

Failure to submit an acceptable corrective action plan, or failure to resolve the deficiencies as outlined within the corrective action plan that is approved by the State Tax Commission, will result in a determination of substantial non-compliance and may result in the State Tax Commission [assuming jurisdiction of the assessment roll](#) of the local unit of government. Failure to meet one or more of the minimum AMAR requirements does not automatically result in State Tax Commission [assumption of jurisdiction of the assessment roll](#).

Local Unit Background Information:

Year of Audit: _____
 Name of Local Unit: _____
 Name of County: _____
 Name of Assessor: _____
 Assessor Certification Level: _____ Assessor Certification Number: _____
 Name of Supervisor, City Manager or Mayor: _____ Title: _____
 Mailing Address for Supervisor, City Manager or Mayor: _____

What is the required [certification level](#) for this local unit? _____

What date did the assessor [certify the assessment roll](#)? _____

What is the Residential Coefficient of Dispersion (COD) for the local unit? _____

What is the Residential Price Related Differential (PRD) for the local unit? _____

Does the L-4022 in possession of the local unit match the L-4022 in possession of the County Equalization Director and the information uploaded on the L-4023 on the E-File Site?

YES: _____ NO: _____

Notes:

MCL 211.7cc requires interest at a rate of 1.25% per month or fraction of a month to be charged to the owner of property that has been issued a PRE denial notice. Upon collecting the interest, MCL 211.7cc also details the required distribution of the interest depending on the governmental unit that issued the denial notice. Was Form 4142 completed and submitted to the Michigan Department of Treasury by a County, City or Township when the State's portion of PRE denial interest is remitted? YES: _____ NO: _____

Assessment Roll Analysis:

1. Does the local unit have properly calculated and appropriately documented Economic Condition Factors that meet State Tax Commission requirements per [MCL 211.10e](#) and [STC ECF Publications](#)?

Requirement Met: YES: _____ NO: _____

Notes:

2. Does the local unit have accurate Land Value Maps that meet the State Tax Commission requirements per [MCL 211.10e](#) and [State Tax Commission Land Value Map Publications](#)?

Requirement Met: YES: _____ NO: _____

Notes:

3. Does the local unit have Land Value Determinations that are appropriately documented, properly calculated and meet State Tax Commission requirements per [MCL 211.10e](#) and State Tax Commission Land Value Determination Publications and less than 1% land adjustments without reason?

Requirement Met: YES: _____ NO: _____

Notes:

4. Does the [true cash value](#) on the local unit record cards agree with the true cash value indicated on the assessment roll with less than 1% overrides and less than 1% flat land values – excluding DNR PILT Property (STC Policy)?

Requirement Met: YES: _____ NO: _____

Notes:

5. Personal Property Review:

- a) Does the local unit conduct an annual personal property canvass?

YES: _____ NO: _____

- b) Did the local unit grant any exemptions under MCL 211.9o (Small Business Taxpayer Exemption)?

YES: _____ NO: _____

- c) If the answer to item 5b is yes, does a sampling indicate the local unit properly process the exemptions received. This includes: Original signature on affidavit, affidavit filled out completely, affidavit timely received, affidavit received annually and if not received the exemption is removed, parcel number created for any business that was granted an exemption, ensuring that a parcel with the exemption is not retired, all locations within the local unit are considered when granting the exemption.

Requirement Met: YES: _____ NO: _____

Notes:

6. Review of Exemptions Granted under MCL 211.7u (poverty exemptions)

- a) Did the local unit grant any exemptions under MCL 211.7u (Poverty Exemption)?

YES: _____ NO: _____

- b) Does the local unit have poverty exemption guidelines?

YES: _____ NO: _____

- c) Does the local unit poverty exemption guidelines include an asset level test?

YES: _____ NO: _____

- d) Does a sampling of the exemptions granted under MCL 211.7u indicate that the statutory requirements were met and that the local unit policy was followed?

Requirement Met: YES: _____ NO: _____

Notes:

7. Does the local unit have written procedures, including audit procedures, for determining how to grant real property exemptions or remove real property exemptions when the property no longer qualifies for the exemption?

Requirement Met: YES: _____ NO: _____

Notes:

8. Does a sample of the July and December Board of Review actions indicate the Board met the requirements of MCL 211.53b and considered only those items over which they have statutory authority?

Requirement Met: YES: _____ NO: _____

Notes:

9. Does the local unit follow the requirements under MCL 211.27b to levy the interest and penalty for failure to file a Property Transfer Affidavit? If waived did the local unit waive the interest and penalty by resolution and is that resolution kept on file?

Requirement Met: YES: _____ NO: _____

Notes:

Comments:

I hereby declare that the foregoing information submitted is a complete and true statement.

Signature

Date

☐ By checking this box, I agree and confirm that the signature I have typed above is the electronic representation of my original, handwritten signature when used on this document and creates a legally-binding contract. I further understand that signing this document using my electronic signature will have the same legally-binding effect as signing my signature using pen and paper.

Michigan State Tax Commission
Audit of Minimum Assessing Requirements (AMAR)
2018 Through 2022

2018 Counties	2019 Counties	2020 Counties	2021 Counties	2022 Counties
Alcona	Alger	Baraga	Antrim	Arenac
Allegan	Bay	Houghton	Branch	Benzie
Alpena	Berrien	Ionia	Cheboygan	Calhoun
Barry	Chippewa	Iron	Clare	Huron
Cass	Crawford	Leelanau	Delta	Isabella
Charlevoix	Dickinson	Livingston	Iosco	Lake
Clinton	Eaton	Mackinac	Jackson	Mecosta
Emmett	Genesee	Marquette	Kalkaska	Monroe
Gladwin	Gogebic	Menominee	Kent	Oakland
Grand Traverse	Gratiot	Missaukee	Keweenaw	Ogemaw
Hillsdale	Newaygo	Muskegon	Luce	Osceola
Ingham	Oceana	Ontonagon	Macomb	Roscommon
Kalamazoo	Otsego	Ottawa	Mason	Shiawassee
Lapeer	Presque Isle	Schoolcraft	Montcalm	St. Clair
Lenawee	Sanilac	Wayne	Oscoda	St. Joseph
Manistee	Tuscola	Wexford	Saginaw	Van Buren
Midland	Washtenaw			
Montmorency				
18	17	16	16	16



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

**2018 REGULAR MEETINGS
MICHIGAN STATE TAX COMMISSION
HOLIDAY INN EXPRESS AND OKEMOS CONFERENCE CENTER
2187 UNIVERSITY PARK DRIVE
OKEMOS, MICHIGAN**

February 13, 2018

April 9, 2018

May 14, 2018 (Statutory)

May 29, 2018 (Statutory)

June 5, 2018 (Final State Assessed)

August 21, 2018

October 22, 2018

November 20, 2018

December 18, 2018 (Exemptions Appeals)

The State Tax Commission shall also meet at the call of the Chairperson.



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY

NICK A. KHOURI
STATE TREASURER

DATE: September 18, 2017

TO: Commissioners,
State Tax Commission

FROM: Heather Frick, Executive Director
State Tax Commission

SUBJECT: Rescission of Outdated Bulletins

As part of staff's efforts to update and consolidate State Tax Commission guidance, the following bulletins have been identified as either pertaining to assessment methods no longer practiced or guidance provided more thoroughly in later bulletins, or consisting solely of the transmissions of Public Acts or Attorney General Opinions. **It is recommended that the State Tax Commission rescind all of the listed bulletins and remove them from the State Tax Commission website, if necessary.**

Year	Bulletin Number	Bulletin Title/Subject	Reason for Rescission
1982	23	Cost Multiplier – Surplus Machinery and Equipment, Abandoned Plant or Process	Updated guidance is provided in Bulletin 12 of 1999, issued by the State Tax Commission on November 17, 1999.
1995	8	Your 1995 Property Taxes and Property	Updated or duplicate guidance is provided in Bulletin 3 of 1995, issued by the State Tax Commission on January 13, 1995, Bulletin 6 of 1995, issued by the State Tax Commission on February 8, 1995, and the Board of Review Q & A, issued by the State Tax Commission in November 2016.
1998	3	Application Fees for Industrial Facility Exemption Certificates	Updated guidance is provided in the Plant Rehabilitation and Industrial Development Act (Industrial Facilities Exemption) Frequently Asked Questions, available on the State Tax Commission website.
2000	9	Obsolete Property Rehabilitation Act	Updated guidance is provided in the Obsolete Property Rehabilitation Act Frequently Asked Questions, available on the State Tax Commission website.

Rescission of Outdated Bulletins

Page 2

September 18, 2017

2000	11	Change to Definition of “Industrial Property” Contained in Public Act 198 of 1974	Updated guidance is provided in the Plant Rehabilitation and Industrial Development Act (Industrial Facilities Exemption) Frequently Asked Questions, available on the State Tax Commission website.
2002	12	Use of Electronic Media and Paper Copy Records	Updated guidance is provided in Bulletin 8 of 2016, issued by the State Tax Commission on June 7, 2016.
2002	18	Alternative Energy Personal Property	Concerns an exemption that, by the terms of the enacting statute (MCL 211.9i), was only applicable to taxes levied after December 31, 2002 and before January 1, 2013.
2009	4	Right of Way Easements	Updated guidance is provided in the 2014 Assessor's Manual approved by the State Tax Commission on February 14, 2017 for distribution in 2017.
2016	19	The Transitional Qualified Forest Exemption and Specific Tax	Updated guidance is provided in Bulletin 8 of 2017, issued by the State Tax Commission on June 6, 2017.

STATE OF MICHIGAN



WILLIAM G. MILLIKEN, Governor

DEPARTMENT OF TREASURY

LOREN E. MONROE, State Treasurer

STATE TAX COMMISSION

4th Floor, Treasury Building
Lansing, Michigan 48922 Telephone 517-373-0500

COMMISSION MEMBERS

W. EUGENE ATKINSON
WARD G. DEXEL
ROBERT O. VANDERMARK

No. 23 - September 21, 1982
Cost Multipliers
Surplus Machinery and Equipment
Abandoned plant or process

TO: All Assessing Officers

FROM: Edward G. Johnson
Assistant Administrator
State Tax Commission

RE: Attached Schedule
Surplus, Idle, Obsolete Equipment. An addition to page 6, Chapter 15,
Assessor's Manual

DRAFT

ORIGINAL COST MULTIPLIERS FOR VALUING

IDLE, OBSOLETE, OR SURPLUS

MACHINERY AND EQUIPMENT

(See page 6, Chapter 15, Assessor's Manual)

Obsolete or Surplus Equipment

Original cost multipliers for valuing machinery and equipment which may be used in lieu of an appraisal by the assessor for valuing M & E:

1. - in the possession of a machine rebuilding firm on tax day, or
2. - declared as surplus and in the possession of an owner who is abandoning a process or a plant and is disposing of the associated equipment by means of an advertised sale or through an agent.

The economic residual value of the M & E which (1) requires rebuilding for continued economic use, or (2) qualifies as surplus under discontinuance, is estimated to be 50% less than if it were valued as idle equipment. The amounts calculated after application of the "Economic Residual" multiplier to the original installed costs will be the full current cash value of such described property and is subject to the prescribed level of assessment established by law (50%).

<u>Long-lived</u>				<u>Average-lived</u>			
Age	In-Use	Idle (.50)	Economic Residual (.25)	Age	In-Use	Idle (.50)	Economic Residual (.25)
1	94%	47.0	23.50	1	93%	46.5	23.25
2	83	41.0	20.75	2	79	39.5	19.75
3	74	37.0	18.50	3	67	33.5	16.75
4	68	34.0	17.00	4	60	30.0	15.00
5	63	31.5	15.75	5	54	27.0	13.50
6	59	29.5	14.75	6	49	24.5	12.25
7	56	28.0	14.00	7	46	23.0	11.50
8	54	27.0	13.50	8	44	22.0	11.00
9	52	26.0	13.00	9	42	21.0	10.50
10	50	25.0	12.50	10	40	20.0	10.00
11	48	24.0	12.00	11	38	19.0	9.50
12	46	23.0	11.50	12	36	18.0	9.00
13	44	22.0	11.00	13	34	17.0	8.50
14	42	21.0	10.50	14	32	16.0	8.00
15 & over	40 min.	20.0	10.00	15 & over	30 min.	15.0	7.50

Proposal A Established Taxable Value

On March 15, 1994, Proposal A was adopted by Michigan voters. Proposal A established a new property tax base for Michigan which is known as Taxable Value. It provides that until the property is transferred (sold), Taxable Value may increase each year by no more than the inflation rate (2.6% for 1995) or 5%, whichever is less, plus the value of additions and losses. Additions and losses will be explained below. Prior to Proposal A, State Equalized Value (SEV) was always the base for the calculation of property taxes. Starting in 1995, Taxable Value will be the base for calculating property taxes. This change will help limit property tax increases for each individual parcel of property.

Assessed Value and Equalized Value Still Necessary

The Michigan Constitution still requires that assessments be established for each parcel of property according to the value of the property, uniformly and at 50 percent of the market value of a property, just as in the past. 1995 assessments are still subject to county and state equalization. If the market value of a property increases or decreases, its assessment and its equalized value will still increase or decrease in the same manner as the market.

Example:

A property which had a 1994 State Equalized Value (SEV) of \$50,000 and whose market value increases by 10% for 1995 will have a 1995 SEV of \$55,000. This is the same as in the past. (This example assumes that there are no physical changes in the property such as a new building or improvement.)

Note: The examples in this paper illustrate the principles involved with property taxes under Proposal A. Please note that the 10% amount of increase is hypothetical. The value of your property may decrease or increase more or less than 10% depending on local real estate markets.

Calculating Taxable Value

The good news is, except for changes due to additions and losses, you will not pay property taxes on any SEV increase for your property over 2.6% because of the cap on Taxable Value.

Example:

In the example above, the 1995 Taxable Value will be \$51,300 even though the SEV is \$55,000. The reason is that the Taxable Value is not allowed to increase by more than 2.6%. $\$50,000 + 2.6\% = \$51,300$. 1995 property taxes will be calculated on Taxable Value, NOT SEV.

Where the SEV of a property decreases, the Taxable Value will also decrease. Also, for 1995, a property's Taxable Value may be increased by more than 2.6% only when a physical change to the property occurred before 1995 and was not reflected in the 1994 assessment. An example is a new garage.

Example:

A property with a 1994 SEV of \$50,000 increased in value by 10% for 1995. The owner constructed a garage in 1994 which has an SEV of \$4,000 (Market Value is \$8,000). The 1995 SEV will be: $\$50,000 + 10\% + \$4,000$ (garage) = \$59,000.

The 1995 Taxable Value for this property will be $\$50,000 + 2.6\% + \$4,000$ (garage) = \$55,300. 1995 property taxes would be calculated on the Taxable Value of \$55,300, NOT on the SEV of \$59,000.

A physical loss on or before December 31, 1994 (tax day for 1995), such as a fire during 1994, would decrease the Taxable Value. To calculate the maximum 1995 Taxable Value, subtract losses from the 1994 SEV of the parcel, multiply the result by 1.026, and then add in additions.

Taxable Value is also limited by the fact that it cannot exceed the current State Equalized Value (SEV) of the property.

Example:

In the example above, if the value of the house increased by 1% instead of 10%, the 1995 SEV would be: $\$50,000 + 1\% + \$4,000$ (garage) = \$54,500 instead of \$59,000.

Because \$54,500 is less than the \$55,300 (based on the increase of 2.6%), \$54,500 would become the Taxable Value.

Transferred Properties

Proposal A states that in the year following a transfer (sale), the Taxable Value will be the property's SEV, regardless of the cap. Because transfers don't begin until January 1, 1995, Taxable Value will first be uncapped in 1996 for properties transferred (sold) in 1995. 1995 Taxable Values will not become uncapped because a property sold in 1994. Buyers of real estate in 1995 must report the sale and sales price to the local assessor on new SIC Form (SIC L-4260). The forms have been distributed to closing agents, realtors, assessors, supervisors and equalization departments.

Appealing to the March Board of Review

You may receive a property tax assessment increase notice through the mail prior to the March Board of Review. It will show a tentative SEV and tentative Taxable Value.

If you believe that your assessment or tentative SEV is over 50 percent of True Cash Value or is not uniform, you may appeal the assessment to the local March Board of Review. If you believe that your Taxable Value is calculated improperly, you may appeal the Taxable Value to the March Board of Review. You may also appeal your property assessment classification and the denial by the assessor of a qualified agricultural property exemption to the March Board of Review. Note that a denial of a homestead exemption may NOT be appealed to the local Board of Review, but may be appealed to the Michigan Department of Treasury.

State Tax Commission Bulletin No. 3 of 1998

January 16, 1998

IFT Application Fees

TO: Assessors, Equalization Directors

FROM: State Tax Commission

RE: APPLICATION FEES FOR INDUSTRIAL FACILITY EXEMPTION CERTIFICATES

It has come to the attention of the State Tax Commission (STC) that some units of local government may be requiring as a condition precedent to approving Industrial Facilities Exemption Certificates pursuant to Public Act 198 of 1974, as amended, that applicants make, or promise to make, payments to the unit of local government. Whether they be referred to as "fees," "payments in lieu of taxes," "donations," or by other like terms, such payments are contrary to the legislative intent of Act 198 that exemption certificates have the effect of abating all ad valorem property taxes levied by taxing units within the unit of local government which approves the exemption certificate.

It should be noted that Act 198, as amended by Public Act 533 of 1996, specifically limits the amount of an exemption certificate application fee which may be charged by a unit of local government to the lesser of the actual cost of processing the application or two percent of total property taxes abated during the term that the exemption certificate is in effect. Act 198, as amended, specifically prohibits units of local government from charging exemption certificate applicants any other fee.

To ensure compliance with Act 198, as amended, the STC henceforth shall require that there be attached to all exemption certificate applications an affidavit, signed by an official of the unit of local government and by a representative of the applicant, which states that no payment of any kind in excess of the fee allowed by Act 198, as amended, has been made or promised in exchange for favorable consideration of an exemption certificate application. If the STC determines after an exemption certificate has been issued that a payment of any kind in excess of the fee allowed by Act 198, as amended, has been made or promised, the STC shall revoke the exemption certificate and may pursue other appropriate sanctions against the parties. This requirement shall apply to all applications received by the STC after December 31, 1997.

State Tax Commission Bulletin No. 9 of 2000
July 12, 2000
Obsolete Property Rehabilitation Act

TO: Assessors
Equalization Directors
FROM: State Tax Commission (STC)

RE: OBSOLETE PROPERTY REHABILITATION ACT

On June 6, 2000, Governor Engler signed into law [Public Act \(PA\) 146 of 2000](#) (copy enclosed) with an effective date of June 6, 2000. PA 146 of 2000 shall be known as the **Obsolete Property Rehabilitation Act**.

The purpose of this bulletin is to explain the administration of this new act.

PA 146 of 2000 provides an exemption from ad valorem property taxes to *commercial property* and *commercial housing property* provided they are located in a *qualified local governmental unit* and certain other conditions are met. These conditions and the definitions of *commercial property* and *commercial housing property* will be explained later in this bulletin.

QUALIFIED LOCAL GOVERNMENTAL UNITS

Section 2(k) of the act gives the qualifications which must be met in order for a local unit to be a *qualified local governmental unit*. There are separate qualifications for cities, for townships, and for villages. The following are *qualified local governmental units* as of June 6, 2000.

Cities:			
Adrian	Detroit	Ironwood	Pontiac
Albion	Dowagiac	Ishpeming	Port Huron
Alma	East Lansing	Jackson	River Rouge
Alpena	Eastpointe	Kalamazoo	Saginaw
Ann Arbor	Ecorse	Lansing	Saint Louis
Bangor	Escanaba	Lincoln Park	Sault St. Marie
Battle Creek	Ferndale	Livonia	Southfield
Bay City	Flint	Ludington	Stambaugh

Benton Harbor	Gibraltar	Manistee	Sturgis
Big Rapids	Gladstone	Manistique	Taylor
Bronson	Grand Haven	Marquette	Trenton
Burton	Grand Rapids	Melvindale	Traverse City
Cadillac	Grayling	Midland	Vassar
Carson City	Hamtramck	Monroe	Wakefield
Caspian	Harbor Beach	Mt. Morris	Warren
Cheboygan	Harper Woods	Mt. Pleasant	Wayne
Coleman	Hazel Park	Muskegon	Wyandotte
Dearborn	Highland Park	MuskegonHgts	Ypsilanti
Dearborn Hgts.	Holland	Oak Park	
	Inkster	Onaway	
	Ionia	Ontonagon	
	Iron River	Pine Hill	

Townships:
Benton Charter Township, Benzie County
Buena Vista Charter Township, Benzie County
Genesee Township, Genesee County
Mt. Morris Charter Township, Genesee County
Redford Charter Township, Wayne County
Royal Oak Charter Township, Oakland County

Villages:
Baldwin Village, Lake County

Important Note: If a local governmental unit is not a *qualified local governmental unit*, this law and this bulletin do NOT apply to that unit.

In order to obtain the exemption provided by PA 146 of 2000, there are 4 steps which must be followed:

- A. A *qualified local governmental unit* must establish an Obsolete Property Rehabilitation District.
- B. The owner of obsolete property must file an application for exemption with the clerk of the *qualified local governmental unit*.
- C. The *qualified local governmental unit* must approve the application.
- D. The State Tax Commission must also approve the application and issue the exemption certificate.

These steps will be explained in detail in the rest of this bulletin. There will also be separate discussions of the **exemption** provided by this act, the **specific tax** levied upon the owner of an exempt obsolete property, the procedures for **transferring** and **revoking** an Obsolete Property Rehabilitation Certificate, and the duties of the assessor under section 9 of this act.

A) Establishing An Obsolete Property Rehabilitation District

A *qualified local governmental unit* may establish one or more Obsolete Property Rehabilitation Districts. **This must be done by resolution.** A district may consist of 1 or more parcels or tracts of land or a portion of a parcel or tract of land PROVIDED THAT the parcel or tract is EITHER of the following:

- a. *obsolete property* in an area characterized by obsolete *commercial property* or *commercial housing property*. Please refer to the definitions of *obsolete property*, *commercial property*, and *commercial housing property* found in the addendum to this bulletin.
- b. *obsolete property* that is *commercial property* AND that was owned by the local governmental unit on June 6, 2000 AND was later conveyed to a private owner.

Important Note. The resolution establishing the district shall set forth a finding and determination that the district meets the requirement set forth in a or b above.

1) Establishing a District on Its Own Initiative Or At Request of Owner(s)

The legislative body of a *qualified local governmental unit* may establish an Obsolete Property Rehabilitation District on its own initiative OR upon a written request filed by the owner or owners of property comprising at least 50% of all the taxable value of the property located within a proposed Obsolete Property Rehabilitation District. The written request must be filed with the clerk of the *qualified local governmental unit*.

2) Written Notice by Certified Mail

Before adopting a resolution establishing an Obsolete Property Rehabilitation District, the legislative body shall give written notice by certified mail to the owners of all real property within the proposed Obsolete Property Rehabilitation District AND shall afford an opportunity for a hearing on the establishment of the Obsolete Property Rehabilitation District. Any of the owners and any other resident or taxpayer of the *qualified local governmental unit* may appear at the hearing and be heard. The legislative body shall give public notice of the hearing not less than 10 days or more than 30 days before the date of the hearing.

B) Owner Files An Application for Exemption

The following are procedures which must be followed when an owner files an application for an Obsolete Property Rehabilitation Exemption Certificate:

1) Owner Files Application

If an Obsolete Property Rehabilitation District is established, the owner of obsolete property may file an application for an Obsolete Property Rehabilitation Exemption Certificate with the clerk of the *qualified local governmental unit* that established the Obsolete Property Rehabilitation District (The definition of "obsolete property" is contained in the addendum to this bulletin.) The law requires that the application shall be filed on the form prescribed by the State Tax Commission. [STC Form 3674](#) has been developed for this purpose. This form requests all of the information required to be provided by PA 146 of 2000.

Important Note: If the application form (STC Form 3674) is not fully completed, it will be returned by the staff of the Property Tax Division prior to any processing being done by the State Tax Commission as described in paragraph D of this bulletin.

2) Notifications by Clerk

Upon receipt of an application for an Obsolete Property Rehabilitation Exemption Certificate, the clerk of the *qualified local governmental unit* shall notify, in writing, the assessor and the legislative body of each taxing unit that levies ad valorem property taxes in the *qualified local governmental unit* in which the obsolete facility is located.

C) Qualified Local Governmental Unit Approves or Disapproves Application

1) Hearing

Before acting upon the application, the legislative body of the *qualified local governmental unit* shall hold a hearing on the application and give notice to the applicant, the assessor, a representative of the affected taxing units, and the general public. **The hearing on each application shall be held separately from the hearing on the establishment of the Obsolete Property Rehabilitation District.**

2) Approval or Disapproval

The legislative body of the *qualified local governmental unit*, not more than 60 days after receipt of the application by the clerk, shall **by resolution** either approve or disapprove the application for an Obsolete Property Rehabilitation Exemption Certificate.

Important Note: Only those properties within the Obsolete Property Rehabilitation District which meet the definition of *obsolete property* are eligible for an exemption certificate. Please see the definition of *obsolete property* contained in the addendum to this bulletin.

The legislative body of the *qualified local governmental unit* shall not approve an application for an Obsolete Property Exemption Certificate unless the applicant complies with ALL of the following requirements:

- (a) The commencement of the rehabilitation of the facility does not occur before the establishment of the Obsolete Property Rehabilitation District. (Please see the definition of "rehabilitation" contained in the addendum to this bulletin.)
- (b) The application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of the act and that shall be situated within an Obsolete Property Rehabilitation District established in a *qualified local governmental unit* eligible under the act to establish such a district. (Please see the definition of "rehabilitated facility" contained in the addendum to this bulletin.)
- (c) Completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to accomplish **one or more** of the following:

- increase commercial activity

- create employment
- retain employment
- prevent a loss of employment
- revitalize urban areas
- increase the number of residents in the community in which the facility is situated.

(d) The applicant states, in writing, that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.

(e) The applicant is not delinquent in the payment of any taxes related to the facility.

The clerk shall retain the original of the application and resolution. If APPROVED, the clerk shall forward a copy of the application and resolution to the State Tax Commission. **A resolution is not effective unless approved by the State Tax Commission.** If DISAPPROVED by the *qualified local governmental unit*, the reasons shall be set forth in writing in the resolution, and the clerk shall send a copy of the resolution by certified mail to the applicant and to the assessor.

There is NO provision in PA 446 of 2000 for an appeal to the State Tax Commission when a local unit disapproves an application. (This differs from the provision of PA 198 of 1974 which allows such action.)

3) Exempt Taxable Values Which Exceed 5% of the Taxable Value of the Local Unit

There are separate requirements which must be met when the taxable value of the property proposed to be exempt, **CONSIDERED TOGETHER** with the total taxable value of property already exempt under certificates previously granted and currently in force under this act or under 1974 PA 198 (i.e. Industrial Facility Exemptions), exceeds 5% of the taxable value of the qualified local governmental unit. When this occurs, the legislative body of the *qualified local governmental unit* shall make a separate finding and shall include a statement in its resolution that exceeding that amount shall NOT have the effect of substantially impeding the operation of the *qualified local governmental unit* or impairing the financial soundness of an affected taxing unit.

4) Length of Certificate

Unless earlier revoked as provided in section 12 of the act, an Obsolete Property Rehabilitation Exemption Certificate shall remain in force and

effect for a period to be determined by the legislative body of the *qualified local governmental unit*. The certificate may be issued for a period of at least 1 year, BUT NOT TO EXCEED 12 YEARS. The 12 year period may include the time during which the rehabilitation occurs.

If the number of years determined is less than 12, the certificate may be subject to review by the legislative body of the *qualified local governmental unit* and the certificate may be extended. The review of the certificate, for the purpose of determining an extension, shall be based upon factors, criteria, and objectives that shall be placed in writing, determined and approved **at the time the certificate is approved by resolution of the legislative body of the *qualified local governmental unit*** and sent, by certified mail, to the applicant, the assessor of the local tax collecting unit in which the obsolete property is located, and the State Tax Commission.

The total amount of time determined for the certificate including any extensions shall not exceed 12 years. The certificate **shall commence** with its effective date and end on the December 31 immediately following the last day of the number of years determined. (The **effective date** is December 31 immediately following the date of issuance of the certificate by the State Tax Commission.)

D) State Tax Commission Approves or Disapproves Application

1) State Tax Commission Approves or Disapproves

Not more than 60 days after receipt of a copy of the application and resolution adopted by the *qualified local governmental unit*, the State Tax Commission shall approve or disapprove the resolution.

Important Note: If the application form ([STC Form 3674](#)) is not fully completed, it will be returned by the staff of the Property Tax Division prior to any processing being done by the State Tax Commission.

2) State Tax Commission Issues Exemption Certificate

Following approval of the application by the legislative body of the *qualified local governmental unit* and the State Tax Commission, the Commission shall issue to the applicant an Obsolete Property Rehabilitation Exemption Certificate

which contains certain information required by section 6(2) of PA 146 of 2000.

3) Effective Date of Certificate

The effective date of the certificate is the December 31 immediately following the date of issuance of the certificate by the State Tax Commission.

4) Length of Certificate

Unless earlier revoked as provided in section 12 of the act, an Obsolete Property Rehabilitation Exemption Certificate shall remain in force and effect for a period to be determined by the legislative body of the *qualified local governmental unit*. The certificate may be issued for a period of at least 1 year, **BUT NOT TO EXCEED 12 YEARS.**

If the number of years determined is less than 12, the certificate may be subject to review by the legislative body of the *qualified local governmental unit* and the certificate may be extended. (Please see the discussion regarding **Length of Certificate** contained in paragraph C of this bulletin.)

The total amount of time determined for the certificate including any extensions shall not exceed 12 years. The certificate shall commence with its effective date and end on the December 31 immediately following the last day of the number of years determined.

E) Other Matter

1) The Exemption From Ad Valorem Property Taxes

PA 146 of 2000 provides an exemption from ad valorem property taxes for the rehabilitated facility for which the exemption is granted **INCLUDING** buildings and improvements located on leased land. The exemption from ad valorem property taxes **DOES NOT** apply to:

- a. the land on which the rehabilitated facility is located.
- b. personal property other than buildings on leased land.

2) The Specific Tax Levied Upon the Owners of Exempt Obsolete Property

Section 10 of PA 146 of 2000 provides that a specific tax, known as the Obsolete Properties Tax, shall be levied upon the owner of every rehabilitated facility

exempt under the act.

The amount of Obsolete Properties Tax is calculated using a 2-step process.

Step 1: Multiply the mills levied by all taxing units for the current year by the *"frozen" taxable value* of the rehabilitated facility INCLUDING the *"frozen" taxable value* of buildings on leased land BUT EXCLUDING the *"frozen" taxable value* of the land and of the other personal property. The *"frozen" taxable value* is the taxable value for the December 31 immediately preceding the effective date of the Obsolete Property Rehabilitation Exemption Certificate.

EXAMPLE OF FROZEN TAXABLE VALUE: If the effective date of the Obsolete Property Rehabilitation Exemption Certificate is December 31, 2000, the frozen taxable value is the 2000 taxable value.

EXAMPLE OF CALCULATION IN STEP 1:

Assume the following regarding the rehabilitated property:

Current Total Millage for All Units = 50 mills

"Frozen" Taxable Value of Total Real and Personal Property (including buildings on leased land) = \$ 125,000

"Frozen" Taxable Value of Buildings on Leased Land = \$ 20,000

"Frozen" Taxable Value of Land = \$ 10,000

"Frozen" Taxable Value of Other Personal Property = \$ 15,000

Calculation of Tax

.050 (50 mills)
X \$100,000 (\$125,000 MINUS \$10,000 MINUS \$15,000)
\$5,000 Tax for Step 1

Step 2: Multiply the mills levied for school operating purposes by a local school district for the current year plus the mills levied for the State Education Tax for the current year times the *CURRENT taxable value* of the rehabilitated facility INCLUDING buildings on leased land BUT EXCLUDING the *CURRENT taxable value* of the land, the *CURRENT taxable value* of the other personal property and the *"frozen" taxable*

value used in the final calculation in Step 1.

EXAMPLE OF CALCULATION IN STEP 2:

Assume the following:

Current Millage for School Operating
Purposes and for State Education Tax = 24 mills

CURRENT Taxable Value of Total
Real and Personal Property of
Rehabilitated Facility = \$150,000

CURRENT Taxable Value of
Buildings on Leased Land = \$ 22,000

CURRENT Taxable Value of Land = \$ 10,100

CURRENT Taxable Value of
Other Personal Property = \$ 16,000

Calculation of Tax

.024 (24 mills)

X \$23,900 (\$150,000 MINUS \$10,100 MINUS \$16,000
MINUS \$100,000 from Step 1)

\$573.60 Tax for Step 2

Total Obsolete Properties Tax = \$5,000 (from Step 1) + \$573.60 (from
Step 2) = \$5,573.60.

Note: Exclusion of Some Mills from the Specific Tax by the State Treasurer

The State Treasurer may exclude from the Specific Tax up to ½ of the mills levied for local school operating purposes and for the State Education Tax. This may be done if the State Treasurer determines that reducing the millage is necessary to reduce unemployment, promote economic growth, and increase capital investment in Qualified Local Governmental Units. This exclusion is for a period not to exceed 6 years. Only 25 exclusions can be granted each year. An exclusion must be granted within 60 days after the STC approves an Obsolete Property Rehabilitation Exemption Certificate. (Please see section 17 of PA 146 of 2000 included with this bulletin.) Requests for consideration for this exclusion should be made by the applicant on line 10 of the application (Form 3674).

3) Transferring the Obsolete Property Rehabilitation Exemption Certificate

An Obsolete Property Rehabilitation Exemption Certificate may be transferred and assigned by the holder of the certificate to a new owner of the rehabilitated facility if the *qualified local governmental unit* approves the transfer after application by the new owner.

There is NO provision in PA 146 of 2000 for approval by the STC of the transfer of a certificate. Likewise, there is no provision in PA 146 of 2000 for an appeal to the STC when a local unit does not approve the transfer of a certificate.

4) Revocation of the Obsolete Property Rehabilitation Exemption Certificate

The legislative body of the QUALIFIED LOCAL GOVERNMENTAL UNIT may, by resolution, revoke the Obsolete Property Rehabilitation Exemption Certificate of a facility if:

- a. it finds that the completion of rehabilitation of the facility has not occurred within the time authorized by the legislative body in the exemption certificate or a duly authorized extension of that time.

OR

- b. it finds that the holder of the Obsolete Property Exemption Certificate has not proceeded in good faith with the operation of the rehabilitated facility in a manner consistent with the purposes of this act and in the absence of circumstances that are beyond the control of the holder of the exemption certificate.

There is NO provision in PA 146 of 2000 for an appeal to the STC when a local unit revokes an Obsolete Property Rehabilitation Exemption Certificate.

5) Duties of the Assessor As Required by Section 9 of the Act

Section 9 of PA 146 of 2000 requires the assessor to perform the following duties:

- a. The assessor shall annually determine the value and taxable value as of

December 31, of each exempt rehabilitated facility. This determination shall be made separately for each facility and shall be broken down by both real and personal property.

Upon receipt of notice of the filing of an application for an exemption certificate, the assessor shall determine and furnish to the local legislative body the value and the taxable value of the property to which the application pertains and other information as may be necessary to permit the local legislative body to make the determinations required by section 8(2) of the act.

- **6) Additional Matters Covered by PA 146 of 2000**

The following are additional items covered by PA 146 of 2000. The sections of the law where they can be found are also noted. Please refer to the enclosed copy of PA 146 of 2000 for more information about these items.

	<u>ITEM</u>	<u>SECTION OF PA 146 OF 2000</u>
1)	Disbursement of Obsolete Properties Tax Payments	Section 10(4)
2)	Disbursement of Intermediate School's Share of Tax to the State Treasury	Section 10(5)
3)	Disbursement of Local School's Share of Tax to the State Treasury	Section 10(6)
4)	Report by Collection Officer to the State Tax Commission	Section 10(7)
5)	Rehabilitated Facility Located in a Renaissance Zone	Section 10(8)
6)	Tax is a Lien	Section 11
7)	Annual Report by the Local Unit to the State Tax Commission on the Status of Each Exemption	Section 14
8)	Reports by the Treasury Department	Section 15
9)	No New Exemptions after 12-31-2010	Section 16

ADDENDUM

Definitions Contained In or Referenced In Public Act 146 of 2000

(Please see the copy of the act enclosed with this bulletin for additional definitions.)

"Commercial housing property" means that portion of real property not occupied by an owner of that real property that is classified as residential real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c, is a multiple-unit dwelling, or is a dwelling unit in a multiple-purpose structure, used for residential purposes. Commercial housing property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to a multiple-unit dwelling or dwelling unit in a multiple-purpose structure, used for residential purposes.

"Commercial property" means land improvements classified by law for general ad valorem tax purposes as real property including real property assessable as personal property pursuant to sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and MCL 211.14, the primary purpose and use of which is the operation of a commercial business enterprise. Commercial property shall also include facilities related to a commercial business enterprise under the same ownership at that location, including, but not limited to, office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Commercial property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to the operation of a commercial business enterprise or a multiple-unit dwelling or a dwelling unit in a multiple-purpose structure, used for residential purposes. Commercial property does not include any of the following:

- (i) Land
- (ii) Property of a utility

"Facility", except as otherwise provided in this act, means a building or group of contiguous buildings.

"Functionally obsolete" means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or superadequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property. (See MCL 125.2652)

Note: The STC offers the following as examples of functional obsolescence:

- 1) A floor plan which is inappropriate for the highest and best use of the

property.

2) A heating system which is inadequate for the highest and best use of the property.

3) Excessively high or low ceilings for the highest and best use of the property.

4) Partition walls which restrict the highest and best use of the property.

5) Mechanical systems (e.g. electrical, plumbing, etc) which are inadequate for the highest and best use of the property.

"Obsolete property" means commercial property or commercial housing property, that is 1 or more of the following:

(i) "Blighted property". Blighted property means property that meets 1 or more of the following criteria:

(i) Has been declared a nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.

(ii) Is an attractive nuisance to children because of physical condition, use, or occurrence.

(iii) Is a fire hazard or is otherwise dangerous to the safety of persons or property.

(iv) Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.

(v) Is tax reverted property owned by a qualified local governmental unit, by a county, or by this state. The sale, lease, or transfer of tax reverted property by a qualified local governmental unit, county, or this state after the property's inclusion in a brownfield plan shall not result in the loss to the property of the status as blighted property for purposes of PA 145 of 2000. (See MCL 125.2652)

(ii) A facility as that term is defined below:

"Facility" as defined in PA 451 of 1994 means any area, place, or property where a hazardous substance in excess of the concentrations which satisfy the requirements of section 20120a(1)(a) or (17) or the cleanup criteria for unrestricted residential use under part 213 has been released, deposited, disposed of, or otherwise comes to be located. Facility does not include any area, place, or property at which response activities have been completed which satisfy the cleanup criteria for the residential category provided for in section 20120a(1)(a) and (17) or at which corrective action has been completed under part 213 which satisfies the cleanup criteria for unrestricted residential use. (See MCL 324.20101)

(iii) Functionally obsolete. Please see the definition of "functionally obsolete".

"Obsolete property rehabilitation district" means an area of a qualified local governmental unit established as provided in section 3. Only those properties within the district meeting the definition of "obsolete property" are eligible for an exemption certificate issued pursuant to section 6 of PA 146 of 2000.

"Rehabilitation" means changes to obsolete property OTHER THAN REPLACEMENT that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. Rehabilitation includes major renovation and modification including, but not necessarily limited to, the improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment, including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore or change the obsolete property to an economically efficient condition.

Rehabilitation shall not include improvements aggregating less than 10% of the true cash value of the property at commencement of the rehabilitation of the obsolete property.

"Rehabilitated facility" means a commercial property or commercial housing property that has undergone rehabilitation or is in the process of being rehabilitated, including rehabilitation that changes the intended use of the building. A rehabilitated facility does not include property that is to be used as a professional sports stadium. A rehabilitated facility does not include property that is to be used as a casino. As used in this subdivision, "casino" means a casino or a parking lot, hotel, motel, or retail store owned or operated by a casino, an affiliate, or an affiliated company, regulated by this state pursuant to the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226.

"Taxable value" means the value determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

State Tax Commission Bulletin No. 11 of 2000
August 14, 2000
Change to Definition of "Industrial Property" in PA 198 of 1974

TO: Assessors
Equalization Directors
FROM: State Tax Commission (STC)

RE: CHANGE TO DEFINITION OF "INDUSTRIAL PROPERTY" CONTAINED IN PUBLIC ACT 198 OF 1974

Enclosed is a copy of [Public Act \(PA\) 247 of 2000](#) which was signed by Governor Engler on June 29, 2000 with an effective date of June 29, 2000. The new language added by this act is underlined on the copy of the enclosed act.

PA 247 of 2000 amends PA 198 of 1974 (Plant Rehabilitation and Industrial Development Districts Act) by adding language to the definition of "industrial property" contained in MCL 207.552(6).

The added language expands the definition of "industrial property" to include the assets of businesses engaged in a **high technology activity**.

High technology activity is defined by [PA 144 of 2000](#) as one or more of the following:

(i) Advanced computing, which is any technology used in the design and development of any of the following:

- A. Computer hardware and software.
- B. Data communications.
- C. Information technologies.

(ii) Advanced materials, which are materials with engineered properties created through the development of specialized process and synthesis technology.

(iii) Biotechnology, which is any technology that uses living organisms, cells, macromolecules, microorganisms, or substances from living organisms to make or modify a product, improve plants or animals, or develop microorganisms for useful purposes. Biotechnology does not include human cloning as defined in section 16274 of the public health code, 1978 PA 368, MCL 333.16274, or stem cell research with embryonic tissue.

(iv) Electronic device technology, which is any technology that involves microelectronics,

semiconductors, electronic equipment, and instrumentation, radio frequency, microwave, and millimeter electronics, and optical and optic-electrical devices, or data and digital communications and imaging devices.

(v) Engineering or laboratory testing related to the development of a product.

(vi) Technology that assists in the assessment or prevention of threats or damage to human health or the environment, including, but not limited to, environmental cleanup technology, pollution prevention technology, or development of alternative energy sources.

(vii) Medical device technology, which is any technology that involves medical equipment or products other than a pharmaceutical product that has therapeutic or diagnostic value and is regulated.

(viii) Product research and development.

(ix) Advanced vehicles technology that is any technology that involves electric vehicles, hybrid vehicles, or alternative fuel vehicles, or components used in the construction of electric vehicles, hybrid vehicles, or alternative fuel vehicles. For purposes of this act:

- A. "Electric vehicle" means a road vehicle that draws propulsion energy only from an on-board source of electrical energy.
- B. "Hybrid vehicle" means a road vehicle that can draw propulsion energy from both a consumable fuel and a rechargeable energy storage system.

Also enclosed with this bulletin is a revised application form for the Industrial Facility Exemption Certificate.

[Form 1012, Application for Industrial Facilities Exemption Certificate](#)



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JOHN ENGLER
GOVERNOR

DOUGLAS B. ROBERTS
STATE TREASURER

Bulletin No. 12
Electronic Media
October 30, 2002

DATE: October 30, 2002

TO: Assessors
Equalization Directors

FROM: State Tax Commission (STC)

RE: USE OF ELECTRONIC MEDIA AND PAPER COPY RECORDS

Section 10e of the General Property Tax Act reads, in part, as follows:

Beginning with the tax assessing year 1978, all assessing officials shall maintain records relevant to the assessments, including appraisal records cards, personal property records, historical assessment data, tax maps, and land value maps consistent with standards set forth in the assessor's manual published by the state tax commission.

The State Tax Commission, at its meeting of September 10, 2002, approved the use of electronic records in certain situations where only paper copy records were allowed in the past. This bulletin will address this matter under 5 separate headings:

- 1) The Assessment Roll
- 2) Changes to the Assessment Roll
- 3) Appraisal Record Cards
- 4) Certain Required STC Forms
- 5) Required Security Procedures

1) THE ASSESSMENT ROLL:

Each local unit of government shall produce an original "paper copy/hard copy" assessment roll. This original roll must be certified by the assessing officer prior to submission to the March Board of Review and certified by the members of the Board of Review at the close of its March session. This assessment roll, as certified, shall contain all changes made by the March Board of Review noted in the proper column, and shall be properly identified as the "original assessment roll".

After the close of the March Board of Review, the "original assessment roll" may be revised/amended/changed only to reflect actions as authorized by the July/December

Board of Review, the Michigan Tax Tribunal, the State Tax Commission or a court of jurisdiction.

For general public inspection use only, a local unit may provide:

- 1) A duplicate “paper copy/hard copy” assessment roll clearly identified as a “duplicate” OR
- 2) A “read only” computer terminal which will permit public viewing of the assessment roll located on the local unit’s assessment administration database.

Further, because the assessment roll is a public record, local units shall have the ability and shall be required to print a current status assessment roll (on any date) when properly requested.

2) **ASSESSMENT ROLL CHANGES:**

After the close of the March Board of Review the “original assessment roll” may be revised/amended/changed only to reflect action as authorized by the July/December Board of Review, the Michigan Tax Tribunal, the State Tax Commission or a court of jurisdiction. At any time, the local unit shall be able to electronically produce a L-4022 that matches the signed L-4022 that served as the basis for the current year’s equalization.

If a local unit elects to utilize a duplicate “paper copy/hard copy” assessment roll for general public inspection use only, that duplicate roll shall be reflective of any and all changes authorized by the July/December Board of Review, the Michigan Tax Tribunal, the State Tax Commission or a court of jurisdiction. Further, if a local unit elects to provide a “read only” terminal, the electronic assessment roll database displayed must be reflective of any and all changes authorized by the July/December Board of Review, the Michigan Tax Tribunal, the State Tax Commission or a court of jurisdiction. Further, a local unit, when requested, must be able to produce a detailed listing of any and all changes that were authorized since the original certification by the assessing officer.

3) **APPRAISAL RECORD CARDS:**

The assessor is no longer required to maintain a current “paper copy/hard copy” of each appraisal record card provided that the security procedures described in paragraph 5 of this bulletin are followed. The following are additional requirements of the State Tax Commission:

- a) No matter which format is used, “paper copy/hard copy” or electronic/magnetic media, the appraisal record shall properly support the true cash value calculations used to establish the assessed valuation of each individual property listed on the unit’s **current** assessment roll.
- b) The assessor shall utilize the base cost tables/schedules from Volumes I and II of the official Michigan Assessor’s Manual approved by the State Tax Commission,

with their latest supplements, as prepared or approved by the State Tax Commission as a guide in preparing assessments. (The assessor may also use any other manual approved by the State Tax Commission.)

- c) No matter which format is used, “paper copy/hard copy” or electronic/magnetic media, the local unit shall be required to make available, during customary business hours, a current “paper copy” of any and all appraisal record cards on file or stored within the assessment administration database.
- d) The local unit must have the capability to suppress any and all confidential information that may have been obtained through the use of real property statements and/or personal property statements or other confidential information subject to Michigan statute outside the parameters of the General Property Tax Act.

4) **CERTAIN REQUIRED STATE TAX COMMISSION FORMS:**

A local unit is permitted to file electronic/magnetic media versions of the following STC forms and documents with the county equalization department provided that the local unit’s system is compatible (as determined by the Equalization Director) with that of the county:

- 1) STC Form L-4021 (Assessment Roll Changes Work Sheet)
- 2) STC Form L-4022 (Report on Assessment Roll Changes and Classification)
- 3) STC Form L-4025 (Report of Taxable Valuations)
- 4) Current Tax Year Assessment Roll Database

Electronic versions of items 1, 2, and 3 above must match the format of the form as established by the STC. If electronic versions of these forms are used, the same record retention periods apply to them that now apply to hard copy forms.

Important: A signed original paper copy of STC Form L-4022 shall still be timely sent to the State Tax Commission.

5) **REQUIRED SECURITY PROCEDURES:**

The State Tax Commission recognizes that the use of electronic/magnetic media records in lieu of “paper copy/hard copy” records is only as good as the measures that protect the informational database. Therefore, a local unit shall have a security system that protects the database from corruption from both internal and external forces. A local unit shall provide for and establish security procedures. As part of the security system, a local unit shall produce, complete parcel/sale record database. Additionally, the local unit shall produce, retain, and keep available, a complete backup copy of the assessment administration program as of the close of State Equalization. (This is necessary because occasionally, program updates cause changes in values in the assessment record database.) This backup shall reflect any and all changes that the equalization process has had, including changes for the calculation of capped and taxable valuations for each individual property. This backup shall be stored at a “safe” site and shall remain readable even if there is a change in software.



JOHN ENGLER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

DOUGLAS B. ROBERTS
STATE TREASURER

DATE: December 10, 2002

TO: Assessors
Equalization Directors

FROM: State Tax Commission (STC)

RE: **ALTERNATIVE ENERGY PERSONAL PROPERTY**

Bulletin No.18
December 10, 2002
Alternative Energy
Personal Property

Enclosed is a copy of Public Act (PA) 549 of 2002 which was signed by Governor Engler on July 25, 2002 with an effective date of July 26, 2002.

PA 549 of 2002 provides that, **FOR ASSESSMENT YEARS 2003 through 2012, Alternative Energy Personal Property** is exempt from the collection of taxes. There are provisions in the law for local school districts and local tax collecting units to adopt resolutions to NOT exempt **Alternative Energy Personal Property** from certain millages. This will be discussed later in this bulletin.

A) Alternative Energy Personal Property

Alternative Energy Personal Property is personal property which has been certified to the assessor by the **Michigan Next Energy Authority** as qualifying for this exemption.

The **Michigan Next Energy Authority** was created by PA 593 of 2002 which was signed by Governor Engler on October 17, 2002 with an effective date of October 17, 2002. A copy of PA 593 of 2002 is also enclosed with this bulletin.

The **Michigan Next Energy Authority** is located within the Department of Management and Budget.

The following are the types of personal property which may be certified to the assessor by the **Michigan Next Energy Authority** and are then exempt from taxation:

- 1) **Alternative energy systems**
- 2) **Alternative energy vehicles**
- 3) Tangible personal property of a business that is an **alternative energy technology business**. In order to become an **alternative energy technology business**, a business must be certified as such by the Michigan Next Energy Authority. Proof of certification must be sent to the local assessor.

- 4) Tangible personal property of a business that is NOT an **alternative energy technology business** that is used solely for the purpose of researching, developing, or manufacturing an **alternative energy technology**.

NOTE: The terms shown in bold print in items 1 through 4 above are defined by PA 593 of 2002 (copy enclosed).

If the **Michigan Next Energy Authority** certifies that personal property qualifies for exemption as **Alternative Energy Personal Property** AND if the **Michigan Next Energy Authority** provides proof of certification to the assessor, the assessor shall exempt the property from taxation up to and including the 2012 assessment. The **Michigan Next Energy Authority** shall forward copies of the certification to the secretary of the local school district and the treasurer of the local tax collecting unit.

NOTE: The **Alternative Energy Personal Property** Exemption does NOT exempt property from the collection of specific taxes. The **Alternative Energy Personal Property** Exemption does NOT exempt property from the collection of special assessments since special assessments are levied upon real property only.

B) **Opting Out of the Alternative Energy Personal Property Exemption**

PA 549 of 2002 contains provisions for local school districts and local tax collecting units to adopt Resolutions to NOT Exempt **Alternative Energy Personal Property** from certain taxes. This is sometimes referred to in this bulletin as **opting out** of the exemption. The following are the provisions for **opting out** of the exemption:

- 1) The school board of a LOCAL SCHOOL DISTRICT may adopt a Resolution to NOT Exempt **Alternative Energy Personal Property** from the following taxes:
 - a) Tax authorized by MCL 380.1212 for the purpose of creating a **sinking fund**.
 - b) Tax authorized by MCL 380.1 to 380.1852 to retire **outstanding bonded indebtedness**.

The **Resolution to NOT Exempt** must be adopted by the local school district within 60 days after receiving the certification of exemption from the **Michigan Next Energy Authority**. ALSO, the resolution must have the written concurrence of the superintendent of the local school district.

If the **Resolution to NOT Exempt** is adopted by the local school district, a copy of the resolution shall be forwarded to the **Michigan Next Energy Authority**, the treasurer of the local tax collecting unit, and the State Treasurer.

If the **Resolution to NOT Exempt** fails, the **alternative energy personal property** is exempt from these taxes.

- 2) The governing body of a LOCAL TAX COLLECTING UNIT may adopt a Resolution to NOT Exempt **Alternative Energy Personal Property** from certain taxes collected in that local tax collecting unit. Townships and cities are generally

considered to be local tax collecting units. The following are examples of taxes collected in local tax collecting units which local tax collecting units can **opt out** of:

- a) County Taxes
- b) Intermediate School District taxes
- c) Community College taxes
- d) Taxes levied by authorities such as DDA's, district libraries, transit authorities, etc.
- e) City taxes
- f) Township taxes

A LOCAL TAX COLLECTING UNIT CANNOT **opt out** of the following taxes:

- a) taxes collected under the authority of MCL 380.1211 (**local school operating millage**)
- b) taxes collected under the authority of MCL 380.1212 (**local school sinking fund**)
- c) taxes collected under the authority of MCL 380.1 to 380.1852 (**for the retirement of local school bonded indebtedness**)
- d) the State Education Tax (SET)

The **Resolution to NOT Exempt** must be adopted by the local tax collecting unit within 60 days after receiving the certification of exemption from the **Michigan Next Energy Authority**; otherwise, the alternative energy personal property is exempt from the taxes which the local tax collecting unit could have **opted out** of.

The clerk of the local tax collecting unit shall notify in writing the assessor of the local tax collecting unit in which the **Alternative Energy Personal Property** is located and the legislative body of each taxing unit that levies ad valorem property taxes in the local tax collecting unit in which the **Alternative Energy Personal Property** is located. Notice of the meeting at which the resolution will be considered shall be provided as required under the Open Meetings Act. Before acting on the resolution, the governing body of the local tax collecting unit shall afford the assessor and a representative of the affected taxing units an opportunity for a hearing.

If the **Resolution to NOT Exempt** is adopted by the local tax collecting unit, a copy of the resolution shall be forwarded to the **Michigan Next Energy Authority** and to the State Treasurer.

Note: Even if the local school district and the local tax collecting unit **opt out** of all of the taxes possible, the alternative energy personal property will still be exempt from the SET and local school district operating millages.

C) The Alternative Energy Exemption is Sometimes a Millage Rate Exemption Only

Since LOCAL SCHOOLS and LOCAL TAX COLLECTING UNITS can **opt out** of the **Alternative Energy Exemption** for certain millages, this exemption will sometimes be a millage rate exemption only, rather than a full assessed value and taxable value exemption. This is true because, when a local school district or a local tax collecting unit **opts out**, it is necessary to have a taxable value against which to levy the millage. The State Tax Commission therefore recommends that the assessor assess **Alternative Energy Personal Property** under a separate parcel ID number and at a separate place on the assessment roll when a local school district or a local tax collecting unit has **opted out** of the exemption. In this situation, **Alternative Energy Personal Property** is subject to the assessment and equalization process.

D) Real and Personal Property Owned by the Michigan Next Energy Authority

Under Section 6 of PA 593 of 2002, real and personal property belonging to the **Michigan Next Energy Authority** is also exempt from taxation if it is used for a public purpose. This act states that property of the **Michigan Next Energy Authority** is public property devoted to an essential public and governmental function and purpose.

Note: This exemption is a standard exemption on taxable and assessed values. It is not a millage rate exemption. Local school districts and local tax collecting units cannot opt out of this exemption.

Act No. 549
Public Acts of 2002
Approved by the Governor
July 25, 2002
Filed with the Secretary of State
July 26, 2002
EFFECTIVE DATE: July 26, 2002

**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

Introduced by Reps. Richardville, DeRossett, Howell, Newell, Gilbert, Meyer, Bisbee, Birkholz, Kuipers, Voorhees, Vear, Mead, Pumford, Ehardt, Jelinek, Ruth, Hanson, Cameron Brown, George, Vander Veen, Faunce, Kowall, Gosselin, Hummel, DeVuyst, Bishop, Julian, Koetje, Labor and Raczkowski

ENROLLED HOUSE BILL No. 6074

AN ACT to amend 1893 PA 206, entitled "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts," (MCL 211.1 to 211.57) by adding section 9i.

The People of the State of Michigan enact:

Sec. 9i. (1) Alternative energy personal property is exempt from the collection of taxes under this act as provided in this section.

(2) If the Michigan next energy authority certifies alternative energy personal property as eligible for the exemption under this section as provided in the Michigan next energy authority act, the Michigan next energy authority shall forward a copy of that certification to all of the following:

- (a) The secretary of the local school district in which the alternative energy personal property is located.
- (b) The treasurer of the local tax collecting unit in which the alternative energy personal property is located.

(3) Within 60 days after receipt of the certification of alternative energy personal property under subsection (2), the school board for the local school district in which the alternative energy personal property is located, with the written concurrence of the superintendent of the local school district, may adopt a resolution to not exempt that alternative energy personal property from a tax levied in that local school district under section 1212 of the revised school code, 1976 PA 451, MCL 380.1212, or a tax levied under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, to retire outstanding bonded indebtedness. If a resolution is adopted under this subsection, a copy of the resolution shall be forwarded to the Michigan next energy authority, to the treasurer of the local tax collecting unit, and to the state treasurer. If a resolution is not adopted under this subsection, that alternative energy personal property is exempt from a tax levied in that local school district under section 1212 of the revised school code, 1976 PA 451, MCL 380.1212, or a tax levied under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, to retire outstanding bonded indebtedness, for the period provided in subsection (5).

(4) Within 60 days after receipt of the certification of alternative energy personal property under subsection (2), the governing body of the local tax collecting unit in which the alternative energy personal property is located may adopt a resolution to not exempt that alternative energy personal property from the taxes collected in that local tax collecting unit, except taxes collected under sections 1211 and 1212 of the revised school code, 1976 PA 451, MCL 380.1211 and 380.1212, a tax levied under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, to retire outstanding bonded indebtedness, or the tax levied by this state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. The clerk of the local tax collecting unit shall notify in writing the assessor of the local tax collecting unit in which the alternative energy personal property is located and the legislative body of each taxing unit that levies ad valorem property taxes in that local tax collecting unit in which the alternative energy personal property is located. Notice of the meeting at which the resolution will be considered shall be provided as required under the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Before acting on the resolution, the governing body of the local tax collecting unit shall afford the assessor and a representative of the affected taxing units an opportunity for a hearing. If a resolution is adopted under this subsection, a copy of the resolution shall be forwarded to the Michigan next energy authority and to the state treasurer. If a resolution is not adopted under this subsection, that alternative energy personal property is exempt from the taxes collected in that local tax collecting unit for the period provided in subsection (5), except as otherwise provided in this section.

(5) The exemption under this section applies to taxes levied after December 31, 2002 and before January 1, 2013.

(6) As used in this section:

(a) "Alternative energy personal property" means all of the following:

(i) An alternative energy system.

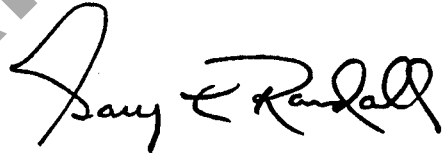
(ii) An alternative energy vehicle.

(iii) All personal property of an alternative energy technology business.

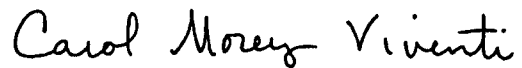
(iv) The personal property of a business that is not an alternative energy technology business that is used solely for the purpose of researching, developing, or manufacturing an alternative energy technology.

(b) "Alternative energy system", "alternative energy vehicle", "alternative energy technology", and "alternative energy technology business" mean those terms as defined in the Michigan next energy authority act.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.

THE GENERAL PROPERTY TAX ACT (EXCERPT)

Act 206 of 1893

211.9i Alternative energy personal property; exemption from tax.

Sec. 9i. (1) Alternative energy personal property is exempt from the collection of taxes under this act as provided in this section.

(2) If the Michigan next energy authority certifies alternative energy personal property as eligible for the exemption under this section as provided in the Michigan next energy authority act, the Michigan next energy authority shall forward a copy of that certification to all of the following:

(a) The secretary of the local school district in which the alternative energy personal property is located.

(b) The treasurer of the local tax collecting unit in which the alternative energy personal property is located.

(3) Within 60 days after receipt of the certification of alternative energy personal property under subsection (2), the school board for the local school district in which the alternative energy personal property is located, with the written concurrence of the superintendent of the local school district, may adopt a resolution to not exempt that alternative energy personal property from a tax levied in that local school district under section 1212 of the revised school code, 1976 PA 451, MCL 380.1212, or a tax levied under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, to retire outstanding bonded indebtedness. If a resolution is adopted under this subsection, a copy of the resolution shall be forwarded to the Michigan next energy authority, to the treasurer of the local tax collecting unit, and to the state treasurer. If a resolution is not adopted under this subsection, that alternative energy personal property is exempt from a tax levied in that local school district under section 1212 of the revised school code, 1976 PA 451, MCL 380.1212, or a tax levied under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, to retire outstanding bonded indebtedness, for the period provided in subsection (5).

(4) Within 60 days after receipt of the certification of alternative energy personal property under subsection (2), the governing body of the local tax collecting unit in which the alternative energy personal property is located may adopt a resolution to not exempt that alternative energy personal property from the taxes collected in that local tax collecting unit, except taxes collected under sections 1211 and 1212 of the revised school code, 1976 PA 451, MCL 380.1211 and 380.1212, a tax levied under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, to retire outstanding bonded indebtedness, or the tax levied by this state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. The school of the local tax collecting unit shall notify in writing the assessor of the local tax collecting unit in which the alternative energy personal property is located and the legislative body of each taxing unit that levies ad valorem property taxes in that local tax collecting unit in which the alternative energy personal property is located. Notice of the meeting at which the resolution will be considered shall be provided as required under the open meetings act, 1966 PA 267, MCL 15.261 to 15.275. Before acting on the resolution, the governing body of the local tax collecting unit shall afford the assessor and a representative of the affected taxing units an opportunity for a hearing. If a resolution is adopted under this subsection, a copy of the resolution shall be forwarded to the Michigan next energy authority and to the state treasurer. If a resolution is not adopted under this subsection, that alternative energy personal property is exempt from the taxes collected in that local tax collecting unit for the period provided in subsection (5), except as otherwise provided in this section.

(5) The exemption under this section applies to taxes levied after December 31, 2002 and before January 1, 2013.

(6) As used in this section:

(a) "Alternative energy personal property" means all of the following:

(i) An alternative energy system.

(ii) An alternative energy vehicle.

(iii) All personal property of an alternative energy technology business.

(iv) The personal property of a business that is not an alternative energy technology business that is used solely for the purpose of researching, developing, or manufacturing an alternative energy technology.

(b) "Alternative energy system", "alternative energy vehicle", "alternative energy technology", and "alternative energy technology business" mean those terms as defined in the Michigan next energy authority act.

History: Add. 2002, Act 549, Imd. Eff. July 26, 2002.

Popular name: Act 206

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SENATE BILL No. 593

July 10, 2001, Introduced by Senator BULLARD and referred to the Committee on Finance.

A bill to amend 1933 PA 177, entitled
"General sales tax act,"
by amending section 15 (MCL 205.65), as amended by 1993 PA 325.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 15. ~~the department shall withhold the issuance of~~
2 ~~any certificate of dissolution or withdrawal of any corporation~~
3 ~~organized under the laws of this state or organized under the~~
4 ~~laws of another state and admitted to do business in this state~~
5 ~~until all taxes levied under this act against the corporation~~
6 ~~have been paid, or until it is determined the applicant is not~~
7 ~~indebted for any taxes levied under this act. (2) If a corpora-~~
8 ~~tion licensed under this act fails for any reason to file the~~
9 ~~required returns or to pay the tax due, any of its officers~~
10 ~~having control, or supervision of, or charged with the~~
11 ~~responsibility for making the returns and payments is personally~~

1 liable for the failure. The dissolution of a corporation does
2 not discharge an officer's liability for a prior failure of the
3 corporation to make a return or remit the tax due. The sum due
4 for the liability may be assessed and collected as provided in
5 sections 23 and 24 of ~~Act No. 122 of the Public Acts of 1941,~~
6 ~~being sections 205.23 and 205.24 of the Michigan Compiled Laws~~
7 1941 PA 122, MCL 205.23 AND 205.24.

8 Enacting section 1. This amendatory act does not take
9 effect unless Senate Bill No. 595

10 of the 91st Legislature is enacted into
11 law.

MICHIGAN NEXT ENERGY AUTHORITY ACT

Act 593 of 2002

AN ACT to create and provide for the operation of the Michigan next energy authority; to provide for the powers and duties of the authority; to promote alternative energy technology and economic growth; and to exempt property of an authority from tax.

History: 2002, Act 593, Imd. Eff. Oct. 17, 2002.

The People of the State of Michigan enact:

207.821 Short title.

Sec. 1. This act shall be known and may be cited as the “Michigan next energy authority act”.

History: 2002, Act 593, Imd. Eff. Oct. 17, 2002.

207.822 Definitions.

Sec. 2. As used in this act:

(a) “Advanced battery cell” means a rechargeable battery cell with a specific energy of not less than 80 watt hours per kilogram.

(b) “Alternative energy marine propulsion system” means an onboard propulsion system or detachable outboard propulsion system for a watercraft that is powered by a fuel cell energy system, photovoltaic energy system, or advanced battery cell energy system and that is the singular propulsion system for the watercraft. Alternative energy marine propulsion system does not include battery powered motor designed to assist in the propulsion of the watercraft during fishing or other recreational use.

(c) “Alternative energy system” means the small-scale generation or release of energy from 1 or any combination of the following types of energy systems:

- (i) A fuel cell energy system.
- (ii) A photovoltaic energy system.
- (iii) A solar-thermal energy system.
- (iv) A wind energy system.
- (v) A CHP energy system.
- (vi) A microturbine energy system.
- (vii) A miniturbine energy system.
- (viii) A Stirling cycle energy system.
- (ix) A battery cell energy system.
- (x) A clean fuel energy system.
- (xi) An electricity storage system.

(d) “Alternative energy technology” means equipment, component parts, materials, electronic devices, testing equipment, and related systems that are solely related to the following:

- (i) The storage or generation of hydrogen for use in an alternative energy system.
- (ii) The process of generating and putting into a usable form the energy generated by an alternative energy system. Alternative energy technology does not include those component parts of an alternative energy system that are required regardless of the energy source.
- (iii) A microgrid. As used in this subparagraph, “microgrid” means the lines, wires, and controls to connect 2 or more alternative energy systems.

(e) “Alternative energy technology business” means a business engaged solely in the research, development, or manufacturing of alternative energy technology.

(f) “Alternative energy vehicle” means a motor vehicle manufactured by an original equipment manufacturer that fully warrants and certifies that the motor vehicle meets federal motor vehicle safety standards for its class of vehicles as defined by the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, and certifies that the motor vehicle meets local emissions standards, that is propelled by an alternative energy system. Alternative energy vehicle includes the following:

- (i) An alternative fueled vehicle. As used in this subparagraph, “alternative fueled vehicle” means a motor vehicle that can only be powered by a clean fuel energy system and can only be fueled by a clean fuel.

MICHIGAN NEXT ENERGY AUTHORITY ACT

(ii) A fuel cell vehicle. As used in this subparagraph, "fuel cell vehicle" means a motor vehicle powered solely by a fuel cell energy system.

(iii) An electric vehicle. As used in this subparagraph, "electric vehicle" means a motor vehicle powered solely by a battery cell energy system.

(iv) A hybrid vehicle. As used in this subparagraph, "hybrid vehicle" means a motor vehicle that can only be powered by 2 or more alternative energy systems.

(v) A solar vehicle. As used in this subparagraph, "solar vehicle" means a motor vehicle powered solely by a photovoltaic energy system.

(vi) A hybrid electric vehicle. As used in this subparagraph, "hybrid electric vehicle" means a motor vehicle powered by an integrated propulsion system consisting of an electric motor and combustion engine. Hybrid electric vehicle does not include a retrofitted conventional diesel or gasoline engine. A hybrid electric vehicle obtains the power necessary to propel the motor vehicle from a combustion engine and 1 of the following:

(A) A battery cell energy system.

(B) A fuel cell energy system.

(C) A photovoltaic energy system.

(g) "Alternative energy zone" means a renaissance zone designated as an alternative energy zone by the board of the Michigan strategic fund under section 8a of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2688a.

(h) "Authority" means the Michigan next energy authority created under section 3.

(i) "Battery cell" means a closed electrochemical system that converts chemical energy from oxidation and reduction reactions directly into electric energy without combustion and without external fuel and consists of an anode, a cathode, and an electrolyte.

(j) "Battery cell energy system" means 1 or more battery cells and an inverter or other power conditioning unit used to perform 1 or more of the following functions:

(i) Propel a motor vehicle or an alternative energy marine propulsion system.

(ii) Provide electricity that is distributed within a dwelling or other structure.

(iii) Provide electricity to operate a portable electronic device including, but not limited to, a laptop computer, a personal digital assistant, or a cell phone. For purposes of this subparagraph only, a battery cell energy system shall only use advanced battery cells.

(k) "Board" means the governing body of the authority under section 4.

(l) "CHP energy system" means an integrated unit that generates power and either cools, heats, or controls humidity in a building or provides heating, drying, or chilling for an industrial process that includes and is limited to both of the following:

(i) An absorption chiller, a desiccant dehumidifier, or heat recovery equipment.

(ii) One of the following:

(A) An internal combustion engine, an external combustion engine, a microturbine, or a miniturbine, fueled solely by a clean fuel.

(B) A fuel cell energy system.

(m) "Clean fuel" means 1 or more of the following:

(i) Methane.

(ii) Natural gas.

(iii) Methanol neat or methanol blends containing at least 85% methanol.

(iv) Denatured ethanol neat or ethanol blends containing at least 85% ethanol.

(v) Compressed natural gas.

(vi) Liquefied natural gas.

(vii) Liquefied petroleum gas.

(viii) Hydrogen.

(n) "Clean fuel energy system" means a device that is designed and used solely for the purpose of generating power from a clean fuel. Clean fuel energy system does not include a conventional gasoline or diesel fuel engine or a retrofitted conventional diesel or gasoline engine.

(o) "Department" means the department of management and budget.

(p) "Electricity storage device" means a device, including a capacitor, that directly stores electrical energy without conversion to an intermediary medium.

(q) "Electricity storage system" means 1 or more electricity storage devices and inverters or other power conditioning equipment.

(r) "Fuel cell energy system" means 1 or more fuel cells or fuel cell stacks and an inverter or other power

conditioning unit. A fuel cell energy system may also include a fuel processor. As used in this subdivision:

(i) "Fuel cell" means an electrochemical device that uses an external fuel and continuously converts the energy released from the oxidation of fuel by oxygen directly into electricity without combustion and consists of an anode, a cathode, and an electrolyte.

(ii) "Fuel cell stack" means an assembly of fuel cells.

(iii) "Fuel processor" means a device that converts a fuel, including, but not limited to, methanol, natural gas, or gasoline, into a hydrogen rich gas, without combustion for use in a fuel cell.

(s) "Microturbine energy system" means a system that generates electricity, composed of a compressor, combustor, turbine, and generator, fueled solely by a clean fuel with a capacity of not more than 250 kilowatts. A microturbine energy system may include an alternator and shall include a recuperator if the use of the recuperator increases the efficiency of the energy system.

(t) "Miniturbine energy system" means a system that generates electricity, composed of a compressor, combustor, turbine, and generator, fueled solely by a clean fuel with a capacity of not more than 2 megawatts. A miniturbine energy system may also include an alternator and a recuperator.

(u) "Person" means an individual, partnership, corporation, limited liability company, association, governmental entity, or other legal entity.

(v) "Photovoltaic energy system" means a solar energy device composed of 1 or more photovoltaic cells or photovoltaic modules and an inverter or other power conditioning unit. A photovoltaic system may also include batteries for power storage or an electricity storage device. As used in this subdivision:

(i) "Photovoltaic cell" means an integrated device consisting of layers of semiconductor materials and electrical contacts capable of converting incident light directly into electricity.

(ii) "Photovoltaic module" means an assembly of photovoltaic cells.

(w) "Small-scale" means a single energy system with a generating capacity of not more than 2 megawatts or an integrated energy system with a generating capacity of not more than 10 megawatts.

(x) "Solar thermal energy system" means an integrated unit consisting of a sunlight collection device, a system containing a heat transfer fluid to receive the collected sunlight, and heat exchangers to transfer the solar energy to a thermal storage tank to heat or cool spaces or water or to generate electricity.

(y) "Stirling cycle energy system" means a closed-cycle, regenerative heat engine that is fueled solely by a clean fuel and uses an external combustion process, heat exchangers, pistons, a regenerator, and a confined working gas, such as hydrogen or helium, to convert heat into mechanical energy. A Stirling cycle energy system may also include a generator to generate electricity.

(z) "Wind energy system" means an integrated unit consisting of a wind turbine composed of a rotor, an electrical generator, a control system, an inverter or other power conditioning unit, and a tower, which uses moving air to produce power.

History: 2002, Act 593, Imd. Eff. Oct. 17, 2002.

207.823 Michigan next energy authority; creation; powers and duties; contract; records and accounts.

Sec. 3. (1) There is created by this act a public body corporate and politic known as the Michigan next energy authority. The authority shall be located within the department.

(2) The authority shall exercise its prescribed statutory powers, duties, and functions independently of the director of the department. The budgeting, procurement, and related administrative functions of the authority shall be performed under the direction and supervision of the director of the department.

(3) The authority may contract with the department for the purpose of maintaining the rights and interests of the authority.

(4) The accounts of the authority may be subject to annual financial audits by the state auditor general. Records of the authority shall be maintained according to generally accepted accounting principles.

History: 2002, Act 593, Imd. Eff. Oct. 17, 2002.

207.824 Powers and duties of board.

Sec. 4. (1) An authority created under this act is governed by a board consisting of the members of the authority under the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

(2) The board shall organize and adopt its own policies, procedures, schedule of regular meetings, and a regular meeting date, place, and time. The board shall conduct all business at public meetings held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of each meeting

MICHIGAN NEXT ENERGY AUTHORITY ACT

shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(3) A writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(4) A board may act only by resolution. A majority of the members of the board then in office, or of any committee of the board, shall constitute a quorum for the transaction of business.

(5) The board may employ legal and technical experts, private consultants, accountants, and other agents or employees for rendering professional and technical assistance and advice as may be necessary. The authority shall determine the qualifications, duties, and compensation of those it employs.

History: 2002, Act 593, Imd. Eff. Oct. 17, 2002.

207.825 Powers and duties of authority.

Sec. 5. (1) Except as otherwise provided in this act, the authority may do all things necessary to implement the purposes of this act, including, but not limited to, all of the following:

- (a) Adopt, amend, and repeal bylaws for the regulation of its affairs and the conduct of its business.
- (b) Adopt an official seal and alter the seal at the pleasure of the board.
- (c) Sue and be sued in its own name and plead and be impleaded.
- (d) Solicit and accept gifts, grants, loans, and other assistance from any person or the federal, the state, or a local government or any agency of the federal, the state, or a local government and participate in any other way in any federal, state, or local government program.
- (e) Research and publish studies, investigations, surveys, and findings on the development and use of alternative energy technology.

(f) Promote the research, development, and manufacturing of alternative energy technology.

(g) Do all other things necessary to promote and increase the research, development, and manufacturing of alternative energy technology and to otherwise achieve the objectives and purposes of the authority.

(2) The authority shall certify all of the following personal property and shall provide proof of certification to the assessor of the local tax collecting unit in which the following personal property is located:

(a) Alternative energy marine propulsion systems, alternative energy systems, and alternative energy vehicles that meet both of the following requirements:

(i) Were not previously subject to the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(ii) Were not previously exempt from the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, except for personal property exempt under section 9c or 9i of the general property tax act, 1893 PA 206, MCL 211.9c and 211.9i.

(b) Tangible personal property of a business that is an alternative energy technology business that meets both of the following requirements:

(i) Was not previously subject to the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(ii) Was not previously exempt from the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, except for personal property exempt under section 9c or 9i of the general property tax act, 1893 PA 206, MCL 211.9c and 211.9i.

(c) Tangible personal property of a business that is not an alternative energy technology business that is used solely for the purpose of researching, developing, or manufacturing an alternative energy technology that meets both of the following requirements:

(i) Was not previously subject to the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(ii) Was not previously exempt from the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, except for personal property exempt under section 9c or 9i of the general property tax act, 1893 PA 206, MCL 211.9c and 211.9i.

(3) The authority shall certify and provide proof of certification of the following business entities:

(a) An alternative energy technology business. The authority shall provide proof of certification to the assessor of the local tax collecting unit in which the alternative energy technology business is located.

(b) A taxpayer as an eligible taxpayer for the purposes of claiming the credit under section 39e(2) of the single business tax act, 1975 PA 228, MCL 208.39e.

(4) The authority shall certify and provide proof of certification of the qualified business activity of a taxpayer

MICHIGAN NEXT ENERGY AUTHORITY ACT

eligible under subsection (3)(b). As used in this subsection, “qualified business activity” means that term as defined in section 39e of the single business tax act, 1975 PA 228, MCL 208.39e.

(5) The authority shall not operate an alternative energy technology business or otherwise engage in the manufacturing of any commercial products.

History: 2002, Act 593, Imd. Eff. Oct. 17, 2002.

207.826 Tax exemption.

Sec. 6. The authority created under this act shall be exempt from and shall not be required to pay taxes on property, both real and personal, belonging to the authority, which is used for a public purpose. Property of the authority is public property devoted to an essential public and governmental function and purpose.

History: 2002, Act 593, Imd. Eff. Oct. 17, 2002.

207.827 Construction of act.

Sec. 7. This act shall be construed liberally to effectuate the legislative intent and its purposes. All powers granted shall be cumulative and not exclusive and shall be broadly interpreted to effectuate the intent and purposes and not as a limitation of powers.

History: 2002, Act 593, Imd. Eff. Oct. 17, 2002.

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DRAFT



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

ROBERT J. KLEINE
STATE TREASURER

BULLETIN NO. 4 of 2009
RIGHT OF WAY EASEMENTS
April 14, 2009

TO: Assessors
Equalization Directors

FROM: State Tax Commission (STC)

RE: **Right-of-Way Easements; Change to the State Tax Commission Manual**

The purpose of this Bulletin is to provide assessors with a change to the State Tax Commission Manual related to Right-of-Way Easements. Specifically, Chapter 1 of the manual, page 12-9 indicates:

Utilities often purchase permanent easements to use lands rather than obtain fee ownership for the right-of-way. Pursuant to MCL 211.8(g), the easements of electric, gas and waterworks companies are to be assessed as personal property. Easements should be reported annually by the taxpayer at original cost on the personal property statement. The reported cost for the right-of-way or easements should only be the amount paid to the owner in fee excluding any payment for damages or indirect costs incurred to acquire the right-of-way easement. The reported cost is not to be reduced by application of personal property multipliers but is to be assessed at 50% of the reported cost.

Effective with the issuance of this Bulletin, the manual is changed to read as follows (***bold/italics*** and ~~striketrough~~ identify the change):

Utilities often purchase permanent easements to use lands rather than obtain fee ownership for the right-of-way. Pursuant to MCL 211.8(g), the easements of electric, gas and waterworks companies are to be assessed as personal property. Easements should be reported annually by the taxpayer at original cost on the personal property statement. ~~The reported cost of the rights-of-way or easements should only be the amount paid to the owner in fee excluding any payment for damages or indirect costs incurred to acquire the right of way or easement.~~ ***Right-of-Way or easement costs should include all costs associated with acquiring the easement. This should include any indirect costs incurred by the utility, including but not limited to survey and title change costs.*** The reported cost is not to be reduced by application of personal property multipliers but is to be assessed at 50% of the reported cost.



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

Bulletin No. 19 of 2016
The Transitional Qualified Forest
Exemption and Specific Tax
November 29, 2016

TO: All Certified Assessing Officers and Technicians

FROM: State Tax Commission

SUBJECT: The Transitional Qualified Forest Property Exemption and Specific Tax

On June 28th, Governor Snyder signed into law Public Act 260, 261, and 262 of 2016. These acts provide an opportunity for landowners to transfer Commercial Forest property into the Qualified Forest Program (QFP) without payment of Commercial Forest Reserve withdrawal penalty. Instead, the legislation provides for a graduated return to ad valorem property taxes by allowing a five (5) year incremental return to full liability. This is accomplished by the creation of the Transitional Qualified Forest Property (TQFP) exemption and specific tax.

P.A. 260 of 2016

Act 260 creates the “Transitional Qualified Forest Property Specific Tax” for taxes levied after December 31, 2015. To be “Transitional Qualified Forest Property” the property must have previously been Commercial Forest (commonly referred to as CFR) property and must qualify for and have been approved as Qualified Forest Property under MCL 211.7(jj)[1]. Further:

1. The property must have been owned by the current owner no later than September 1, 2016,
2. The property must have been CFR no later than September 1, 2016, and
3. The application must be made by September 1, 2021.

If a landowner withdraws property from the Commercial Forest exemption program provided for in Section 51108(5) [MCL 324.51108] of the Natural Resources and Environmental Protection Act, he or she may apply to have the forest land determined to be Transitional Qualified Forest Property (TQFP) for a period not to exceed 5 years. The exemption is limited to a total of 160 acres within each township. When notified of the exemption (through the receipt of the recorded qualified Forest Property Affidavit and a copy of the recorded CRF withdrawal certificate), the assessor shall exempt the property from the collection of ad valorem taxes until December 31 of the year in which the property is no longer TQFP. The assessor determines the assessed and taxable values in the same manner as for other properties but instead of paying ad valorem tax, the owner pays a specific tax that is equal to the greater of;

- The specific tax calculated under Section 51106 of the Natural Resources and Environmental Protection Act (the Commercial Forest specific tax); or,

Transitional Qualified Forest Property Exemption

- The amount calculated by multiplying the number of mills that would be assessed if the property was not exempt but *was* treated as Qualified Forest Property, by the property's Taxable Value, and then multiplying that product by 20% (.20) in the first year, and increasing in increments of 20% (.20) in each successive year, until the multiplier is 100% (1.00). The calculation also adds new millage at 100%. However, for purposes of the calculation, newly-voted renewal millage is not deemed to be new millage and, instead is levied at the same percentage as the millage which existed at the time the property became TQFP.

The tax is payable at the same times as ad valorem taxes and is distributed pro rata to levy units based on the ratio of their ad valorem millage to the total millage. It is the interpretation of the State Tax Commission that new millage, if any, is also distributed pro rata. The collecting officer must submit a form to the Michigan Department of Treasury showing the amount of the disbursement to each levy unit. An annual fee is imposed on each parcel of TQFP calculated in the same amount and manner as the fee imposed on Qualified Forest Property.

If the use of the property is changed from Qualified Forest Property, the owner must file a rescission within 90 days. Further, if the Michigan Department of Agriculture and Rural Development determines that the property is not TQFP, it may direct the assessor to put the property on the roll.

After the 5 year phase-in period expires, the property is exempt as Qualified Forest Property (it does not pay school operating millage), and the owner is not required to pay the withdrawal penalty associated with removal of the parcel from the CFR status. Thereafter, the owner must comply with the requirements to maintain the property's status as Qualified Forest Property and if he or she does not then the penalties from removal from a Qualified Forest Property program apply. If the 5 year period is not successfully completed, then the CFR withdrawal penalties apply.

P.A. 261 of 2016

Act 261 amends the General Property Tax Act by making minor changes to MCL 211.7jj [the Qualified Forest Property Exemption] to accommodate the Transitional Qualified Forest Property Exemption and to add MCL 211.vv, which exempts TQFP from ad valorem assessment. This exemption provision is set forth below in its entirety:

211.7vv Transitional qualified forest property; tax exemption; property subject to tax under transitional qualified forest property specific tax act; definition.

- (1) Transitional qualified forest property is exempt from the collection of taxes under this act for a period not longer than 5 years.
- (2) Property exempt from the collection of taxes under subsection (1) is subject to the specific tax levied under the transitional qualified forest property specific tax act.
- (3) As used in this section, "transitional qualified forest property" means that term as defined in the transitional qualified forest property specific tax act.

P.A. 262 of 2016

Act 262 amends Section 51108 of the “Natural Resources and Environmental Protection Act” (the provisions relating to withdrawal from the Commercial Forest Reserve (CFR) program) to provide for the waiver of withdrawal penalties from the CFR program if the property successfully transitions from CFR, to become Transitional Qualified Forest Property, and thereafter, at the end of 5 years, to become Qualified Forest Property.

Assessor Responsibilities:

The assessor in the tax collecting unit where TQFP is located has the following responsibilities relative the administration of the exemption:

1. Upon receipt of the recorded TQFP affidavit and a copy of the commercial forest withdrawal certificate by the assessor, the assessor shall exempt the TQFP from collection of ad valorem property taxes collected under the general property tax act, 1893 P.A. 206, as provided in section 7jj[1] of the act, for a period not to exceed 5 years.
2. The assessor shall determine annually, as of December 31, the assessed value and taxable value of each parcel of TQFP which is located within the local tax collecting unit. For purposes of this determination, the taxable value of each TQFP parcel in the first year of the exemption shall be set at an amount equal to the determined state equalized value of the parcel for that year and thereafter, the taxable value shall be determined in the manner provided for in section 27a(2) of the General Property Tax Act.
3. If notified by the Department of Agriculture and Rural Development that a parcel is no longer TQFP, or upon the expiration of the 5 year exemption period, the assessor shall immediately place the property on the tax roll.
4. If the landowner has successfully completed the requirements of the TQFP program when the parcel is placed on the roll, the assessor shall thereafter treat the property as Qualified Forest Property unless notified otherwise by the Department of Agriculture and Rural Development. If the assessor is notified by the Department of Agriculture and Rural Development that the landowner failed to complete the requirements of the TQFP program, the assessor shall immediately remove both the TQFP and QFP exemptions.

The State Tax Commission has determined that TQFP shall remain on the ad valorem roll and is included in the equalization process, as provided in section 34 of the General Property Tax Act. Further, the State Tax Commission has also determined that at the end of the 5 year period of exemption, or upon the earlier termination of the exemption due to a change in use or other non-compliance, the assessor shall use the latest year's Taxable Value as the prior year's Taxable Value in computing the Capped Value of the parcel.



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

DATE: September 18, 2017

TO: Heather S. Frick, Executive Director
State Tax Commission

FROM: LaNiece Densteadt, Departmental Analyst
State Tax Commission

SUBJECT: Re-certifications and New Certifications of Computerized Tax Rolls

The following units have certified that the requirements of Act 112 of 1990, MCL 211.42a as amended are being met and request the State Tax Commission certify the computerized tax roll. All required documentation has been received and reviewed.

These certifications will expire **May 1, 2021**.

Date printed: September 11, 2017

New Certifications:

Grand Traverse County

Blair Township
Garfield Township
Long Lake Township
Union Township

Livingston County

Cohoctah Township
Deerfield Township
Village of Fowlerville
Hartland Township
City of Howell
Osceola Township
Village of Pinckney
Putnam Township

Mason County

City of Scottville

Montcalm County

Day Township

Newaygo County

Denver Township

New Certification Denials: None
Recertification's: None
Recertification Denials: None



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

DATE: September 18, 2017
TO: Heather S. Frick, Executive Director
State Tax Commission
FROM: LaNiece Densteadt, Departmental Analyst
State Tax Commission
SUBJECT: New Certifications of Computerized Assessment Rolls

The following units have certified that the requirements of Act 112 of 1990, MCL 211.42a as amended and the conditions of Public Act 25 of 2016 are being met and request the State Tax Commission certify the use of a computerized database as the assessment roll. All required documentation has been received and reviewed.

These certifications will expire **May 1, 2021**.

Date printed: September 11, 2017

New Certifications:

Genesee County

Atlas Township
Fenton Township

Isabella County

City of Mt. Pleasant

Kent County

Algoma Township

Ottawa County

Georgetown Township
Grand Haven Charter Township

Roscommon County

Lake Township

Wayne County

Brownstown Township



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY

NICK A. KHOURI
STATE TREASURER

DATE: September 7, 2017

TO: Members of the State Tax Commission

FROM: Emily Leik, Departmental Analyst

SUBJECT: Charitable Nonprofit Housing Organization Exemptions

Public Act 456 of 2014 allows for an exemption from the collection of taxes under the General Property Tax Act, Public Act 206 of 1893, for charitable nonprofit housing organizations that own eligible nonprofit housing property. According to the Act, the State Tax Commission shall grant or deny the exemption after consultation with the State Treasurer or designee.

Enclosed is a list of various Habitat for Humanity County Organizations. All applications included in the attached list were reviewed by State Tax Commission staff, are determined to comply with the statutory requirements of Public Act 456 of 2014 and qualify for exemption.

It is recommended that you approve the applications effective on December 31, 2017 for the 2018 tax year, for either a period of three (3) or five (5) years with an expiration date of December 30, 2020 or December 30, 2022, or until one of the following events occurs:

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.

State Tax Commission
Applications for Exemption of Charitable Nonprofit Housing Property MCL 211.7kk
September 18, 2017 Meeting

Application Number	Name of Charitable Organization	Unit	Unit Type	County	Parcel Number	Years Approved
17-028	Habitat for Humanity of Huron Valley	Ypsilanti	Township	Washtenaw	K-11-39-321-011	3
17-029	Habitat for Humanity of Huron Valley	Ypsilanti	Township	Washtenaw	K-11-11-384-020	3
17-030	Habitat for Humanity of Huron Valley	Ypsilanti	Township	Washtenaw	K-11-10-386-023	3
17-031	Habitat for Humanity - Grand Travers Region	Kingsley	Village	Grand Traverse	2842-060-007-00	3
17-032	Habitat for Humanity of Huron Valley	Ypsilanti	Township	Washtenaw	09-09-31-214-022	3
17-033	Habitat for Humanity Northeast Michigan, Inc.	Alpena	City	Alpena	092-307-000-181-00	5
17-034	Blue Water Habitat for Humanity, Inc.	Sandusky	City	Sanilac	320-032-400-440-00	5
17-035	Blue Water Habitat for Humanity, Inc.	Port Huron	City	St. Clair	74-06-743-0956-000	5
17-036	Blue Water Habitat for Humanity, Inc.	Port Huron	City	St. Clair	74-06-743-0953-000	5
17-037	Blue Water Habitat for Humanity, Inc.	Port Huron	City	St. Clair	74-06-743-0955-000	5
17-038	Habitat for Humanity Northeast Michigan	Harrisville	City	Alcona	120-140-000-020-00	3
17-039	Habitat for Humanity Northeast Michigan	Harrisville	City	Alcona	120-110-012-230-00	5