



City of Hamtramck
3401 Evaline Avenue
Hamtramck, Michigan 48212
Phone: 313.876.7700 ext. 361

Kelli Sobel, Executive Director
State Tax Commission
P.O.Box 30471
Lansing, MI 48909

Re: Request for Approval of the Appraisal Process in relation to item # 5 (Complete Physical Inspection of All Properties), on your guidance document titled 'Local Unit Reappraisal and Review By Equalization Dept.'

Dear Ms. Sobel:

The City of Hamtramck has contracted with Tyler Technologies for a complete reappraisal of real property within the City. We are progressing well towards finishing the reappraisal process and plan to utilize the values derived by this reappraisal, for 2018 assessment roll.

While discussing the steps taken, required and the required output due for review by the Wayne County Equalization, the Director pointed attention towards the captioned matter and suggested that we explain the 'Appraisal Process' being adopted by the contractor and seek waiver. The stated 'process' in our contract with Tyler Technologies seems to fall short of the Commission's stated requirement specifically when it states Remote Data Verification/Field Check/Data Entry (see the attached page from the proposal).

You will notice that the first step that was taken by the contractor, was to scan the existing records with the sketched structures, create digital sketches in BSA system. Tyler staff also took pictures of every real property parcel and loaded to our database to start with. Their staff appraiser also visited each and every commercial and industrial parcels, took measurements compared to the existing sketches on our record. For residential parcels, they are comparing the sketches on record with the aeriels through subscribing to 'EagleView', a service that provides overhead and oblique imagery with the measurement tools. When the desk reviewer comparing the existing structure sketch does not match with the aerial imagery, the staff of the contractor schedules a site visit to verify and correct the sketch. As going inside the homes is neither required nor feasible, the (qualitative aspects), the class and condition is going to be estimated from the street view pictures that were taken at the start of the process by Tyler staff.

We believe the final result of the reappraisal would turn out to be equal if better than what we would have got with 'complete physical inspection of all properties'. The commercial and industrial parcels where all the physical and qualitative features cannot be estimated from a picture have been physically inspected and will be re-checked in case of doubt at the final review. As the City of Hamtramck was considering various proposals before accepting Tyler Technologies proposal, we were assured of this quality of the final product especially when we knew that they are already doing the work for the City of Detroit.

Therefore, it is hereby requested that the process be approved for the record and for the county Equalization Department reference.

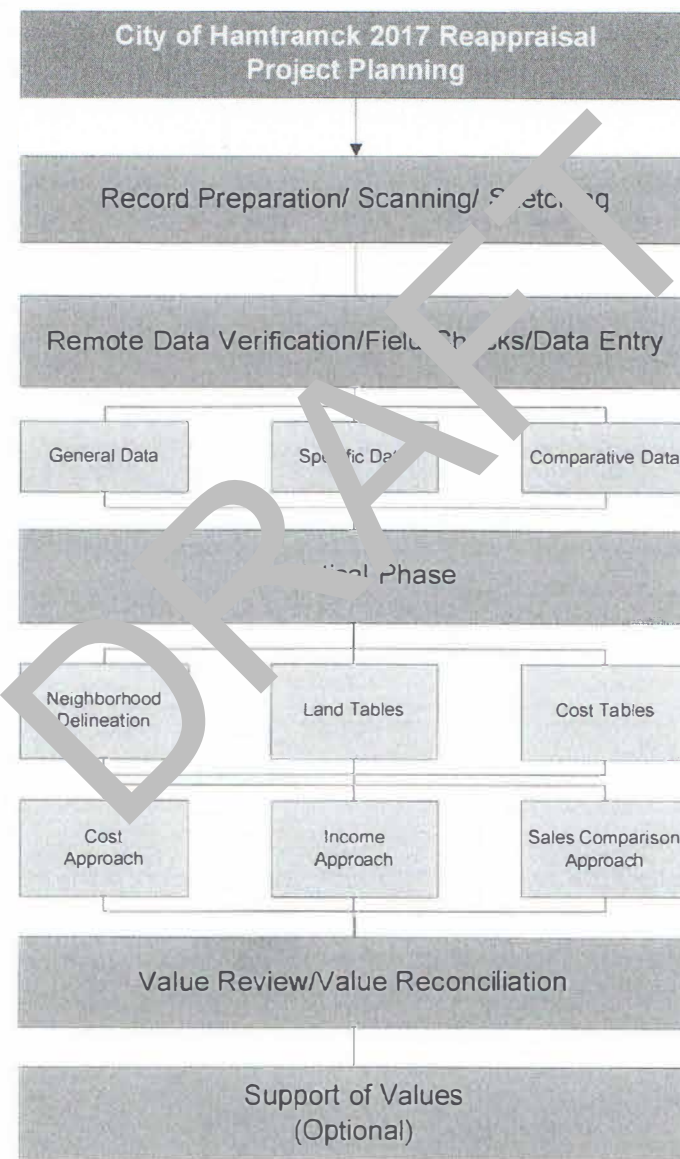
Thank you

Sincerely,

Jay Singh
Hamtramck City Assessor

DRAFT

The Appraisal Process¹



1: Adapted from the Property Assessment Valuation manual, Second Edition, Copyright 1996 by the IAAO

Figure 1: Tyler's Appraisal Process



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

Bulletin 21 of 2017
November 28, 2017
Omitted or Incorrectly Reported Property

TO: Assessors, Equalization Directors, Treasurers, and Interested Parties

FROM: State Tax Commission

RE: Omitted or Incorrectly Reported Property

Bulletin Nos. 2 of 1990, 12 of 2000, and 2 of 2004 are rescinded

A. AUTHORITY TO CORRECT OMITTED OR INCORRECTLY REPORTED PROPERTY

The State Tax Commission has the authority, pursuant to MCL 211.154 (Section 154 of the General Property Tax Act, MCL 211.1, *et. seq.*), to correct assessments in order to:

- Address the incorrect reporting of assessable property by a taxpayer, and/or
- Add omitted real and personal property to the assessment roll.

State Tax Commission Rule 31(2) further states that the State Tax Commission has jurisdiction to remove real property from the roll. Examples include, but are not limited to the following:

- (a) Incorrect measurement
- (b) Errors of inclusion, for example, pole barn not built or placed on an incorrect parcel.

The State Tax Commission does not have authority over a taxpayer request to remove personal property from the roll if the taxpayer fails to timely file a personal property statement. (STC Rule 31(1)). The State Tax Commission also does not have authority to add or remove property for a time period before the last change of ownership of the property. (STC Rule 31(3)).

Further, the State Tax Commission will not accept a dispute regarding the classification of property through the filing of a 154 petition. Disputes regarding classification should be addressed through the classification appeal process. (STC Rule 31(7)).

B. SUBMITTING A PETITION

The party seeking to correct the assessment must file a petition with the State Tax Commission requesting correction of the assessment and must also transmit a copy of the petition to the other interested parties. The form used will depend on who is filing the petition:

Omitted or Incorrectly Reported Property

- An assessor or equalization director who files a petition does so on Treasury Form L-4154 (627).
- A taxpayer or taxpayer's agent who files a petition does so on Treasury Form L-4155 (628).
- A third-party who wishes to notify the State Tax Commission of incorrectly reported or omitted property does so on Treasury Form L-4156 (629).

Supporting documentation is required for all petitions. The complete petition, along with all supporting documentation, must be transmitted to the other party (the taxpayer or the assessor, as the case may be) at the same time that it is transmitted to the State Tax Commission, seeking that party's concurrence to the requested change in the assessed and/or taxable value(s). For a complete list of items needed to process a petition, please review the "MCL 211.154 Checklist" which can be found at www.michigan.gov/154petitions.

C. PROCEEDINGS AFTER SUBMISSION OF A COMPLETE PETITION

When a petition is received by the State Tax Commission, it is reviewed to determine that the petition is complete and that all required supporting documentation has been provided. The petition will also be reviewed to determine whether the requested change is within the jurisdiction of the Commission. Failure to file a complete petition or to provide supporting documentation may result in dismissal of the petition.

If the submission is complete, then further action will depend on whether the other party has concurred with the requested change in assessed and/or taxable values:

1. If the other party concurs, then the matter will be scheduled for action at the next State Tax Commission meeting with further notice to the parties, unless the Executive Director of the Commission disagrees with the proposed change.
2. If the other party does not concur, or fails to enter either a concurrence or non-concurrence, or if the Executive Director of the Commission disagrees with the proposed change, then the matter will be scheduled before the Commission with notice to all parties, so that the parties and/or the Executive Director have the opportunity to be heard on the matter.

Once a matter has been scheduled, postponements will be granted only "for cause" and requests must be made at least 20 days prior to the meeting date. Postponements may be requested "for cause" less than 20 days prior to the meeting date but typically require the appearance of the party who is making the request at the meeting to seek postponement directly from the State Tax Commission.

The proceedings before the State Tax Commission are concluded by the entry of an Order. A person to whom property is assessed under Section 154 of the General Property Tax Act may appeal the State Tax Commission's Order within 35 days of the entry of the Order to the Michigan Tax Tribunal.

D. PROCEDURE TO BE USED FOR DECREASES DUE TO SECTION 154 PROCEEDINGS

When an assessed and/or taxable value is decreased due to a Section 154 petition, a refund of excess tax payments is made to the taxpayer by the county treasurer. The refund shall include interest at the rate provided under section 37 of the tax tribunal act, 1973 PA 186, MCL 205.737, from the date that the tax was initially paid to the date that the refund is made. The county treasurer shall charge a refund of excess tax payments to the various taxing jurisdictions in the same proportion as the taxes levied.

E. COLLECTION PROCEDURES FOR INCREASES DUE TO SECTION 154 PROCEEDINGS

When an assessed and/or taxable value is increased due to a Section 154 petition, the increased taxes are collected by the treasurer who has possession of the tax roll for the year of the assessment being changed.

Example: On December 6, 2016, the State Tax Commission orders an increase in the TV of real property for the years 2016, 2015, and 2014, as a result of a Section 154 petition. In this situation, the local unit treasurer collects the 2016 taxes and the county treasurer collects the 2015 and 2014 taxes.

The tax bill resulting from an increase in taxes due to an increased assessed and/or taxable value made pursuant to Section 154 shall be sent no later than 20 days after receipt of the State Tax Commission order certifying the amount of the change in assessed and/or taxable value. The tax bill is sent by either the local unit treasurer or the county treasurer depending on which treasurer has possession of the tax roll for the year of the assessment being changed. This procedure is the same for both real and personal property.

Increases in Taxes for Real Property

For increases in taxes for real property, if the additional taxes are not paid as of March 1 of the year following the State Tax Commission Order, the real property shall be returned as delinquent to the county treasurer and is subject to forfeiture, foreclosure, and sale as provided by sections 78 to 79a of the General Property Tax Act. **The time period for paying the tax without penalty or interest is the same as the CURRENT year's real property taxes billed on December 1 of the current year.**

Important Note: The delinquency provisions explained in the previous paragraph do not apply to real property subject to taxation under the following acts:

- PA 198 of 1974, sometimes referred to as the Industrial Facilities Tax Act.
- PA 282 of 1905 which provides for the assessment by the State of certain public utilities.
- PA 189 of 1953 which provides for the taxation of users of tax exempt property.
- PA 255 of 1978 known as the Commercial Redevelopment Act.

Increases in Taxes for Personal Property

For increases in taxes on personal property, it is the view of the State Tax Commission that an increase in personal property taxes should be billed and collected in the same manner as the increase in real property taxes. That being the case, the billing for increased taxes shall be sent no later than 20 days after receipt of the State Tax Commission Order and the increase in personal property taxes should be collected by the treasurer having possession of the tax roll, using the same procedures which are used to collect the CURRENT year's personal property taxes billed on December 1 of the current year. However, MCL 211.154 provides that in the case of increased personal property taxes, penalty and interest at the rate of 1.25% per month, or fraction thereof, accrues from the date the taxes originally could have been paid without interest or penalty to the date of the issuance of the Commission's Order. In other words, the billing shall include penalty and interest if the original date for paying the tax billing in question without interest has passed. Even if the original bill for taxes was paid timely, the revised bill for omitted or incorrectly reported property might include penalty and interest on additional taxes due from the last day that the original tax billing could have been paid without interest and penalty, through the date of the State Tax Commission's Order.

If a corrected tax billing for the payment of additional personal property tax ordered by the State Tax Commission is not paid within 60 days of the date that the corrected billing is sent, Section 154 provides that penalty and interest at the rate of 1.25 % per month, or fraction thereof, will again begin to accrue until the bill is paid.

The State Tax Commission has determined that the following principles apply relating to the penalty and interest provisions for additional personal property taxes ordered pursuant to MCL 211.154:

1. The 1.25% per month penalty and interest is in lieu of all other possible charges for penalties and interest on increases in personal property assessments under MCL 211.154. No additional charges for penalty and interest, as addressed in MCL 211.44, may be added.
2. The Commission recommends that treasurers use March 1 as the day that winter taxes become delinquent, not February 15, for purposes of calculating the 1.25% charge on Section 154 orders.
3. September 15 is frequently the day that summer taxes become delinquent. However, some local units have summer billing due dates in their charters other than September 15. If this is the case, the treasurer should base the calculations for the 1.25% for Section 154 orders on the date provided for in the charter.
4. The reference to payment within 60 days after the corrected bill is issued, as contained in MCL 211.154(3), refers to the fact that, after entry of the State Tax Commission order, interest is computed to the date of issuance of the revised billing and no further interest accrues until the expiration of 60 days following the issuance of the revised bill. If the revised bill is not paid within said 60-day period, the 1.25% per month, or fraction thereof, again begins to accrue.

5. The 1.25 % interest and penalty procedure only applies to situations where the revised bill is sent after the last day that the bill for the tax originally could have been paid without interest and penalty. If the revised bill is sent before the last day that the tax originally could have been paid without interest and penalty then the normal collection procedures for the current year apply.

F. CORRECTIONS, RECONSIDERATION, AND APPEALS

Corrections

If it is determined that an order incorrectly states the existing parcel number, or the amount of the existing taxable value or assessed value, a technical amendment to the order may be requested by US mail or e-mail (Treas-154petitions@michigan.gov). Please include adequate information on the changes that must be made.

Reconsideration

The State Tax Commission *may* reconsider its determination. The State Tax Commission is more often willing to reconsider its determination if both the taxpayer and the assessor agree that a mistake was made and the State Tax Commission finds that there is an adequate factual basis for determining that a mistake occurred. **A request for reconsideration does not extend the time for filing an appeal to the Michigan Tax Tribunal.**

Appeals

If the change which is sought is of a substantive nature, rather than a correction as referenced above, an appeal of the State Tax Commission's determination must be filed with the Michigan Tax Tribunal, within 35 days of the State Tax Commission's determination. The State Tax Commission record in each case shall be available to the Michigan Tax Tribunal for subsequent proceedings. More information on how to file an appeal with the Michigan Tax Tribunal can be found at www.michigan.gov/taxtrib or by calling the Michigan Tax Tribunal at (517) 373-4400.

G. ADDITIONAL INFORMATION

Additional information relating to the administration of MCL 211.154 can be found at www.michigan.gov/154petitions. The information available includes:

- Status of 154 Petitions
- Petition Forms
- 154 Petition Orders
- State Tax Commission meeting schedules and agendas
- General Property Tax, Act 206 of 1893, which includes MCL 211.154
- State Tax Commission Rules related to Section 154

DRAFT 11-13-17

L-4154

Assessor or Equalization Director's Notice of Property Incorrectly Reported or Omitted From Assessment Roll

OFFICE USE ONLY

File Number
154-

This form is issued under authority of Section 211.154, MCL. **Filing is mandatory.**

PART 1: ASSESSOR/EQUALIZATION DIRECTOR SECTION

ASSESSOR/EQUALIZATION DIRECTOR INFORMATION (Type or Print Legibly)

Name of Assessor or Equalization Director	Telephone Number	E-mail Address	
Mailing Address (Number, Street, PO Box)	City	State	ZIP Code

PROPERTY AND ASSESSMENT ROLL INFORMATION

Name(s) of Property Owner(s)			
Owner's Mailing Address (Number, Street, PO Box)	City	State	ZIP Code
County Where Property is Located	Name of Local Assessing Unit	Village Name (if applicable)	
Parcel Code	Name of School District Where Property is Located		

Property Classification

- | | | | |
|---|--|--|--|
| <input type="checkbox"/> Real Residential | <input type="checkbox"/> Real Agricultural | <input type="checkbox"/> Personal Industrial | <input type="checkbox"/> Personal Residential |
| <input type="checkbox"/> Real Industrial | <input type="checkbox"/> Real Developmental | <input type="checkbox"/> Personal Commercial | <input type="checkbox"/> Personal Agricultural |
| <input type="checkbox"/> Real Commercial | <input type="checkbox"/> Real Timber-Cutover | <input type="checkbox"/> Personal Utility | <input type="checkbox"/> Special Roll (PA 198, PA 255, PA 189) |

REASON FOR THIS NOTICE

The Assessor or Equalization Director must provide a detailed explanation for requesting this change. Attach an additional page if necessary.

Year(s) for Which Notice was Given	ASSESSED VALUE		TAXABLE VALUE	
	Assessed Value on Assessment Roll	Requested Assessed Value	Taxable Value on Assessment Roll	Requested Taxable Value

REAL AND PERSONAL PROPERTY INFORMATION (Question 1 Personal Property only)

- Did the owner of the property complete and deliver a Form 632 (L-4175), *Personal Property Statement*, or Form 5278, *Eligible Manufacturing Personal Property Combined Document*, for each year that this notice covers that was:
☐ Timely Filed? (Accepted as filed and used in determining the assessment that was confirmed by the Board of Review?)
☐ Estimated/Not Filed? If estimated or not filed, indicate the year(s): _____
- Is this property assessed on the Industrial Facilities Tax Roll, the Commercial Facilities Tax Roll, the Technology Park Facilities Roll, the Neighborhood Enterprise Zone Roll, the Renaissance Zone or as an Act 189 of 1953 assessment?
☐ Yes ☐ No If Yes, specify the roll: _____

ASSESSOR/EQUALIZATION DIRECTOR CERTIFICATION

I certify that the taxpayer's assessments for years open to correction which are not included on this form have been reviewed and it has been determined that the assessments were correct as rendered or, if the assessments were estimated, that the estimates were adequate in amount.

Assessor or Equalization Director Signature	Date
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See page 2 for instructions for the assessor/equalization director.

The property owner/agent must complete and sign page 2, and submit the complete form to the assessor.

Parcel Code from Page 1

INSTRUCTIONS FOR ASSESSOR/EQUALIZATION DIRECTOR**NOTICE: THIS FORM WILL NOT BE PROCESSED IF THE FOLLOWING DOCUMENTATION IS NOT PROVIDED:**

Each form must include calculations showing how the proposed revision in assessed and taxable value was calculated.

Personal Property: Include a copy of the original Form 632 (L-4175), or Form 5278, and a copy of the amended Form(s).

Real Property: Include a copy of the record card showing that property was omitted from the record card, or that the property was included on the record card when it did not exist, or that an item on the record card was incorrect.

For a complete list of items needed to process your application, review the "MCL 211.154 Checklist" online at www.michigan.gov/154 petitions.

The State Tax Commission's jurisdiction under MCL 211.154 is limited to correcting assessments for the current assessment year (the year of discovery and disclosure to the State Tax Commission) and two immediately preceding years. Although you must present a copy of this form to the property owner for concurrence or disagreement, you may also immediately submit a second copy of this form, without the owner's concurrence or disagreement, to the State Tax Commission. Your failure to do so by December 31 of the current calendar year may affect the Commission's jurisdiction to consider all of the assessment years that the Assessor or Equalization Director included on this form.

PART 2: PROPERTY OWNER SECTION**OWNER'S CONCURRENCE OR DISAGREEMENT**

THIS SECTION SHALL BE COMPLETED BY THE PROPERTY OWNER AND THE SIGNED FORM AND ANY ATTACHMENTS RETURNED TO THE ASSESSOR.

- ☐ **I AGREE** with this request for corrected Assessed Value and/or Taxable Value.
- ☐ **I DO NOT AGREE** with this request for corrected Assessed Value and/or Taxable Value. (The owner who checks this box must submit an explanation below for not concurring with this request.)

OWNER'S EXPLANATION FOR NON-CONCURRENCE (Attach additional pages as necessary)**OWNERSHIP OF PROPERTY**

Did the property that is indicated in this form change ownership during the time period starting with the earliest year for which a change is being requested, up to the present?

☐ Yes ☐ No If Yes, insert the date the ownership changed: _____

PROPERTY OWNER CERTIFICATION

I hereby certify that all the information contained within, and attached to, this application is true and accurate to the best of my knowledge, information and belief.

Property Owner Signature

Date

Telephone Number

E-mail Address

www.michigan.gov/154 petitions**STC Date Stamp**

DRAFT 11/13/17

L-4155

Notice by Owner of Property Incorrectly Reported or Omitted From Assessment Roll

This form is issued under authority of Section 211.154, MCL.

OFFICE USE ONLY

File Number
154-

PART 1: PROPERTY OWNER/AGENT SECTION

PROPERTY OWNER INFORMATION				ATTORNEY OR AGENT INFORMATION (if applicable)			
Property Owner Name (First, Middle Initial, and Last)				Name (First, Middle Initial, and Last)			
Street Address				Street Address			
City		State	ZIP Code	City		State	ZIP Code
E-mail Address		Telephone Number		E-mail Address		Telephone Number	

PROPERTY AND ASSESSMENT ROLL INFORMATION

County Where Property is Located		Name of Assessing Unit (indicate City or Township)		Village Name (if applicable)	
Parcel Code		School District Name			
Property Classification					
<input type="checkbox"/> Real Residential	<input type="checkbox"/> Real Agricultural	<input type="checkbox"/> Personal Industrial	<input type="checkbox"/> Personal Residential		
<input type="checkbox"/> Real Industrial	<input type="checkbox"/> Real Developmental	<input type="checkbox"/> Personal Commercial	<input type="checkbox"/> Personal Agricultural		
<input type="checkbox"/> Real Commercial	<input type="checkbox"/> Real Timber-Cutover	<input type="checkbox"/> Personal Utility	<input type="checkbox"/> Special Roll (PA 198, PA 255, PA 189)		

	ASSESSED VALUE		TAXABLE VALUE	
Year(s) for Which Notice was Given	Assessed Value on Assessment Roll	Requested Assessed Value	Taxable Value on Assessment Roll	Requested Taxable Value

PROPERTY OWNER/AGENT REASON FOR THIS NOTICE

The Property Owner or Agent must provide a detailed explanation for requesting this change. Attach an additional page if necessary.

NOTICE OF PROPERTY OWNERSHIP

Did the property that is indicated in this form change ownership during the time period starting with the earliest year for which a change is being requested, up to the present?

☐ Yes ☐ No If Yes, insert the date the ownership changed: _____

NOTICE OF PROPERTY OWNERSHIP

I hereby certify that all the information contained within, and attached to, this application is true and accurate to the best of my knowledge, information and belief.

Property Owner or Agent Signature	Date
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NOTICE: THIS FORM WILL NOT BE PROCESSED IF THE FOLLOWING DOCUMENTATION IS NOT PROVIDED:

Each form must include calculations showing how the proposed revision in assessed and taxable value was calculated.

Personal Property: Include a copy of the original Form 632 (L-4175) or Form 5278 timely filed and date stamped by the local jurisdiction and a copy of the amended Form 632 (L-4175).

Real Property: Include a copy of the record card showing that property was omitted from the record card, or that the property was included on the record card when it did not exist, or that an item on the record card was incorrect.

For a complete list of items needed to process your application, review the "MCL 211.154 Checklist" online at www.michigan.gov/154 petitions.

See page 2 for filing instructions for the property owner or agent.

The assessor must complete and sign page 2, and submit the complete form to the Michigan Department of Treasury as directed.

Parcel Code from Page 1

FILING INSTRUCTIONS FOR PROPERTY OWNER OR AGENT

When you have completed this form, **send or carry one copy to your local assessor**, who will complete the Assessor Sections below and file the fully completed form with the State Tax Commission (STC). The STC's jurisdiction under MCL 211.154 is limited to correcting assessments for the current assessment year (the year of discovery and disclosure to the STC) and two immediately preceding years. You may immediately submit a second copy of this form to the STC at the address on the bottom of this form. Your failure to do so by December 31 of the current calendar year may affect the STC's jurisdiction to consider all of the assessment years that you have included on this form.

PART 1: ASSESSOR SECTION**REAL AND PERSONAL PROPERTY INFORMATION**

- Did the owner of the property complete and deliver a Form 632 (L-4175) Personal Property Statement or Form 5278 Eligible Manufacturing Personal Property Combined Document for each year that this notice covers, that was:
 - ☐ Timely Filed? (Accepted as filed and used in determining the assessment that was confirmed by the Board of Review?)
 - ☐ Estimated/Not Filed? If estimated or not filed, indicate the year(s): _____
- Is this property assessed on the Industrial Facilities Tax Roll, the Commercial Facilities Tax Roll, the Technology Park Facilities Roll, the Neighborhood Enterprise Zone Roll, the Renaissance Zone or as an Act 189 of 1953?
 - ☐ Yes ☐ No If Yes, specify the roll: _____

ASSESSOR CONCURRENCE OR DISAGREEMENT

- ☐ **I AGREE** with this request for corrected Assessed Value and/or Taxable Value.
- ☐ **I DO NOT AGREE** with this request for corrected Assessed Value and/or Taxable Value. (The assessor who checks this box must submit an explanation below for not concurring with this request.)

ASSESSOR EXPLANATION FOR CONCURRENCE OR DISAGREEMENT**ASSESSOR CERTIFICATION**

I hereby certify that all the information contained within, and attached to, this application is true and accurate to the best of my knowledge, information and belief.

Assessor Signature

Date

Assessor Name

Address (Number, Street, City, State and ZIP Code)

Telephone Number

E-mail Address

RETURN THE COMPLETED AND SIGNED FORM, AND ANY ATTACHMENTS, TO:

Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing MI 48909

www.michigan.gov/154 petitions

STC Date Stamp

DRAFT 11/16/17

L-4156

**Notice of Property Incorrectly Reported or Omitted
from the Assessment Roll Filed by a Person other than
the Owner, Assessor or Equalization Director**

This form is issued under authority of Section 211.154, MCL.

OFFICE USE ONLY

File Number

INFORMATION FROM PERSON GIVING NOTICE (must be typed or printed legibly)

PROPERTY OWNER (if known)		DESCRIPTION OF PROPERTY OMITTED OR INCORRECTLY REPORTED	
Name of Property Owner(s)		Describe property in detail, and attach additional sheets if necessary.	
Owner's Address (No. and Street, City, State and ZIP Code)			
Property Location (Complete address, Parcel No., or (legal) description of place where incorrectly reported or omitted property is located.)			
		NAME & ADDRESS OF PERSON GIVING NOTICE	
		Name	
		Address (No. and Street, City, State and ZIP Code)	
		Daytime Phone Number	
		E-mail Address	
SIGNATURE AND CERTIFICATION OF PERSON GIVING NOTICE			
I certify that the above information is correct to the best of my knowledge and belief.			
Signature		Date	

PROPERTY AND ASSESSMENT ROLL INFORMATION (Completed by State Tax Commission)

County Where Property is Located	Name of Assessing Unit (include City or Township)	Village Name (if applicable)		
School District	Property Classification			
Parcel Code (or enter property description)				
PERSONAL PROPERTY NOTICES ONLY: For the owner of the property complete and deliver a Form 632 (L-4175), Personal Property Statement, for each year that this notice covers, that was: <input type="checkbox"/> Timely Filed? (Accepted as filed and used in determining the assessment that was confirmed by the Board of Review?) <input type="checkbox"/> Estimated/Not Filed? If estimated or not filed, indicate the year(s): _____				
	ASSESSED VALUE		TAXABLE VALUE	
Year(s) for Which Notice was Given	Assessed Value on Assessment Roll	Requested Assessed Value	Taxable Value on Assessment Roll	Requested Taxable Value
Signature of Chairperson/Executive Director, Michigan State Tax Commission			Date	
Michigan State Tax Commission Findings (for STC use only):				

Parcel Code from Page 1

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ASSESSOR'S CONCURRENCE OR DISAGREEMENT WITH THIS REQUEST

This section must be completed by the assessor.

- ☐ **I AGREE** with this request for corrected Assessed Value and/or Taxable Value.
- ☐ **I DO NOT AGREE** with this request for corrected Assessed Value and/or Taxable Value. (The assessor who checks this box must submit to the State Tax Commission an explanation below of the reason for not concurring.)

Assessor's Explanation for Not Concurring:

Assessor Signature

Date

Assessor Name

Title

Address (Number, Street, City, State and ZIP Code)

Telephone Number

E-mail Address

OWNER'S CONCURRENCE OR DISAGREEMENT WITH THIS REQUEST

This section must be completed by the property owner or agent.

- ☐ **I AGREE** with this request for corrected Assessed Value and/or Taxable Value.
- ☐ **I DO NOT AGREE** with this request for corrected Assessed Value and/or Taxable Value. (The owner who checks this box must submit to the State Tax Commission an explanation below for not concurring with this request.)

Owner's Explanation for Not Concurring:

Did the property covered by this notice change ownership during the time period starting with the earliest year for which a change is being requested, up to the present?

☐ Yes ☐ No If Yes, give date: _____

Property Owner or Agent Signature

Date

Telephone Number

E-mail Address

RETURN THE COMPLETED AND SIGNED FORM TO:

Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing MI 48909

www.michigan.gov/154 petitions

STC Date Stamp



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

Bulletin No. 22 of 2017
November 28, 2017

2018 PROPERTY TAX APPEAL PROCEDURES

Type of Appeal	Board of Review	Treasury	Tax Commission	Tribunal
2018 Assessed Value and/or Tentative Taxable Value	March 2018*	NO REVIEW AUTHORITY	NO REVIEW AUTHORITY	May 31, 2018 Industrial, Developmental, Commercial or Utility Personal Class by Petition July 31, 2018 Residential, Timber-Cutover or Agricultural Class by Petition
2018 Poverty Exemptions Under MCL 211.7u	March 2018* <u>OR</u> July or Dec 2018*	NO REVIEW AUTHORITY NO REVIEW AUTHORITY	NO REVIEW AUTHORITY NO REVIEW AUTHORITY	July 31, 2018 by Petition Within 35 Days of Denial by Petition
2018 Assessment Classification	March 2018*	NO REVIEW AUTHORITY	June 30, 2018	NO REVIEW AUTHORITY except for appeals filed by Treasury
Denial by Assessor of Eligible Manufacturing Personal Property Exemption (MCL 211.9m and 211.9n)	March 2018*	NO REVIEW AUTHORITY	NO REVIEW AUTHORITY	Within 35 days after date of notice of denial by Petition

2018 PROPERTY TAX APPEAL PROCEDURES

Page 2 of 2

QUALIFIED AGRICULTURAL PROPERTY EXEMPTIONS

Type of Appeal	Board of Review	Treasury	Tax Commission	Tribunal
Denial by Assessor of Continuation of 2017 Qualified Agricultural Exemption for 2018	March 2018*	NO REVIEW AUTHORITY	NO REVIEW AUTHORITY	July 31, 2018 by Petition
Denial by Assessor of Qualified Agricultural Exemption for 2018	July or Dec. 2018 for 2018 Exemption Only *	NO REVIEW AUTHORITY	NO REVIEW AUTHORITY	Within 35 Days of Board of Review Action by Petition
Qualified Agricultural Exemption which was NOT on the 2017 and/or 2018 Tax Roll	July or Dec. 2018 for 2017 and/or 2018 Exemption*	NO REVIEW AUTHORITY	NO REVIEW AUTHORITY	Within 35 Days of Board of Review Action by Petition

PRINCIPAL RESIDENCE EXEMPTIONS

Type of Appeal	Board of Review	Treasury	Tax Commission	Tribunal
Denial by Assessor OR by auditing County of Principal Residence Exemption for 2015, 2016, 2017, 2018	NO REVIEW AUTHORITY	NO REVIEW AUTHORITY	NO REVIEW AUTHORITY	Within 35 days after date of notice of denial by Petition
Principal Residence Exemption which was NOT on the 2015, 2016, 2017 and/or 2018 Tax Roll	July or Dec. 2018	Within 35 Days of Board of Review Action	NO REVIEW AUTHORITY	Within 35 Days of Final Decision by Department of Treasury by Petition
Denial by Assessor due to Rescission of Principal Residence Exemption	NO REVIEW AUTHORITY	NO REVIEW AUTHORITY	NO REVIEW AUTHORITY	Within 35 days after date of notice of denial by Petition
Treasury Denial of Principal Residence Exemption	NO REVIEW AUTHORITY	Within 35 days after date of notice of denial	NO REVIEW AUTHORITY	Within 35 days of the final decision by Department of Treasury by Petition

*Contact your local unit of government for the dates of the Board of Review



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

Bulletin No. 23 of 2017
November 28, 2017
Certified Interest Rates

TO: Assessing Officers and County Equalization Directors

FROM: Michigan State Tax Commission

SUBJECT: Certified Prevailing Institutional Lending Rates of Interest for the Period
July 2017 through September 2017, Expressed as Percentages.

	Residential	Commercial/Industrial	Agricultural
January	4.63	4.43	4.71
February	4.67	4.43	4.71
March	4.70	4.43	4.71
April	4.55	4.30	4.80
May	4.51	4.30	4.80
June	4.40	4.19	4.80
July	4.52	4.32	4.86
August	4.36	4.21	4.86
September	4.22	4.20	4.86
October			
November			
December			

Note: The use of these rates is discussed in Bulletin No. 11 of 1985 dated October 14, 1985.



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

BULLETIN NO. 24 of 2017
CHANGES FOR 2018
November 28, 2017

TO: Assessors
Equalization Directors

FROM: State Tax Commission (STC)

RE: **PROCEDURAL CHANGES FOR THE 2018 ASSESSMENT YEAR**

The purpose of this Bulletin to provide information on statutory changes or procedural changes for the 2018 assessment year.

A. Inflation Rate Used in the 2018 Capped Value Formula

The inflation rate, expressed as a multiplier, to be used in the 2018 Capped Value Formula is 1.021.

The 2018 Capped Value Formula is as follows:

$$\text{2018 CAPPED VALUE} = (\text{2017 Taxable Value} - \text{LOSSES}) \times 1.021 + \text{ADDITIONS}$$

The formula above does not include 1.05 because the inflation rate multiplier of 1.021 is lower than 1.05.

B. Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for 2018

MCL 211.7u, which deals with poverty exemptions, was significantly altered by PA 390 of 1994 and was further amended by PA 620 of 2002.

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemption guidelines and those income levels **shall not be set lower** by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services. This means, for example, that the income level for a household of 3 persons **shall not** be set lower than \$20,420 which is the amount shown on the following chart for a family of 3 persons. The income level for a family of 3 persons may be set higher than \$20,420. Following are the federal poverty guidelines for use in setting poverty exemption guidelines for 2018 assessments.

Size of Family Unit	Poverty Guidelines
1	\$12,060
2	\$16,240
3	\$20,420
4	\$24,600
5	\$28,780
6	\$32,960
7	\$37,140
8	\$41,320
For each additional person	\$4,180

Note: PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of the local assessing unit shall also include an asset level test. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash for use in the payment of property taxes. The asset test should calculate a maximum amount permitted and all other assets above that amount should be considered as available. Please see STC Bulletin 5 of 2012 for more information on poverty exemptions.

Note: P.A. 135 of 2012 changed the requirements for filing documentation in support of a poverty exemption to allow an affidavit (Treasury Form 4988) to be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. This does include the owner of the property who is filing for the exemption.

C. Multipliers for the Valuation of Free-Standing Communication Towers

The State Tax Commission recommends that, subject to the qualifications stated below, communication towers should be valued for the 2018 assessment year using the table of **historical** (original cost when the tower was new) cost valuation multipliers set forth in the multiplier table below. These multipliers have been developed in a manner such that they account for the typical depreciation which is expected for a tower of the indicated age and also account for changes in the cost of the tower and erecting it that have occurred since the time the tower was constructed. On this basis, the multiplier table which is shown below is intended to predict the current true cash value of a tower of the vintage year in which the tower was constructed. An important component in determining the current value of a tower built in a given year is the change in the cost of materials, particularly changes in the cost of steel, between the time of construction and the current tax day. Since the table considers both depreciation and changes in construction costs, and since changes in construction cost have not always occurred at a constant rate, the multiplier table does not always evidence a decline in the rate by which the historical cost must be adjusted in order to determine current value. This effect is expected and can be better understood if one remembers that the multiplier table is not a depreciation table and the multipliers are applied to the historic cost of construction, not to the current replacement cost.

Communication towers are real property. When a communication tower is built on land owned by the owner of the tower, the tower is valued and assessed as a real property

improvement to the land on which it is located. When a communication tower is built on leased land, the owner is required to report the original construction cost of the tower on Section N of its personal property statement, in the same way that it would report any other structure on leased land. Although the construction costs are reported on the personal property statement, a tower on leased land is not assessed on the personal property assessment roll. Instead, the assessor is required to establish a separate real property assessment for a tower located on leased land, using the procedures set forth in State Tax Commission Bulletin 8 of 2002 and State Tax Commission Bulletin 1 of 2003.

Please note: Sometimes communication towers are located on land that is exempt because the land is owned by an exempt entity such as a municipality or is otherwise exempt. When this occurs, the tower must be assessed to the tower owner on the real property roll as a structure on leased land. IN ADDITION, the assessor must also consider whether the land should also be assessed to the tower owner as provided by MCL 211.18.

There may be situations where the value of a particular freestanding communication tower is more or less than the figure developed by using this table. This could be due to unusual depreciation (physical deterioration and/or obsolescence) or an unusual enhancement in value caused by supply and demand factors in a particular area.

The State Tax Commission has developed STC Form 3594 for reporting the costs of freestanding communication towers. This form was developed for the specific purpose of gathering construction cost information for communication towers. The assessor may use this form to gather detailed information regarding the construction costs of communication towers. This cost information can then be used as a basis for valuation by multiplying the historic cost by the appropriate multiplier from the table located below.

Please note the following:

- The preferred method for valuing freestanding communication towers is using original cost new multiplied by the appropriate multiplier from the following table.
- In some cases historical/original cost may be unobtainable. Those cases may require using the Assessor's Manual cost new multiplied by the Assessor's Manual depreciation table multiplier.
- Do not apply the Assessor's Manual depreciation table multipliers to the historical/original cost of a tower.
- Do not apply the communication tower multipliers from the following table to the Manual cost new of a tower.

State Tax Commission Form 3594 is a real property statement and, as such, the taxpayer is not required to complete and submit the form to the assessor unless the taxpayer is specifically asked to do so. If a communication tower is located on leased land, the owner should already be reporting its original acquisition costs on Section N of the personal

property statement (STC Form L-4175). If so, the assessor would only need to send STC Form 3594 if more detailed information regarding costs is needed. The assessor IS NOT REQUIRED TO SEND STC Form 3594 to tower owners each year. The following table applies to both guyed and self-supporting communication towers.

**HISTORICAL (ORIGINAL) COST VALUATION MULTIPLIERS FOR USE IN
2018 ASSESSMENTS OF FREESTANDING COMMUNICATIONS TOWERS**

YEAR OF CONSTRUCTION	MULTIPLIER	YEAR OF CONSTRUCTION	MULTIPLIER
2017	0.97	1997	0.89
2016	0.93	1996	0.88
2015	0.91	1995	0.89
2014	0.90	1994	0.87
2013	0.88	1993	0.89
2012	0.87	1992	0.87
2011	0.87	1991	0.85
2010	0.82	1990	0.84
2009	0.82	1989	0.81
2008	0.83	1988	0.84
2007	0.85	1987	0.82
2006	0.85	1986	0.81
2005	0.8	1985	0.79
2004	0.94	1984	0.77
2003	0.83	1983	0.79
2002	0.91	1982	0.83
2001	0.90	1981	0.88
2000	0.91	1980	0.97
1999	0.90	1979	1.07
1998	0.89	1978 and prior	1.14

D. Property Classification

The State Tax Commission reminds assessors that classification is to be determined annually and is based upon the use of the property and not highest and best use of the property. The Commission is aware that some assessors are still classifying property according to highest and best use and/or are not classifying property on an annual basis. The Commission asks that all assessors take the necessary steps to ensure that all real and personal property is properly classified according to MCL 211.34c.

E. Sales Studies

Equalization study dates are as follows for 2018 equalization:

Two Year Study: April 1, two years prior through March 31, current year
Single Year Study: October 1, preceding year through September 30, current year

For 2017 studies for 2018 equalization the dates are as follows:

Two Year Study: April 1, 2015 through March 31, 2017
Single Year Study: October 1, 2016 through September 30, 2017

Note that the time period revisions apply to all equalization studies, that is: sales ratio studies, land value studies and economic condition factor studies for appraisals. Also note that the revised time period for two year studies applies to all real property classifications.

Please be advised that the above sale study dates are not the same as the valuation date used in appeals before the Michigan Tax Tribunal. Evidence presented in a Tax Tribunal appeal should reflect the value of the property as of tax day (December 31). This means that sales occurring *after* March 31, 2017 and September 30, 2017 should still be considered and included when submitting evidence in a Tax Tribunal appeal involving the 2018 tax year.

F. Changes to Personal Property Tax

PA 329 of 2016 amended MCL 211.9f by requiring that, subsequent to December 31, 2016, eligible local assessing districts and eligible Michigan development corporations must enter into a written agreement with eligible businesses prior to adopting a resolution exempting new personal property from the collection of property taxes. The written agreement must contain the following statements:

1. The exemption is revoked if the eligible business is determined to be in violation of the written agreement's provisions.
2. The eligible business may be required to repay all or part of the personal property taxes exempted under MCL 211.9f if it is determined to be in violation of the written agreement's provisions.
3. The exemption is revoked if the eligible business is determined to be in violation of the provisions concerning the exemption set forth in the resolution adopted by the local assessing district.
4. The exemption is revoked if continuance of the exemption would be contrary to any of the requirements of MCL 211.9f.

Form 3427, a sample written agreement and an updated checklist can also be found on the [New Personal Property Exemption](#) webpage.

To claim the eligible manufacturing personal property (EMPP) exemption for the 2018 assessment year, a fully completed 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)*,

must be received by the Assessor of the local unit of government where the qualified personal property is located no later than February 20, 2018. Taxpayers should not complete this form unless the personal property meets the definition of eligible manufacturing personal property.

Property that was placed in service in 2008 through 2012 will still be reported as ad valorem personal property in Part 2 on Form 5278, the *Combined Document*. Property meeting the definitions of qualified new personal property and qualified previously existing personal property placed in service after 2012 and prior to 2008 will be exempt from ad valorem taxes and will instead pay the state specific Essential Services Assessment. Property that is subject to an IFT certificate that has expired, but is subject to extension under MCL 207.561a, will report property placed in service in 2008 through 2012 in Part 2 and property placed in service in all years of Part 3. Property that is subject to a New Personal Property (P.A. 328) exemption that has expired, but is subject to extension under MCL 211.9f(9), will report property placed service in all years of Part 3.

Assessors are reminded that they are not required to mail Form 5278 to taxpayers. Taxpayers can obtain a copy from the Department of Treasury's website, www.michigan.gov/esa. Assessors should ensure that Form 5278 is timely filed and fully completed by the property owner. The Assessor is responsible for granting the exemption and should therefore carefully evaluate the business activities of the claimant to ensure that they meet the statutory requirements of the Eligible Manufacturing Personal Property Exemption. The Commission strongly recommends that assessors contact taxpayers who have not fully completed Part 1 of Form 5278 in an effort to obtain the missing information before issuance of a denial.

Assessors will have to accurately enter all the Form 5278 information into their assessing software. Assessors that do not have BS&A software and that have taxpayers claiming the personal property exemption will be provided with reporting instructions from the Department of Treasury. All data from Form 5278 must be entered and uploaded to BS&A for submission to the Department of Treasury no later than April 1, 2018.

Further information and guidance on the Eligible Manufacturing Personal Property (EMPP) Exemption, Special Acts and the Essential Services Assessment (ESA) is available at www.michigan.gov/ESA. Additional questions should be sent via email to ESAQuestions@michigan.gov.

G. Disabled Veterans Exemption

Mid-Year Changes

If the disabled veteran buys a home mid-year, the Commission's guidance remains that the veteran can only receive the exemption on taxes they have paid or will pay on that new home. The Commission has advised assessors that they should ask to see the closing documents to determine if there is any information that will assist in the determination of those taxes the veteran has paid or will pay. In the absence of relevant information contained in the closing documents, the STC advises assessors to divide the total taxes for the year by 12 and then multiply that number by the number of months the veteran will own the home and use it as their homestead. This is a calculation that is easy for the taxpayer to understand.

If a disabled veteran sells their home mid-year or dies mid-year and has no surviving spouse, assessors are advised to file a MCL 211.154 petition with the STC to put the property back on the assessment roll. Taxes to be billed to the new owner or estate can be calculated using the same methods described above.

If the status of the veteran changes mid-year, meaning they are granted 100% disability status and if they have owned the home for the full year and meet all other statutory requirements, the STC advises that the July or December Board of Review can grant the exemption for the full year.

Unremarried Surviving Spouse

The State Tax Commission is aware that the Michigan Tax Tribunal in MTT Docket 16-004780 - *Deborah E. Rabun v City of Farmington Hills*, held that a surviving spouse cannot qualify for the exemption when the deceased disabled veteran never owned or occupied the subject property as a homestead.

While the STC understands that is the position of the Tax Tribunal, the STC does not agree or support that determination. The STC in their ongoing guidance indicated that: *the Disabled Veteran's exemption is not an exemption for the benefit of the property. Instead, it is an exemption personal to the qualifying disabled veteran or the unremarried surviving spouse of the qualified deceased disabled veteran.*

Since the Disabled Veterans Exemption is personal to the qualified individual, the STC is advising assessors and Boards of Review that they can and should approve exemptions for unremarried surviving spouse that meet all other statutory requirements, regardless of if the disabled veteran ever owned or occupied that subject property as a homestead.

More guidance on the Disabled Veterans Exemption can be found on the STC website under the Disabled Veterans Exemption link.

H. Principal Residence Exemption

Governor Snyder signed into law on October 10, 2017 Public Acts 121 and 122 of 2017 regarding the PRE Affidavit. The Acts amend MCL 211.7cc and MCL 211.120 of the General Property Tax Act to provide that the assessor of a local tax collecting unit, the Department of Treasury, or a county treasurer or equalization director can require a person who claimed a principal residence exemption (PRE), within 30 days of claiming the PRE, to file the Principal Residence Exemption Affidavit of Similar Exemption in Other States, Form 5565, stating that he or she had not claimed a substantially similar exemption, deduction, or credit in another state.

Public Act 121 also prohibits a person from rescinding a substantially similar exemption, deduction, or credit claimed in another state in order to qualify for the Michigan PRE for any years denied, if the assessor of a local tax collecting unit, the Department of Treasury, or a county denied an existing claim for a PRE. The Act also prescribes a penalty of \$500 for a person who claimed a PRE under the Act and a substantially similar exemption, deduction, or credit in another state.

Assessors are also advised that Public Act 121 also eliminates the requirement that the local tax collecting unit submit to the Michigan Department of Treasury copies of all filed Principal Residence Exemption Affidavit Forms 2368 and Request to Rescind Principal Residence Exemption Forms 2602; instead these forms, along with Form 5565, shall be forwarded to the Michigan Department of Treasury only if requested. However, the local tax collecting unit is still required to submit to the Michigan Department of Treasury copies of filed Conditional Rescission of Principal Residence Exemption (PRE) Forms 4640, Foreclosure Entity Conditional Rescission of Principal Residence Exemption (PRE) Forms 4983, Principal Residence Exemption Active Duty Military Forms 4660, Notice of Denial of Principal Residence Exemption (Local (City/Township)) Forms 2742, and Notice of Denial of Principal Residence Exemption (County) Forms 4075.

Public Act 122 amends the General Property Tax Act to extend a misdemeanor penalty to a person who claimed a substantially similar exemption, deduction, or credit on property in another state with the intent to obtain a PRE under the Act.

More information can be found on the PRE website at www.michigan.gov/PRE.

I. Transitional Qualified Forest Property

On June 28th, 2016, Governor Snyder signed into law Public Acts 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 a Commercial Forest Reserve withdrawal penalty. Instead, the statutory changes provide for a graduated return to ad valorem property taxes by allowing a five year incremental return to full tax liability. This is accomplished by the creation of the Transitional Qualified Forest Property (TQFP) exemption and specific tax.

Public 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 property and must qualify for and have been approved as Qualified Forest Property under MCL 211.7(jj)[1]. Additionally:

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, they may apply to have the forest land determined to be Transitional Qualified Forest Property (TQFP) for a period not to exceed five (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 exempts 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 described in detail in Bulletin 8 of 2017.

Public Act 261 amends the General Property Tax Act by making minor changes to MCL 211.7jj to accommodate the Transitional Qualified Forest Property Exemption and to add MCL 211.vv, which exempts TQFP from ad valorem assessment.

More information regarding this exemption can be found in Bulletin 8 of 2017 available on the STC website under the Bulletins tab.

J. Qualified Agricultural Property Changes

PA 375 of 2016 was signed by Governor Snyder on December 28, 2016. This Act amends MCL 211.27a(6)(k) to allow a property owner to request that the assessor establish a separate tax parcel for a portion of a parcel that will no longer be qualified agricultural property. The establishment of the separate parcel *is not* a land division under the Land Division Act, Public Act 288 of 1967, until and unless the separate tax parcel is conveyed. The status of the remainder of the original parcel as qualified agricultural property is not affected by the establishment of the separate parcel that is not qualified agricultural property.

The separately established parcel which is no longer qualified agricultural property is immediately subject to the qualified agricultural property recapture tax, however the taxable value of the separate parcel of property does not uncap until and unless there is a transfer of ownership.

More information can be found in Bulletin 7 of 2017 available on the STC website under the Bulletins tab.

K. Authority of July and December Boards of Review

The State Tax Commission has become aware of a significant number of instances where Boards of Review are acting outside their statutory authorities. MCL 211.53b specifies: The board of review meeting in July and December shall meet only for the purpose described in subsection (1) (Qualified Errors) and to hear appeals provided for in sections 7u (Poverty Exemption), 7cc (Principal Residence Exemption), 7ee (Qualified Agricultural Exemption), 7jj (Qualified Forest Exemption), and 9o (Small Business Taxpayer Exemption).

Assessors should carefully review the Board of Review FAQ on the Commission's website to ensure their Boards of Review are acting within their statutory authorities.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: November 28, 2017

TO: Members of the State Tax Commission

FROM: Heather S. Frick, Executive Director

SUBJECT: Pipeline Economic Factor

In 2010, the State Tax Commission approved an economic factor for ANR Pipeline and Mid-Michigan Gas Storage. Those factors began for the 2011 year at 65% and moved in increments of 5% down to 50% for the 2014 year. We discussed a possible factor for Great Lakes Gas Transmission and determined at that point, a factor was not indicated for Great Lakes Gas Transmission.

In 2013, the Commission approved a 40% economic factor for the 2014 Great Lakes Gas Transmission and amended the prior factor approved in 2014 for ANR Pipeline and Mid-Michigan Gas Storage to 40%. The Commission adopted the same factors for the 2015, 2016 and 2017 years.

Staff received a request for a 2018 factor from Northern Natural Gas Company, which transports natural gas from Texas and Oklahoma to the upper Midwest. A small portion of that line enters and terminates in the Upper Peninsula. The reason for the requested factor was due to significant capital investments made to the pipeline system following a rupture in 2009 outside of Bessemer, Michigan and the replacement of 50 miles of pipeline in 2014 – 2015.

After meeting with representatives from the pipeline companies and further review of available data, staff recommends the Commission adopt the same factors again (40%) for the 2018 year for ANR Pipeline, Mid-Michigan Gas Storage, and Great Lakes Gas Transmission. Staff further recommends the same factor of 40% for the 2018 tax year for Northern Natural Gas Company.

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

OFFICIAL ORDER

Whereas, the State Tax Commission at its meeting on November 28, 2017 received a report regarding Caledonia Township, Alcona County and

Whereas, the staff report indicated that the Caledonia Township July Board of Review denied a disabled veterans exemption to an unremarried surviving spouse because they were misinformed regarding the application of the law and

Whereas, the July/December Board of Review affidavit indicated three reasons for the denial: not the homestead of an eligible veteran, eligibility is based on PRE and spouse moved her homestead and

Whereas, eligibility is not based upon the veteran or unremarried surviving spouse holding a PRE on the home for which they are requesting the exemption and there is no provision in statute that prevents an unremarried surviving spouse from moving to a different home 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 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 parcel 023-110-000-018-00 be granted for the 2017 tax year.

BE IT FURTHER RESOLVED that the State Tax Commission orders the Caledonia Township, Alcona County to process the exemption for parcel 023-110-000-018-00 and cancel any 2017 taxes associated with this parcel.

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 28th day of November A.D., 2017.

Douglas P. Roberts, Chairperson

Wm. Howard Morris, Member

Leonard Kutschman, Member

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



Heather S. Frick, Executive Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: November 28, 2017

TO: Members of the State Tax Commission

FROM: Heather S. Frick, Executive Director

SUBJECT: Classification Appeal Reconsideration for Appeal 17-013

At your meeting on October 30, 2017 you postponed the reconsideration decision regarding Classification Appeal 17-013 as it relates to FPT-Pontiac Division LLC and asked staff to provide you with additional information regarding the personal and real property.

The Property Owner Petition for Change of Property Classification was only received for the personal property of parcel 64-99-80-103-600 and indicated FPT Pontiac was requesting a change in classification from commercial personal to industrial personal. The petitions for change in classification specifically state, "A separate petition form must be filed for each parcel being appealed." Since a petition form for the real property was not received, staff could not consider the classification on the real property.

It appears the only notice of March Board of Review change was related to the personal property parcel 64-99-80-103-600 from the evidence submitted to the State Tax Commission. *Livingston Capital LLC v State Tax Commission, Ingham County Circuit Court Case No: 10-001224-AA* had determined that the classification of a subject property that had not first been protested to the March Board of Review by the property owner or assessor then no appealable decision under MCL 211.34c(6) could be made. Therefore, ruling the State Tax Commission lacks jurisdiction to hear an appeal. A copy of the March Board of Review is enclosed.

Therefore, staff recommends the Commission retain the classification determination of Commercial Personal as stated in your original memo received on October 30, 2017. The previous recommendation of October 30, 2017 is provided below for your review:

Appeal 17-0013 FPT-Pontiac Division LLC, Parcel 64-99-80-103-600. FPT Pontiac requested a change in classification from commercial personal to industrial personal. The photos provided by the taxpayer show the parcel as being a collection point for scrap and metal and provided no support or evidence of any manufacturing and processing going on at this location. The assessor indicated the taxpayer is a limited liability company engaged in recycling metals. The request for reconsideration focuses on the zoning at this location being "M-2 Heavy Manufacturing", which is the most intensive industrial/manufacturing zoning classification available. The request for reconsideration also indicates the petitioner's personal property is already considered to be "manufacturing" under the General Property Tax Act because it qualifies as "Eligible Manufacturing Personal Property" pursuant to MCL 211.9m and MCL 211.9n. State Tax

November 28, 2017

Commission Property Classification Guidelines indicate while zoning of a particular property may be an influencing factor, the zoning does not dictate the classification. State Tax Commission Assessor Guide to Eligible Manufacturing Personal Property Tax Exemption and ESA Guidelines indicates the classification of the property is not a determining factor in eligibility for the exemption.

DRAFT



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: November 28, 2017

TO: Members of the State Tax Commission

FROM: Emily Leik, Departmental Analyst

SUBJECT: Charitable Nonprofit Housing Organization Exemptions for Approval

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
November 28, 2017 Meeting
Applications for Approval

Application Number	Name of Charitable Organization	Unit	Unit Type	County	Parcel Number	Years Approved
17-027	Habitat for Humanity of Oakland County	Oak Park	City	Oakland	25-32-105-014	3 years
17-040	Habitat for Humanity of Huron Valley	Ann Arbor	City	Washtenaw	09-12-02-405-018	3 years
17-050	Habitat for Humanity/ Lenawee County, Inc.	Adrian	City	Lenawee	XA0-395-7009-00	3 years
17-051	Habitat for Humanity of Huron Valley	Superior	Twp	Washtenaw	J-10-35-372-008	3 years
17-052	Habitat for Humanity of Huron Valley	Ypsilanti	Twp	Washtenaw	K-11-03-128-008	3 years
17-053	Habitat for Humanity of Huron Valley	Ypsilanti	Twp	Washtenaw	K-11-02-309-020	3 years
17-054	Habitat for Humanity of Huron Valley	Ypsilanti	Twp	Washtenaw	K-11-11-435-017	3 years
17-055	Habitat for Humanity of Huron Valley	Ypsilanti	Twp	Washtenaw	K-11-10-308-032	3 years
17-056	Habitat for Humanity of Huron Valley	Ypsilanti	Twp	Washtenaw	K-11-070442-015	3 years
17-058	Habitat for Humanity of Kent County	Grand Rapids	City	Kent	41-13-36-128-014	3 years
17-059	Habitat for Humanity of Kent County	Grand Rapids	City	Kent	41-13-36-177-012	3 years
17-060	Habitat for Humanity of Kent County	Grand Rapids	City	Kent	41-17-01-158-072	5 years
17-061	Habitat for Humanity of Kent County	Grand Rapids	City	Kent	41-13-36-255-055	3 years
17-062	Habitat for Humanity of Kent County	Grand Rapids	City	Kent	41-13-36-258-027	5 years
17-063	Habitat for Humanity of Kent County	Grand Rapids	City	Kent	41-13-36-258-025	5 years
17-064	Habitat for Humanity of Kent County	Grand Rapids	City	Kent	41-13-36-334-001	3 years
17-065	Habitat for Humanity of Kent County	Grand Rapids	City	Kent	41-13-14-453-008	5 years
17-066	Habitat for Humanity of Kent County	Grand Rapids	City	Kent	41-18-08-382-012	3 years
17-067	Habitat for Humanity of Kent County	Grand Rapids	City	Kent	41-17-01-303-058	5 years
17-068	Habitat for Humanity of Kent County	Grand Rapids	City	Kent	41-17-01-303-059	5 years



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY

NICK A. KHOURI
STATE TREASURER

DATE: November 28, 2017

TO: Members of the State Tax Commission

FROM: Emily Leik, Departmental Analyst

SUBJECT: Charitable Nonprofit Housing Organization Exemptions for Denial

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 Charitable Nonprofit Housing Organization applications. All applications included in the attached list were reviewed by State Tax Commission staff, and have been determined not to comply with the statutory requirements of Public Act 456 of 2014.

It is recommended that you deny the application as the organization does not meet the statutory definition of a "charitable nonprofit housing organization," and the property does not meet the definition of "eligible nonprofit housing property."

The Act defines "charitable nonprofit housing property" as "a residential building lot, a single family dwelling, a duplex, or a multiunit building with not more than 4 individual units, owned by a charitable nonprofit housing organization, the ownership of which the charitable nonprofit housing organization intends to transfer to a low-income person to be used as that low-income person's principal residence after construction of a single family dwelling, duplex, or multiunit building on the residential building lot is completed or the renovation of the single family dwelling, duplex, or multiunit building is completed." The organization intends to develop a honey bee house, meditating art garden, butterfly art studio, and a bat educational center on the parcels of property.

The Act defines a "charitable nonprofit housing organization" as "a charitable nonprofit organization the primary purpose of which is the construction or renovation of residential housing for conveyance to a low-income person. The purpose of the Cross Pollination Corridor Project, as stated in its articles of incorporation is to "educate, train, research and practical artisan development for pollinators."

For these reasons, staff recommends that the applications on the attached list be denied.

State Tax Commission
Applications for Exemption of Charitable Nonprofit Housing Property MCL 211.7kk
November 28, 2017 Meeting
Applications for Denial

Application Number	Name of Charitable Organization	Unit	Unit Type	County	Parcel Number	Recommendation
17-069	Cross Pollination Corridor	Detroit	City	Wayne	22116892	Deny all, as the applications are for a bee, bat, and butterfly education center, which does not meet the statutory requirements for a "charitable nonprofit housing organization" or "eligible nonprofit housing property."
17-070	Cross Pollination Corridor	Detroit	City	Wayne	22116893	
17-071	Cross Pollination Corridor	Detroit	City	Wayne	22116894	
17-072	Cross Pollination Corridor	Detroit	City	Wayne	22117231	
17-073	Cross Pollination Corridor	Detroit	City	Wayne	22117231.602	
17-074	Cross Pollination Corridor	Detroit	City	Wayne	22117232	
17-075	Cross Pollination Corridor	Detroit	City	Wayne	22116900	



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

DATE: November 28, 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: November 21, 2017

New Certifications:

Cass County

City of Dowagiac

Genesee County

City of Pontiac

Flint Charter Township

Kent County

Cascade Township

Macomb County

Macomb Township

Muskegon County

City of Muskegon

City of Norton Shores

City of Roosevelt Park

City of Whitehall

Dalton Township

Egelston Township

Fruitport Township

Holton Township

Montague Township

Moorland Township

Sullivan Township



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

DATE: November 28, 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 MCL 211.12 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: November 21, 2017

New Certifications:

Calhoun County

Eckford Township

Genesee County

Atlas Township

Ingham County

Vernon Township

New Certification Denials: None

Recertification's:

Monroe County

Monroe Township

Oakland County

Bloomfield Township

Village of Leonard

City of Novi

Village of Ortonville

Recertification Denials: None