

RICK SNYDER GOVERNOR NICK A. KHOURI STATE TREASURER

**DATE:** May 27, 2017

**TO:** Members of the State Tax Commission

**FROM:** Darcy Marusich

**SUBJECT:** 2017 Final State Assessed Roll

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

The 2017 final state assessed roll is scheduled to be presented to the State Tax Commission for approval at their meeting on June 6, 2017. Staff are currently working on finalizing their valuation calculations and preparation of the final roll. The roll will be complete and presented to the State Tax Commission as scheduled.



RICK SNYDER GOVERNOR NICK A. KHOURI STATE TREASURER

**DATE:** June 6, 2017

**TO:** Members of the State Tax Commission

**FROM:** Heather S. Frick, Executive Director

**SUBJECT:** Assessor's Manual

As you are aware, in February 2017 you approved to distribute Volumes I and II of the new Assessor's Manual (the 2014 Manual) to all assessors in 2017 with authorization for use in 2018, with continued use of the 2003 manual until the 2019 assessments. At that time, only the 2014 manual is authorized for use.

Staff are working diligently to distribute Volume I and II to all local units and will make both Volumes available on the STC website later this month.

Additionally, staff have been working for several years to develop a new Volume III of the Assessor's Manual. As you are aware, Volume III provides assessors and other interested individuals specific guidance on assessing in Michigan. It is not intended as a guide on "how to assess" but rather a resource for Michigan specific guidance on assessing.

Staff recommend that you rescind the current version of Volume III and authorize the release of the 2017 Volume III. We also ask that you allow staff to make any necessary updates to the Volume to reference statutory changes or to correct errors and omissions.

### **OFFICIAL ORDER**

Whereas, the State Tax Commission at its meeting on June 6, 2017 received a report regarding the City of Escanaba, Delta County and

Whereas, the report indicated that staff became aware that the 2017 assessment roll for the City of Escanaba, Delta County was signed by Julianne Kolbe, the Delta County Equalization Director, who was not the assessing officer of record for the City of Escanaba and

Whereas, the city was notified of the facts made available to the State Tax Commission, pursuant to the Commissions policy Regarding Assumption of Jurisdiction of Assessment Rolls and

Whereas, the city responded, confirming that Julianne Kolbe was not the assessor of record at the time of signing the 2017 assessment roll and

Whereas, Julianne Kolbe submitted form 4689 indicating she was the assessor of record for the City of Escanaba on May 16, 2017 and

Whereas, Michigan Compiled Law 211.24(1) provides that "On or before the first Monday in March in each year, the assessor shall make and complete an assessment roll" 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 hereby assumes jurisdiction of the 2017 ad valorem assessment roll of the City of Escanaba, Delta County.

Further, upon review of the assessing practices of the City, the Commission finds that an Audit of Minimum Assessing Requirements was completed in 2016. The audit reflected no significant deficiencies in the assessment rolls; the only deficiency was having land value adjustments without reason, requiring further corrective action. The City timely submitted a corrective action plan, the deficiency was corrected for the 2017 assessment year, and the records of the City are now in good order.

Further, the Commission orders that the 2017 assessed and taxable valuations provided to the State Tax Commission for State Equalization at their meeting on May 22, 2017 become the official assessed and taxable valuations for the year 2017.

Further, the Commission orders that the jurisdiction of the 2017 assessment roll be returned to the City of Escanaba, Delta County without prejudice and without cost.

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 6th day of June, A.D. 2017.



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

Douglas B. Roberts, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

Heather S. Frick, Executive Director

### **OFFICIAL ORDER**

Whereas, the State Tax Commission at its meeting on June 6, 2017 received a report regarding Clinton Township, Lenawee County and

Whereas, the report indicated that staff became aware that the 2017 assessment roll for Clinton Township, Lenawee County had not been signed by a certified assessing officer and

Whereas, the township was notified of the facts made available to the State Tax Commission, pursuant to the Commissions policy Regarding Assumption of Jurisdiction of Assessment Rolls and

Whereas, Bulletin 10 of 2016 indicates that local units are responsible for ensuring that their assessor of record is sufficiently certified to supervise preparation of the assessment roll and

Whereas, the township responded on May 3, 2017, confirming that the 2017 assessment roll had not been signed by a certified assessing officer 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 hereby assumes jurisdiction of the 2017 ad valorem assessment roll of Clinton Township, Lenawee County.

Further, the Commission orders that a review of the assessing practices of the township be conducted before the roll can be certified and returned to the township.

Further the Commission orders that the township hire an outside party to fix the deficiencies noted in the roll and to complete that work for the 2018 assessment roll.

Further, the Commission orders that a bill shall be sent to Clinton Township, Lenawee County covering the time and expenses incurred by the State Tax Commission for implementation of this order.

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 6th day of June, A.D. 2017.



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

Douglas B. Roberts, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

### **OFFICIAL ORDER**

Whereas, the State Tax Commission at its meeting on June 6, 2017 received a report regarding Franklin Township, Lenawee County and

Whereas, the report indicated that staff became aware that the 2017 assessment roll for Franklin Township, Lenawee County had not been signed by a certified assessing officer and

Whereas, the township was notified of the facts made available to the State Tax Commission, pursuant to the Commissions policy Regarding Assumption of Jurisdiction of Assessment Rolls and

Whereas, Bulletin 10 of 2016 indicates that local units are responsible for ensuring that their assessor of record is sufficiently certified to supervise preparation of the assessment roll and

Whereas, the township responded on April 27, 2017, confirming that the 2017 assessment roll had not been signed by a certified assessing officer 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 hereby assumes jurisdiction of the 2017 ad valorem assessment roll of Franklin Township, Lenawee County.

Further, the Commission orders that a review of the assessing practices of the township be conducted before the roll can be certified and returned to the township.

Further the Commission orders that the township hire an outside party to fix the deficiencies noted in the roll and to complete that work for the 2018 assessment roll.

Further, the Commission orders that a bill shall be sent to Franklin Township, Lenawee County covering the time and expenses incurred by the State Tax Commission for implementation of this order.

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 6th day of June, A.D. 2017.



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

Douglas B. Roberts, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

### **OFFICIAL ORDER**

Whereas, the State Tax Commission at its meeting on June 6, 2017 received a report regarding Macon Township, Lenawee County and

Whereas, the report indicated that staff became aware that the 2017 assessment roll for Macon Township, Lenawee County had not been signed by a certified assessing officer and

Whereas, the township was notified of the facts made available to the State Tax Commission, pursuant to the Commissions policy Regarding Assumption of Jurisdiction of Assessment Rolls and

Whereas, Bulletin 10 of 2016 indicates that local units are responsible for ensuring that their assessor of record is sufficiently certified to supervise preparation of the assessment roll and

Whereas, the township responded on May 3, 2017, confirming that the 2017 assessment roll had not been signed by a certified assessing officer 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 hereby assumes jurisdiction of the 2017 ad valorem assessment roll of Macon Township, Lenawee County.

Further, the Commission orders that a review of the assessing practices of the township be conducted before the roll can be certified and returned to the township.

Further the Commission orders that the township hire an outside party to fix the deficiencies noted in the roll and to complete that work for the 2018 assessment roll.

Further, the Commission orders that a bill shall be sent to Macon Township, Lenawee County covering the time and expenses incurred by the State Tax Commission for implementation of this order.

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 6th day of June, A.D. 2017.



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

Douglas B. Roberts, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

### **OFFICIAL ORDER**

Whereas, the State Tax Commission at its meeting on June 6, 2017 received a report regarding Palmyra Township, Lenawee County and

Whereas, the report indicated that staff became aware that the 2017 assessment roll for Palmyra Township, Lenawee County had not been signed by a certified assessing officer and

Whereas, the township was notified of the facts made available to the State Tax Commission, pursuant to the Commissions policy Regarding Assumption of Jurisdiction of Assessment Rolls and

Whereas, Bulletin 10 of 2016 indicates that local units are responsible for ensuring that their assessor of record is sufficiently certified to supervise preparation of the assessment roll and

Whereas, the township responded on April 27, 2017, confirming that the 2017 assessment roll had not been signed by a certified assessing officer 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 hereby assumes jurisdiction of the 2017 ad valorem assessment roll of Palmyra Township, Lenawee County.

Further, the Commission orders that a review of the assessing practices of the township be conducted before the roll can be certified and returned to the township.

Further the Commission orders that the township hire an outside party to fix the deficiencies noted in the roll and to complete that work for the 2018 assessment roll.

Further, the Commission orders that a bill shall be sent to Palmyra Township, Lenawee County covering the time and expenses incurred by the State Tax Commission for implementation of this order.

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 6th day of June, A.D. 2017.



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Heather S. Frick, Executive Director

Douglas B. Roberts, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

### OFFICIAL ORDER

Whereas, the State Tax Commission at its meeting on June 6, 2017 received a report regarding Tecumseh Township, Lenawee County and

Whereas, the report indicated that staff became aware that the 2017 assessment roll for Tecumseh Township, Lenawee County had not been signed by a certified assessing officer and

Whereas, the township was notified of the facts made available to the State Tax Commission, pursuant to the Commissions policy Regarding Assumption of Jurisdiction of Assessment Rolls and

Whereas, Bulletin 10 of 2016 indicates that local units are responsible for ensuring that their assessor of record is sufficiently certified to supervise preparation of the assessment roll and

Whereas, the township responded on May 5, 2017, confirming that the 2017 assessment roll had not been signed by a certified assessing officer 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 hereby assumes jurisdiction of the 2017 ad valorem assessment roll of Tecumseh Township, Lenawee County.

Further, the Commission orders that a review of the assessing practices of the township be conducted before the roll can be certified and returned to the township.

Further the Commission orders that the township hire an outside party to fix the deficiencies noted in the roll and to complete that work for the 2018 assessment roll.

Further, the Commission orders that a bill shall be sent to Tecumseh Township, Lenawee County covering the time and expenses incurred by the State Tax Commission for implementation of this order.

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 6th day of June, A.D. 2017.



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Heather S. Frick, Executive Director

Douglas B. Roberts, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

### **OFFICIAL ORDER**

Whereas, the State Tax Commission at its meeting on June 6, 2017 received a report regarding Woodstock Township, Lenawee County and

Whereas, the report indicated that staff became aware that the 2017 assessment roll for Woodstock Township, Lenawee County had not been signed by a certified assessing officer and

Whereas, the township was notified of the facts made available to the State Tax Commission, pursuant to the Commissions policy Regarding Assumption of Jurisdiction of Assessment Rolls and

Whereas, Bulletin 10 of 2016 indicates that local units are responsible for ensuring that their assessor of record is sufficiently certified to supervise preparation of the assessment roll and

Whereas, the township responded on May 7, 2017, confirming that the 2017 assessment roll had not been signed by a certified assessing officer 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 hereby assumes jurisdiction of the 2017 ad valorem assessment roll of Woodstock Township, Lenawee County.

Further, the Commission orders that a review of the assessing practices of the township be conducted before the roll can be certified and returned to the township.

Further the Commission orders that the township hire an outside party to fix the deficiencies noted in the roll and to complete that work for the 2018 assessment roll.

Further, the Commission orders that a bill shall be sent to Woodstock Township, Lenawee County covering the time and expenses incurred by the State Tax Commission for implementation of this order.

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 6th day of June, A.D. 2017.



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Heather S. Frick, Executive Director

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Leonard D. Kutschman, Member



## STATE OF MICHIGAN DEPARTMENT OF TREASURY LANSING

RICK SNYDER GOVERNOR NICK A. KHOURI STATE TREASURER

Bulletin 5 of 2017 June 6, 2017 Oualified Errors

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

**FROM:** State Tax Commission

**SUBJECT:** Qualified Errors under MCL 211.53b

### Bulletin 16 of 2013 is rescinded.

This Bulletin addresses changes to MCL 211.53b which was amended by Public Act 108 of 2016, eliminating the authority of a July or December Board of Review over the personal property exemptions contained in MCL 211.9m and 9n.

MCL 211.53b grants the July or December Board of Review the authority to correct a **qualified error**. MCL 211.53b(1) states: Except as otherwise provided in subsections (6) and (8) and section 27a(4), a correction under this subsection may be made for the current year and the immediately preceding year only.

A correction under subsection (6) regarding principal residence exemptions may be made for the year in which the appeal was filed and the three immediately preceding years.

A correction under subsection (8) that approves a qualified personal property exemption contained in MCL 211.90 for small business taxpayers may be made for the year in which the appeal was filed and the immediately preceding three tax years.

Regarding MCL 211.27a(4), if the taxable value of property is adjusted and the assessor determines that there had not been a transfer of ownership, the taxable value of the property shall be adjusted for the current year and for the three immediately preceding calendar years. An adjustment under this subsection shall be considered the correction of a clerical error.

Qualified errors are defined in subsection (10) as:

- A clerical error relative to the correct assessment figures, the rate of taxation, or the mathematical computation relating to the assessing of taxes.
- A mutual mistake of fact.
- An adjustment under section 27a(4) or an exemption under section 7hh(3)(b).
- An error of measurement or calculation of the physical dimensions or components of the real property being assessed.
- An error of omission or inclusion of a part of the real property being assessed.

- An error regarding the correct taxable status of the real property being assessed.
- An error made by the taxpayer in preparing the statement of assessable personal property under section 19.
- An error made in the denial of a claim of exemption for personal property under section 90.

Note: PA Public Act 108 of 2016, eliminated the authority of a July or December Board of Review over the personal property exemptions contained in MCL 211.9m and 9n.

**Clerical Error** was defined by the Court of Appeals in *International Place Apartments v Ypsilanti Township* 216 Mich App 104; 548 NW2d 668 (1996), as "an error of a transpositional, typographical, or mathematical nature." July and December Boards of Review are NOT allowed to revalue or reappraise property when the reason for the action is that the assessor did not originally consider all relevant information.

**Mutual Mistake of Fact** was defined by the Court of Appeals in *Ford Motor Co v City of Woodhaven*, 475 Mich 425; 716 NW2d 247 (2006) as "an erroneous belief, which is shared and relied on by both parties, about a material fact that affects the substance of the transaction." This definition was clarified by the Michigan Supreme Court in *Briggs Tax Service, LLC v Detroit Public Schools*, 485 Mich 69; 780 NW2d 753 (2010). The Michigan Supreme Court indicated that to qualify, the "mutual mistake of fact" must be one that occurs only between the assessor and the taxpayer.

### **Examples of Qualified Errors:**

- An error of measurement or calculation of the physical dimensions or components of the real property being assessed:
- 1. A building is listed on the record card sketch as 60' x 100', priced as 6,000 square feet, and valued accordingly on the roll. A field inspection reveals that the building dimensions are actually 60' x 90', and that 5,400 should have been priced.
- 2. A building is properly listed on the record card sketch as 60' x 100', erroneously priced as 5,600 square feet, and valued accordingly on the roll. A desk review reveals the error.

Note: 'Errors of measurement or calculation' may include 'building height' errors or 'floor area perimeter multiplier' errors.

### • An error of omission or inclusion of a part of the real property being assessed:

- 1. 'Error of omission' A 1200 square foot house had a 500 square foot addition. The addition was taken as assessed/equalization new, but was not taken as a capped value addition, and so, was not included in the taxable value.
- 2. 'Error of inclusion' A pole barn was erected on parcel 'A', but is erroneously assessed to parcel 'B'. The 'error of inclusion' pertains to parcel 'B'. An 'error of omission' pertains to parcel 'A'.

Note: This change in jurisdiction is limited to situations where 'part' of the 'real property' is at issue. Issues involving the 'entire real parcel' or involving 'personal property' are not included under this subsection.

**Note:** Omitted property may be added under this section for the current year and the immediately preceding year only may still be added under MCL 211.154 for the current year and two prior.

### • An error regarding the correct taxable status of the real property being assessed.

- 1. A charitable non-profit corporation that qualified for exemption under MCL 211.70 sent a letter with proper documentation to the assessor and requested exemption. The assessor failed to grant the exemption.
- 2. A church purchased the house next door in November (deed delivered), and was immediately used as a parsonage. The parcel qualified for exemption under MCL 211.7s. The deed was recorded in January, but the copy of the deed failed to reach the local assessor. The parcel had an assessed and taxable value as the close of the March Board of Review.

### • An error made by the taxpayer in preparing the statement of assessable personal property under section 19.

- 1. A taxpayer reported newly acquired office furniture in Section B, 'Machinery and Equipment' of the personal property statement. It should have been reported in Section A, 'Furniture and Fixtures'.
- 2. A taxpayer reported newly acquired office furniture in Section A, 'Furniture and Fixtures', on the top line and entered the amount paid for the items in the purchase of the total property. It was discovered by the assessor after the close of the March Board of Review that the previous owner had reported a different acquisition cost new for the office furniture five years earlier.

**Note:** In the case where a personal property statement was not filed in a timely fashion, the act does not permit the assessor to change an estimated assessment made in the absence of a filed statement.

### • An error made in the denial of a claim of exemption for personal property under section 90.

1. A taxpayer filed the affidavit to claim the exemption for personal property with under \$80,000 true cash value. The assessor failed to grant the exemption even though the taxpayer met all the qualifications.

### **State Tax Commission**



## Assessor Guide to Eligible Manufacturing Personal Property Tax Exemption and ESA

Published June 2017

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### Introduction:

"I've heard Business Personal Property Taxes are all being eliminated", is one of the most frequently asked questions received by the STC. While significant changes to Business Personal Property Taxes began in 2016, not all personal property tax is being eliminated.

In December of 2012, initial legislation was passed that significantly changed the taxation of personal property. The Acts, as amended, exempt about ½ of personal property from ad valorem taxation through two main provisions: 1) Small Business Taxpayer Exemption (MCL 211.9o) and 2) Eligible Manufacturing Personal Property Exemption (MCL 211.9m and MCL 211.9n). The Acts also identified a replacement specific tax on personal property, Essential Services Assessment (ESA) and reimbursement for local units lost revenue.

This Guide will focus on detailed information that assessors need to know about the Eligible Manufacturing Personal Property Tax Exemption, ESA, and Special Act changes and will provide resource material and contact information. The Small Business Taxpayer Exemption will not be covered in this material. State Tax Commission (STC) Bulletin 11 of 2013 detailed this process and can be found on the PPT website at <a href="https://www.michigan.gov/ppt">www.michigan.gov/ppt</a>.

Additionally, the local unit reimbursement will not be covered in this guide. More information on the local unit reimbursement can be found on the PPT website at <a href="https://www.michigan.gov/ppt">www.michigan.gov/ppt</a> under personal property tax information, personal property tax reimbursement.

### **Statutory Review:**

MCL 211.9m and MCL 211.9n provide the statutory authority for the Eligible Manufacturing Personal Property Tax Exemption. ESA statutory authority is contained in P.A. 92, which will be covered in a separate section.

MCL 211.9m and MCL 211.9n are essentially identical except for the "type" of personal property they exempt.

MCL 211.9m exempts Qualified New Personal Property. Qualified New Personal Property is defined as property that was initially placed in service in this state or outside of this state *after* December 31, 2012 or that was construction in progress on or after December 31, 2012 that had not been placed in service in this state or outside of this state before 2013 <u>and</u> is eligible manufacturing personal property (EMPP).

Effectively this means any eligible manufacturing personal property placed in service in 2013 and after is exempt from ad valorem personal property taxation and subject only to the ESA.

MCL 211.9n exempts Qualified Previously Existing Personal Property. Qualified Previously existing personal property means personal property that was first placed in service within this state or outside of this state more than 10 years before the current calendar year <u>and</u> is eligible manufacturing personal property (EMPP).

Effectively this means that in 2016, EMPP placed in service in 2005 and earlier is exempt from ad valorem personal property taxation and subject only to the ESA. In 2017, EMPP placed in service in 2006 and earlier is exempt from ad valorem personal property taxation and subject only to the ESA.

This phase in of the exemption continues with all new EMPP placed in service being exempt and all existing EMPP phasing into exempt status each year beginning with 2005 and working up to EMPP placed in service in 2012 becoming exempt by 2023. In 2023, all EMPP will be exempt.

Please see the following phase out chart:

		Personal Prope	erty Phase Out Cha	nrt	
					October 22, 2015
Tax Year	Exempt and Subject to ESA	Pays Ad Valorem	Tax Year	Exempt and Subject to ESA	Pays Ad Valorem
Tax Year 2016	2015		Tax Year 2017	2016	
	2014			2015	
	2013	1		2014	
		2012		2013	
		2011			2012
		2010			2011
		2009			2010
		2008			2009
		2007			2008
		2006			2007
	2005 and Earlier			2006 and Earlier	
Tax Year	Exempt and Subject to ESA	Pays Ad Valorem	Tax Year	Exempt and Subject to ESA	Pays Ad Valorem
Tax Year 2018	2017		Tax Year 2019	2018	
	2016			2017	
	2015			2016	
	2014			2015	
	2013			2014	
		2012		2013	
		2011			2012
		2010			2011
		2009			2010
		2008			2009

Tax Year	Exempt and Subject to ESA	Pays Ad Valorem	Tax Year	Exempt and Subject to ESA	Pays Ad Valorem
Tax Year 2020	2019		Tax Year 2021	2020	
	2018			2019	
	2017			2018	
	2016			2017	
	2015			2016	
	2014			2015	
	2013			2014	
		2012		2013	
		2011			2012
		2010			2011
	2009 and Earlier			2010 and Earlier	
Tax Year	Exempt and Subject to ESA	Pays Ad Valorem	After 2023 All Fl	igible Personal Property is subje	ct to the FSA Specific T
Tax Year 2022	2021	rays na valorem	Aiter 2023, Air Ei	igible i croondi i roperty io subje	to the Lori openie i
	2020				
	2019				
	2018				
	2017				
	2016				
	2016 2015				
	2015				
	2015 2014	2012			
	2015 2014	2012			

Key to the definition of both Qualified New Personal Property and Qualified Previously Existing Personal Property is that both must be Eligible Manufacturing Personal Property.

**Eligible Manufacturing Personal Property (EMPP)** is statutorily defined as all personal property located on occupied real property if that personal property is predominantly used in industrial processing or direct integrated support. Let's examine in more detail each component of the definition of EMPP beginning with the definition of *occupied real property*.

Occupied Real Property is defined in MCL 211.9m as all of the following: (i) A parcel of real property that is entirely owned, leased, or otherwise occupied by a person claiming an exemption under section 9m or 9n. (ii) Contiguous parcels of real property that are entirely owned, leased, or otherwise occupied by a person claiming an exemption under section 9m or 9n and that host a single, integrated business operation engaged primarily in industrial processing, direct integrated support, or both. A business operation is not engaged primarily in industrial processing, direct integrated support, or both if it engages in significant business activities that are not directly related to industrial processing or direct integrated support. Contiguity is not broken by a boundary between local tax collecting units, a road, a right-of-way, or property purchased or taken under condemnation proceedings by a public utility for power transmission lines if the 2 parcels separated by the purchased or condemned property were a single parcel prior to the sale or condemnation. As used in this subparagraph, "single, integrated business operation" means a company that combines 1 or more related operations or divisions and operates as a single business unit. (iii) The portion of a parcel of real property that is owned, leased, or otherwise occupied by a person claiming the exemption section 9m or 9n or by an affiliated person.

To this point, we have covered that in order to be eligible to receive the exemption, EMPP must have been placed in service in 2013 and later or more than 10 years before the current year, for example in 2017 that would include EMPP placed in service in 2006 and earlier.

The personal property must be located on an occupied real property parcel, which is a parcel or part of a parcel owned or leased or occupied by the person claiming the exemption or contiguous parcels. That property must be predominantly used in industrial processing or direct integrated support. Please note: the classification of the property is not a determining factor in eligibility for the exemption. Nor is the fact that the personal property may be located in an industrial district or subject to an IFT.

**Industrial Processing** is defined in MCL 211.9M as: that term as defined in section 4t of the general sales tax act, 1933 PA 167, MCL 205.54t, or section 4o of the use tax act, 1937 PA 94, MCL 205.94o. Industrial processing does not include the generation, transmission, or distribution of electricity for sale. MCL 205.54t and MCL 205.94o both contain the same definition of industrial processing and indicates that industrial processing includes the following activities:

- a) Production or assembly.
- b) Research or experimental activities.
- c) Engineering related to industrial processing.
- d) Inspection, quality control, or testing to determine whether particular units of materials or products or processes conform to specified parameters at any time before materials or products first come to rest in finished goods inventory storage.
- e) Planning, scheduling, supervision, or control of production or other exempt activities.
- f) Design, construction, or maintenance of production or other exempt machinery, equipment, and tooling.
- g) Remanufacturing.
- h) Processing of production scrap and waste up to the point it is stored for removal from the plant of origin.
- i) Recycling of used materials for ultimate sale at retail or reuse.
- j) Production material handling.
- k) Storage of in-process materials.

For a more detailed definition of industrial processing and exclusions please review:

RAB 2000-4: http://www.michigan.gov/documents/rab-2000-4 108793 7.pdf and

MCL 205.54t:

http://www.legislature.mi.gov/(S(ld2ybk4njhsrfjyuikfljxyc))/documents/mcl/pdf/mcl-205-54t.pdf

Direct Integrated Support is defined in MCL 211.9m as any of the following:

- (i) Research and development related to goods produced in industrial processing and conducted in furtherance of that industrial processing.
- (ii) Testing and quality control functions related to goods produced in industrial processing and conducted in furtherance of that industrial processing.
- (iii) Engineering related to goods produced in industrial processing and conducted in furtherance of that industrial processing.
- (*iv*) Receiving or storing equipment, materials, supplies, parts, or components for industrial processing, or scrap materials or waste resulting from industrial processing, at the industrial processing site or at another site owned or leased by the owner or lessee of the industrial processing site.
- (v) Storing of finished goods inventory if the inventory was produced by a business engaged primarily in industrial processing and if the inventory is stored either at the site where it was produced or at another site owned or leased by the business that produced the inventory.
- (vi) Sorting, distributing, or sequencing functions that optimize transportation and justin-time inventory management and material handling for inputs to industrial processing.

These activities do not have to occur on the same site as the industrial processing nor do they have to be conducted by a related entity.

The final key piece of the definition is that the personal property located on occupied real property is **predominantly used** in industrial processing or direct integrated support. The determination of predominant use is a mathematical calculation. Property is determined to be predominantly used if the result of the following calculation is more than 50%:

(i)Multiply the original cost of all personal property that is subject to the collection of taxes under this act and all personal property that is exempt from the collection of taxes under sections 7k, 9b, 9f, 9m, 9n, and 9o that is located on that occupied real property and that is not construction in progress by its percentage of use in industrial processing or in direct integrated support.

Personal property is used in industrial processing if it is not used to generate, transmit, or distribute electricity for sale, if it is not utility personal property as described in section 34c(3)(e), and if its purchase or use by the person claiming the exemption would be eligible for exemption under section 4t of the general sales tax act, 1933 PA 167, MCL 205.54t, or section 4o of the use tax act, 1937 PA 94, MCL 205.94o. For an item of personal property that is used in industrial processing, its percentage of use in industrial processing shall equal the percentage of the exemption the property would be eligible for under section 4t of the general sales tax act, 1933 PA 167, MCL 205.54t, or section 4o of the use tax act, 1937 PA 94, MCL 205.94o. Utility personal property as described in section 34c(3)(e) is not used in direct integrated support.

(ii) Divide the result of the calculation under subparagraph (i) by the total original cost of all personal property that is subject to the collection of taxes under this act and all personal property that is exempt from the collection of taxes under sections 7k, 9b, 9f, 9m, 9n, and 9o that is located on that occupied real property and that is not construction in progress.

A graphic representation of this formula is:

Personal Property Original Cost on occupied real property times the percentage of use in industrial processing or direct integrated support

### Divided by

Personal Property Original Cost on occupied real property

### For this calculation:

Personal property includes all taxable personal property, personal property exempt under IFT (211.7k), exempt special tooling (211.9b), exempt under PA 328 (211.9f), exempt under the Small Business Taxpayer Exemption (211.9o) and exempt as EMPP under MCL 211.9m and 211.9n. Subtract the cost of construction in progress.

Original Cost means the fair market value of personal property at the time of acquisition by the first owner.

**Example 1: Sample Calculation** 

Personal Property	Status	Original Cost	% of use in IP	IP/DIS Eligible Cost	
			or DIS		
Machine 1	IFT Exempt	\$500,000	100%	\$500,000	
Office Furniture	GPTA Taxable	\$100,000	0%	\$0	
Shipping container	GPTA Taxable	\$50,000	30%	\$15,000	
Die/Mold	Special Tool	\$250,000	100%	\$250,000	
Machine Foundation	GPTA Taxable	\$100,000	50%	\$50,000	
Computers	GPTA Taxable	\$35,000	60%	\$21,000	
Machine 2	328 Exempt	\$250,000	50%	\$125,000	
Machine 3	IFT Exempt	\$350,000	100%	\$350,000	
Machine 4	GPTA Taxable	\$150,000	100%	\$150,000	
Totals		\$1,785,000		\$1,461,000	
\$1,461,000 divided by \$1,785,000 = 82%					

Each item of personal property is individually identified, the status determined, as well as the original cost and percent of use in industrial processing or direct integrated support. The original cost of each item of personal property is multiplied by its percentage of use in industrial processing or direct integrated support to determine an eligible cost. The total eligible cost is then divided by the total original cost to determine the percent of predominant use. Because the result of the calculation is greater than 50%, all personal

property on this occupied real property would qualify for the EMPP exemption and be subject to ESA.

If the result of the calculation would have been less than 50%, then none of the personal property on this occupied real property would qualify for the EMPP exemption.

### **Example 2: Contiguous Properties**

Combining the EMPP calculation for contiguous parcels involved in a single integrated business operation can expand the exemption to parcels that would not qualify on their own.

For example 3 contiguous parcels that host a single integrated business operation:

Parcel A: Total Eligible Cost \$12 M divided by Total Original Cost \$15 M = 80%

Parcel B: Total Eligible Cost \$1 M divided by Total Original Cost \$5 M = 20%

Parcel C: Total Eligible Cost \$10 divided by Total Original Cost \$12M = 83%%

### Combined = Total Eligible Cost \$23 M divided by Total Original Cost \$32 M = 72%

Therefore, personal property on all three parcels would qualify for the exemption.

For personal property that is construction in progress and part of a new facility not in operation, EMPP means all personal property that is part of that new facility if that personal property will be *predominantly used* in *industrial processing* when the facility becomes operational.

Personal property that is not owned, leased or used by the person who owns or leases occupied real property where the personal property is located is not EMPP unless the personal property is located on the occupied real property to carry on a current on-site business activity. Personal property that is placed on occupied real property solely to qualify the personal property for an exemption under 9m or 9n is not EMPP.

Utility personal property as described in section 34c(3)(e) and personal property used in the generation, transmission, or distribution of electricity for sale are not eligible manufacturing personal property.

Assessors are responsible for the determination that personal property meets the definition in order to be exempt. Due to the number of variables involved in the definition to qualify for the exemption, the State Tax Commission or the Department of Treasury cannot provide a determination that any individual entity or "type" of business would qualify for the exemption.

### Claiming the Exemption, Review of Form 5278:

Taxpayers claim the exemption by filing Form 5278 *Eligible Manufacturing Personal Property Exemption Claim, Ad Valorem Personal Property Statement, and Report of Fair Market Value of Qualified New and Previously Existing Personal Property (Combined Document)* with the local unit where the personal property is located no later than February 20<sup>th</sup>. The February 20<sup>th</sup> date will move to the next business day when February 20<sup>th</sup> falls on a weekend or a holiday. Form 5278 must be received by the local unit on or before February 20<sup>th</sup> and the STC has determined that postmarks are not acceptable.

Form 5278 contains three parts: Part 1, Form to Claim the Exemption, Part 2, Ad Valorem Personal Property Statement and Part 3, Report of Fair Market Value of Qualified New and Previously Existing Personal Property. Together these three parts form the Combined Document.

Assessors must review the combined document carefully and in particular should pay attention to the following:

### Form 5278 Part 1:

- The form must be signed and dated.
- Taxpayer name must be provided.
- The personal property number must be correct and the information provided match the information contained in your records.
- The form must contain a nine digit FEIN number in the following format: XX-XXXXXXX.
- Was a separate Form 5278 filled out for each personal property parcel number?
   This is particularly important when there is an IFT or PA 328 exemption on the same real property parcel. Assessors should have established for 2016 a separate personal property parcel number for IFT Personal Property, PA 328 Personal Property and Ad Valorem Personal Property even if located on the same real property parcel. Failure to do so could result in incorrect calculation of the Ad Valorem Tax and/or ESA Tax that is due for that Personal Property.

If a form is filed without the FEIN, parcel number, if the taxpayer name is not provided or if the form was not signed and dated, then the form is not considered fully complete and should be denied. The STC strongly recommends that assessors contact taxpayers who have not fully completed Part 1 in an effort to obtain the missing information before issuance of a denial.

Please note that pursuant to statutory authority an electronic or facsimile signature may be used on Form 5278.

**Form 5278 Part 2:** This part of the Combined Document mirrors the personal property statement, however it contains reporting only for the non-exempt years. For example, in 2017 taxpayers will report EMPP placed in service in 2007 through 2012 in Part 2 of the

Combined Document. As with the personal property statement, taxpayers must include any "other" forms that they would normally file with their personal property statement. These "other forms" include:

Form 633 Electric Distribution Cooperative Personal Property Statement

Form 3589 Cable Television and Utility Personal Property Report

Form 4565 Wind Energy System Report

Form 2698 Idle Equipment, Obsolete Equipment and Surplus Equipment Report

Form 4452 Cellular (Wireless) Site Equipment Personal Property Report

Form 4798 Automotive Manufacturing Equipment Personal Property Report

It is important to note that these forms should only include the non-exempt years. For example in 2017, taxpayers should only report on these additional forms, EMPP placed in service in 2007 through 2012. Assessors should ensure that EMPP reported on these additional forms includes only the non-exempt years and all other years are reported on Part 3 of the Combined Document.

There are a few minor differences between the personal property statement and Form 5278. For example, Sections C and H from the personal property statement are not included on Form 5278. This is because the years that were included in those sections are now all "exempt" years.

Exempt special tooling retains their specific exemption under MCL 211.9b and MCL 211.9d. As a reminder, there are very few tools that fall into the exempt special tools category. Tooling that was previously reported in Section H will either now be exempt and subject to ESA and reported in Part 3 (in 2017 this would include year's 2013, 2014, 2015 or 2016 and 2006 and prior) or be reported in Part 2 (in 2017 for years 2007 through 2012) in the corresponding table, we suggest using Table B.

Finally, construction in progress has been removed from Part 2 of the Form. In almost all cases, construction in progress would apply only to the immediately preceding year and two prior years. In the case of Form 5278, those years are all "exempt" years and are reported in Part 3 only.

As with Ad Valorem personal property statement filings, assessors should compare prior year(s) reporting to information reported on Form 5278 to ensure that the information filed appears accurate and complete. If the information filed on the Combined Document does not correspond with information previously filed, the assessor should contact the taxpayer to discuss the information filed to ensure the information filed on the Combined Document is accurate.

**Form 5278 Part 3**: This part of the Combined Document is the required Report of Fair Market Value of Qualified New and Previously Existing Personal Property. Taxpayers will begin by answering four questions regarding IFT's, PA 328 Exemptions, Renaissance Zones and MSF Resolutions.

Finally, the taxpayers will report the Acquisition Cost of EMPP for the "exempt" years (in 2018 this will include 2013, 2014, 2015, 2016 and 2017 and 2007 and prior), with an exception related to extended IFT's and PA 328 exemptions which will be covered in detail in a later section.

If a taxpayer includes an incorrect certificate number in any of these sections, assessors are asked to contact the taxpayer to correct the filing and ensure proper reporting and transmittal of information to the State of Michigan.

Some taxpayers may file Form 5278 when they have no property that is required to be reported on Part 3. This may be done in an effort to provide information to the assessor that this property qualifies for the exemption and will be subject to ESA at some future date. To that end, a checkbox has been included at the top of Part 3 for those taxpayers to indicate they have no current ESA liability for the personal property reported on the form.

Assessors are asked to review the following specific information in Part 3:

IFT Certificate Number to ensure that is a valid certificate number, related to personal property within your local unit. Additionally, the format of the number must be verified to ensure it is in the correct format. IFT certificate numbers should follow the format of Year (4 digits) – Number (3 digits). Some certificate may end with a letter, but not all will contain this alpha character. Example Certificate Number: 2012-177.

Assessors are also asked to verify the certificate begin and end date. As will be covered in a later section, the ESA Tax is reduced for some specific IFT certificates. The determination of qualification for that reduction is based on the effective dates of the certificate. Taxpayers are instructed to attach a copy of their certificate to make verification of this information easier for assessors.

 PA 328 Certificate Number to ensure that is a valid certificate number, related to personal property within your local unit. Additionally, the format of the number must be verified to ensure it is in the correct format. PA 328 certificate numbers should follow the format of Number (3 digits) - Year (4 digits). Example Certificate Number: 159-2012.

Assessors are also asked to verify the certificate begin and end date. Taxpayers are instructed to attach a copy of their certificate to make verification of this information easier for assessors.

 MSF Certificate for Alternative ESA to ensure that is a valid certificate number, related to personal property within your local unit. Additionally, the format of the number must be verified to ensure it is in the correct format. MSF Alternative ESA certificate numbers should following the format of Year (4 digits) – Number (3 digits). Example Certificate Number: 2016-001. Assessors should note that MSF Certificates for Alternative ESA will be issued beginning in 2016. The certificate is not effective for Alternative ESA until the year following the issuance. Therefore, in 2018 only those certificates issued in 2016 or 2017 will qualify for Alternative ESA.

Assessors are also asked to verify the certificate begin and end date. Taxpayers are instructed to attach a copy of their certificate to make verification of this information easier for assessors.

- Assessors are asked to verify the Renaissance Zone name and Expiration Date to
  ensure that both are correct and that the information entered reflects a valid
  Renaissance Zone related to personal property within your local unit.
- Assessors should review the information regarding the acquisition cost and years
  placed in service, comparing this information to what has been previously filed by
  this taxpayer on their personal property statement. If the information filed on the
  Combined Document does not correspond with information previously filed, the
  assessor should contact the taxpayer to discuss the information filed to ensure the
  information filed on the Combined Document is accurate.

### Transmitting Information to the State of Michigan:

Following review and verification, assessors are required to enter the information contained on Form 5278 into their computer assisted mass appraisal (CAMA) software. All information contained on the Form should be entered into the CAMA software, as submitted by the taxpayer or as amended after discussions with the taxpayer as referenced above.

Assessors should double check to ensure accuracy of the data entered, specifically: FEIN, Parcel Number, Taxpayer Name, Certificate Numbers and Acquisition Cost.

Assessors are statutorily required to transmit the information contained in the Combined Document no later than April 1 each year.

Information will be provided to assessors annually on how the information contained in Form 5278 is to be transmitted to the State of Michigan via the CAMA software. Information will also be provided annually to those assessing officers who do not use CAMA software on how to transmit Form 5278 directly to the State of Michigan.

### **Common Errors:**

 Skipping a line when entering acquisition cost. For example, entering 2014 values in 2015, 2013 in 2014, etc. Assessors should be mindful of the inclusion of the Construction in Progress line, which is not present on the 632 and has resulted in many instances of misreported acquisition costs.

- 2. Missing information that was reported on Form 5278 when transmitting the information to the Department of Treasury. If the information has been included on the Form 5278, it should be forwarded.
- 3. Failing to submit the information from Form 5278 to the Department of Treasury or failing to timely submit the information from Form 5278 to the Department of Treasury. Filing Form 5278 is just part of the EMPP exemption, taxpayers have to pay ESA and in order to generate a statement the assessor must timely transmit the information to the Department of Treasury as required by statute (MCL 211.9m(2)(f).
- 4. The parcel entered by the taxpayer in MTO or e-file does not match the parcel number submitted by CAMA software, requiring the taxpayer to reference previous personal property assessment notices or to contact the assessor. Taxpayers are unable to register for MTO if the number entered does not match exactly what was reported by the assessor in their CAMA software.
- 5. Taxpayer must enter the parcel number in the exact format utilized by and uploaded through the CAMA software. If the taxpayer reports dashes or spaces or differently that is entered in the CAMA software, the taxpayer will encounter difficulties when they try to register to view their statement in MTO.
- Incorrect FEINs. FEINs are nine digits long in the format XX-XXXXXXX (entered into CAMA software <u>without</u> the dash). If a taxpayer submits Form 5278 with an FEIN that is longer or shorter, the assessor should contact the taxpayer to obtain the correct FEIN.
- 7. Changing values reported by the taxpayer in Part 3. While assessors should verify that the value entered in Part 3 correspond to prior year reporting, it is important that those values are not changed without notification to and discussion with the taxpayer. Taxpayers are able to update these values themselves when logging into MTO. If the assessor changes values without taxpayer notification and input, it may cause a problem with the taxpayer gaining access to their electronic statement.
- 8. Reporting incomplete 5278s to the Department of Treasury. Missing fields sometimes affect Treasury's ability to generate a statement. For example, if there is no FEIN, the department cannot apply a parcel to a taxpayer's account. As a reminder, taxpayers can amend an incomplete 5278 by appealing an assessor's denial of the Form when it is once filed. If a taxpayer does not appeal the denial of an incomplete form, there is no recourse available to grant the EMPP.
- 9. Reporting values in the wrong *part* of Form 5278. Property placed in service in 9m/9n years (and any property subject to an extended IFT or P.A. 328) is reported in Part 3. Property placed in service during phase-in years is reported in Part 2.

- 10. Reporting values for the same year in both parts of Form 5278, unless that property is subject to an extended IFT. In effect, this will result in a taxpayer being taxed at both the local and state levels for the same property. Taxpayers with an extended IFT pay both the IFT Specific Tax and the ESA Specific Tax, therefore they are required to report values in both Parts 1 and 2 of the form.
- 11. Incorrect certificate format. Assessors should verify that the certification number is valid, entered into the correction section (IFT in IFT and 328 in 328) and the correct format is used: IFT is YYYY-### and 328 is ###-YYYY.

## Denials, Appeals, Amended Forms, Misplaced/Missed Forms, Late Filings and the 154 Process

The appeal and denial process for the exemption is detailed in MCL 211.9m:

If the assessor of the township or city believes that personal property for which the form claiming an exemption is timely filed by February 20 each year is not qualified new personal property or the form filed was incomplete, the assessor may deny that claim for exemption by notifying the person that filed the form in writing of the reason for the denial and advising the person that the denial shall be appealed to the board of review under section 30 by filing a combined document as prescribed under subsection (2). If the denial is issued after the first meeting of the March board of review that follows the organizational meeting, the appeal of the denial is either to the March board of review or the Michigan tax tribunal by filing a petition and a completed combined document as prescribed under subsection (2), within 35 days of the denial notice. The assessor may deny a claim for exemption under this subsection for the current year only. If the assessor denies a claim for exemption, the assessor shall remove the exemption of that personal property and amend the tax roll to reflect the denial and the local treasurer shall within 30 days of the date of the denial issue a corrected tax bill for any additional taxes.

Let's review in detail each component of the statutory requirement.

First, if an assessor believes that a property does not qualify for the exemption or if the form is filed incomplete, then the assessor must deny that claim for exemption. As discussed earlier, if a form is filed without the FEIN, taxpayer name, parcel number or if it was not signed and dated, then the form is not considered fully complete and should be denied. However, the STC strongly recommends that assessors communicate with taxpayers who have not fully completed Form 5278 in an effort to obtain the missing information before issuance of a denial.

Denials are issued for the current year only. Denials must be issued in writing and should be issued as soon as possible in order to afford the taxpayer all available rights of appeal.

If the written denial is issued prior to the first meeting of the March Board of Review that follows the organizational meeting, the taxpayer must appeal to the March Board of Review by filing a completed Combined Document (Form 5278).

If the written denial is issued by the assessor after the first meeting of the March Board of Review that follows the organizational meeting, then the taxpayer may appeal to the March Board or they may appeal directly to the Michigan Tax Tribunal. Taxpayers would appeal directly to the Michigan Tax Tribunal by filing a petition within 35 days of the issuance of a denial.

#### **March Board of Review Authorities:**

The March Board of Review has the authority to hear the denial of an exemption by the assessor. This would include denial due to the filing of an incomplete Form 5278. If the taxpayer presents a fully completed Form 5278 to the March Board of Review and the Board believes the property meets the exemption requirements, then the Board may grant the exemption. The March Board of Review also has the authority to review and accept an amended filing by the taxpayer as long as the taxpayer properly claimed the exemption by timely and completely filing Form 5278.

If the March Board of Review approves the exemption, the Board is statutorily required to remove the personal property from the assessment roll and the Board of Review shall file an affidavit with the proper officials involved in the assessment and collection of taxes and all affected official records shall be corrected.

Taxpayers appeal a denial by the March Board of Review directly to the Michigan Tax Tribunal.

### July or December Board of Review Authorities:

The July and December Boards of Review <u>have no authority</u> over the exemptions in MCL 211.9m or MCL 211.9n.

If an assessor misplaces or missed a timely filed Form 5278, that **is not** considered a clerical error or mutual mistake and cannot be considered by the July or December Board of Review.

A taxpayer who filed Form 632 and later believes they qualify for the exemption cannot appeal to the July or December Board of Review. Failure to properly claim the exemption **is not** a qualified error under MCL 211.53b.

#### **Amended Forms:**

Assessors are encouraged to work with taxpayers regarding any missing information on Form 5278 and any concerns that the assessor may have regarding the accuracy of reported acquisition cost.

An assessor may accept an amended form from a taxpayer up until they turn their assessment roll over to the March Board of Review.

The March Board of Review also has the authority to review and accept an amended filing by the taxpayer as long as the taxpayer properly claimed the exemption by timely and completely filing Form 5278.

# **Misplaced or Missing Forms:**

The ESA unit is frequently contacted by taxpayers who, once they log into their electronic statement, find a parcel or parcels missing for which they timely and completely filed Form 5278 with the proper local unit. When contacted, the assessor may determine that the Form was timely filed, but was misplaced or is missing.

The assessor has no authority following submission of their assessment roll to the March Board of Review to grant the exemption. At the point that the taxpayer timely filed for the exemption and the assessor did not change their assessment roll to reflect that exemption, the assessor has effectively denied the exemption and the taxpayer should appeal to the Michigan Tax Tribunal.

#### **Late Filed Forms:**

Taxpayers claim the exemption by filing Form 5278 *Combined Document* with the local unit where the personal property is located no later than February 20<sup>th</sup>. The February 20<sup>th</sup> date will move to the next business day when February 20<sup>th</sup> falls on a weekend or a holiday.

Form 5278 must be received by the local unit on or before February 20<sup>th</sup> and the STC has determined that postmarks are not acceptable. It is also not acceptable to use the date the taxpayer signed the form. Neither the local unit of government nor the Department of Treasury may make exceptions to allow a Form that was not received by the assessor's office by the filing deadline.

Forms that are received after the due date should not be accepted. The assessor should date stamp the form and issue a written notification of a failure to properly claim the exemption to the taxpayer indicating the statutory requirement to file no later than February 20<sup>th</sup>.

#### MCL 211.154 Petitions

The MCL 211.154 process can be used in a few limited instances to correct issues with Part 2 (Ad Valorem) Reporting from Form 5278.

The first situation is to correct an error in failing to extend an IFT Certificate. MCL 207.561a indicates in part:

If a facility was subject to an industrial facilities exemption certificate on or after December 31, 2012, notwithstanding any other provision of this act to the contrary, that portion of the facility that is eligible manufacturing personal property shall remain subject to the industrial facilities tax and shall remain exempt from ad valorem property taxes as provided in section 8 until that eligible manufacturing personal property would otherwise be exempt from the collection of taxes under section 9m, 9n, or 90 of the general property tax act.

In accordance with this statutory change as indicated in Bulletin 8 of 2015, the assessor should have extended any IFT that was in effect on or after December 31, 2012 and would expire before the personal property on that IFT becomes exempt under MCL 211.9m or MCL 211.9n. For example: An IFT was approved effective December 31, 2007 with an expiration date of December 30, 2014. The personal property was placed in service in 2008. Because personal property placed in service in 2008 will not be exempt until 2019, the IFT will be extended from 2014 until 2019.

If an assessor failed to extend the certificate at the end of 2014, a MCL 211.154 petition can be filed in 2016 to remove the personal property from the Ad Valorem Roll and return it to the IFT Roll.

The second situation is when an assessor extended an IFT Certificate under the presumption that the taxpayer was going to claim the exemption, however the taxpayer does not file Form 5278 to claim the exemption.

Example: An IFT was approved effective December 31, 2007 with an expiration date of December 30, 2014. The personal property was placed in service in 2008. Because personal property placed in service in 2008 will not be exempt until 2019, the assessor extended the IFT from 2014 until 2019. In 2016 the taxpayer did not file Form 5278 to claim the exemption. At that point, the assessor is placed on notice that the IFT should not have been extended and should place the property on the Ad Valorem roll for the 2016 year. The assessor should also file a MCL 211.154 petition in 2016 to remove the property from the IFT Roll for the 2014 and 2015 years and return that property to the Ad Valorem Roll. **Please note**: the July and/or December Boards of Review would have no authority to make these changes to the 2014 or 2015 assessment rolls.

The third situation is when a change is made in Part 3 of the ESA statement that would affect the Ad Valorem reporting in Part 2 of the statement. This may occur because the information transmitted to the Department included years that do not qualify for exemption under 9m or 9n – in which case a *Combined Document (Form 5278) Reporting Error* will be issued upon ESA Statement generation – or if the taxpayer removes from their ESA Statement, value for property placed in service during the non-eligible years.

Example: A taxpayer logs into MTO in 2018 and realizes they accidentally reported 2008 and 2009 personal property in Part 3 on the 2015 line. They make the change in MTO to reduce the 2015 line in Part 3. A notice is sent to the assessor after the October 15<sup>th</sup>

deadline, indicating the taxpayer reduced their Part 3 filing and why. The assessor should immediately file a MCL 211.154 petition to return the 2008 and 2009 property to the Ad Valorem roll for the 2018 year. **Please note**: the July and/or December Boards of Review would no authority to make the change to the 2018 roll.

More information on the MCL 211.154 Petition process is available at <a href="https://www.michigan.gov/taxes">www.michigan.gov/taxes</a>.

# **Essential Services Assessment (ESA)**

The Essential Services Assessment (ESA) is a state-specific tax on *eligible personal* property owned by, leased to, or in the possession of an eligible claimant on December 31 of the year immediately preceding the assessment year. MCL 211.1055(2). Essentially, ESA is a specific tax replacement for the Ad Valorem personal property tax for exempt personal property.

As indicated in the statutory definition, personal property subject to ESA is defined as *eligible personal property*. Eligible personal property means all of the following:

- Personal property exempt under MCL 211.9m or MCL 211.9n.
- Personal property exempt under MCL 211.9f (328 Exemption) approved after 2013, unless both of the following conditions are satisfied:
  - 1. The application for the 328 exemption under MCL 211.9f was filed before August 5, 2014, and
  - 2. The resolution approving the exemption states that the project is expected to have total new personal property of over \$25 million within 5 years of the adoption of the resolution by the local assessing district or the Next Michigan Development Corporation.
- Personal property subject to an extended Industrial Facilities Exemption Certificate under MCL 207.561a (IFT Exemption).
- Personal property subject to an extended exemption under MCL 211.9f(8)(a) (328 Exemption).

The calculation of the ESA specific tax is relatively simple. MCL 211.1055 indicates:

- 1. Beginning January 1, 2016, the state essential services assessment is levied on all eligible personal property as provided in this section.
- 2. The assessment under this section is a state specific tax on the eligible personal property owned by, leased to, or in the possession of an eligible

claimant on December 31 of the year immediately preceding the assessment year and shall be calculated as follows:

- a. For eligible personal property acquired by the first owner in a year 1 to 5 years before the assessment year, multiply the acquisition cost of the eligible personal property by 2.4 mills.
- b. For eligible personal property acquired by the first owner in a year 6 to 10 years before the assessment year, multiply the acquisition cost of the eligible personal property by 1.25 mills.
- c. For eligible personal property acquired by the first owner in a year more than 10 years before the assessment year, multiply the acquisition cost of the eligible personal property by 0.9 mills.

The statute does contain some reductions in the ESA specific tax in certain circumstances:

- 1. The acquisition cost reported is reduced for EMPP subject to **IFT Certificates** that were in effect before January 1, 2013. Specifically, this eligible personal property that is exempt under MCL 211.9m or MCL 211.9n and was previously subject to the IFT certificate, will pay the ESA Specific Tax at ½ the Fair Market Value at the time of acquisition by the first owner (Acquisition Cost) until that IFT Certificate expires. More specific information will be provided on IFT certificates later in this Guide.
- 2. Personal Property located in a Renaissance Zone is 100% exempt (the acquisition cost is zero) from ESA until the three (3) years immediately preceding the expiration of the exemption of that personal property. During the last 3 years, the acquisition cost of the personal property in a Renaissance Zone is multiplied by the percentage reduction as outlined by MCL 125.2689:
  - a. For the tax year that is 2 years before the final year of designation as a renaissance zone, the percentage shall be 25%.
  - b. For the tax year immediately preceding the final year of designation as a renaissance zone, the percentage shall be 50%.
  - c. For the tax year that is the final year of designation as a renaissance zone, the percentage shall be 75%.
- 3. MCL 211.1071 provides that the Michigan Strategic Fund Board (MSF) may adopt a resolution to exempt from the assessment eligible personal property and either make the property subject to the **Alternative ESA** (P.A. 93 of 2014, as amended) or to exempt the property from both ESA and the Alternative ESA. Like ESA, the Alternative Essential Services Assessment is a state-specific tax on the eligible personal property owned by, leased to, or in the possession of an eligible claimant on December 31 of the year immediately preceding the assessment year.

An eligible claimant may be exempt from ESA and would instead qualify for the Alternative Essential Services Assessment if the board of the Michigan Strategic Fund adopts a resolution to exempt the eligible claimant from ESA and instead states the eligible personal property is subject to assessment under the Alternative Essential Services Assessment.

The Alternative Essential Services Assessment is calculated by multiplying the acquisition cost of the eligible personal property by the following millage based upon the year the property was placed into service:

- Multiply the acquisition cost by 1.2 mills if the property was placed into service 1 to 5 years before the assessment year
- Multiply the acquisition cost by 0.625 mills if the property was placed into service 6 to 10 years before the assessment year
- Multiply the acquisition cost by 0.45 mills if the property was placed into service more than 10 years before the assessment year

An eligible claimant must present a business plan or demonstrate that a minimum of \$25,000,000.00 will be invested in additional eligible personal property in this state during the duration of the written agreement.

Statute also requires that the MSF Board consider the following criteria when approving an exemption:

- a. Out-of-state competition.
- b. Net-positive return to this state.
- c. Level of investment made by the eligible claimant.
- d. Business diversification.
- e. Reuse of existing facilities.
- f. Near-term job creation or significant job retention as a result of the investment made in eligible personal property.
- g. Strong links to Michigan suppliers.
- h. Whether the project is in a local unit of government that contains an eligible distressed area as that term is defined in section 11 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411.
- 4. The Department may provide guidelines for circumstances in which the actual acquisition price is not determinative of acquisition cost and the basis of determining acquisition cost in those circumstances.

When the acquisition cost, year of acquisition by the first owner, or both are unknown, the Department may provide guidelines for estimating the acquisition cost and year of acquisition by the first owner. The Department may issue guidelines that allow for the reduction of acquisition cost for property that is idle, is obsolete or has material obsolescence, or is surplus.

To date, the Department has not issued guidance in these areas.

5. Beginning with the 2017 assessment year, for property that is **construction in progress**, "acquisition cost" means 1/2 of the fair market value at the time *acquired by* the first owner, including the cost of freight, sales tax, and installation.

In terms of reporting for ESA purposes, for property that is construction in progress, "acquired by" in the preceding definition, means the year the property is first reported on the Combined Document in Part 3.

#### **ESA Due Dates:**

An eligible claimant is required to make payment in full, by using MTO or Electronic Funds Transfer (EFT) credit, by August 15 without penalty. Payments **cannot** be mailed to the Department of Treasury, any funds received via check will be refunded and not applied to the ESA account.

An eligible claimant who fails to submit a certified statement and electronically pay ESA in full via MTO or e-file by August 15 shall be subject to late penalty, assessed by the Department, at a rate of 1% per week, up to a maximum of 5%, of the total amount due and unpaid.

For an eligible claimant's first assessment year, the penalty is waived by the Department if the statement is certified and full payment is submitted by September 15.

Eligible claimants who fail to submit a certified statement and pay ESA liability and late payment penalty in full by October 15 via MTO or e-file are subject to rescission of their eligible manufacturing personal property tax exemption. Should the eligible manufacturing personal property tax exemption be rescinded on property subject to an extended IFT or extended PA 328 exemption, the extended IFT or PA 328 exemption will be rescinded by the State Tax Commission.

If an ESA due date falls on a weekend or state holiday, the date will **not** change.

# **ESA Electronic System to Certify and Pay:**

Once an eligible claimant has properly claimed the eligible manufacturing personal property tax exemption by filing the Form 5278 with the local unit assessor no later than February 20<sup>th</sup> and the assessor has transmitted the information contained in Form 5278 to the Michigan Department of Treasury, the Department of Treasury will create an *Electronic ESA Statement (Statement)* from the information contained in Form 5278. That *Statement* will be made available through Michigan Treasury Online (MTO) not later than May 1. Statements are not made available via paper form and are not sent directly to taxpayers.

Eligible claimants are statutorily required to submit a certified *Statement* either through MTO or through e-File (paper *Statement*s are not available and paper *Returns* are not accepted). Prior to certifying the ESA Statement, a taxpayer may amend a return through

MTO or e-File. Returns can only be amended up to and until September 15 of the tax year. Examples of amending returns include but are not limited to: adding a parcel, removing a parcel, changing the values reported from Part 3 of Form 5278 or correcting an incorrect certificate number.

Eligible claimants or their authorized preparer must utilize MTO to view their *Statement*, view correspondence from Treasury, make changes to their *Statement*, certify their *Statement* and pay the ESA tax. The Department will not send copies of any ESA Statement by mail or electronically.

An eligible claimant is required to make payment in full, by using MTO, Electronic Funds Transfer (EFT) credit, or via e-File by August 15 without penalty. Check payments **cannot** be mailed to the Department of Treasury ESA payments received by mail will not be applied to the ESA account but refunded to the taxpayer.

#### **ESA Letters to Assessors:**

The ESA System will automatically generate copies to assessors of letters sent to taxpayers when a taxpayer makes a change to certain information in the system, including when a parcel is added or removed from a taxpayer's filing or when a certification (IFT, PA 328, MSF) or renaissance zone is added or removed because the certificate is not valid or has been entered incorrectly.

A Summary of Change letter is issued to all assessors in local units of government in which EMPP was claimed once the October 15<sup>th</sup> deadline for payment has passed. This summary includes detailed information as to individual years that have been removed from any ESA Statement.

These letters are sent to ensure that assessors have all available information to guarantee proper ad valorem personal property taxation. Assessors have no authority, nor do they have any responsibility, to use the MTO system to make corrections to any item for taxpayers. Taxpayers alone have authority to update their statements in response to letters. Assessors are only required to ensure their personal property tax roll is correct. Please see the section on MCL 211.154 Petitions above.

If assessors are concerned that a taxpayer's ESA Statement contains incorrect information or should be reviewed by the Department, they should submit their concerns *in writing* to the Department who may review the account.

# **Rescissions and Appeal Rights:**

Assessors will also receive a copy of the rescission when one is issued to the taxpayer by the Department of Treasury

Statute requires that, for any assessment year in which a taxpayer does not submit payment of ESA liability and any late payment penalty due in full by October 15, the

Department of Treasury rescind the EMPP exemption on that parcel(s). The Department must rescind the exemption no later than the first Monday in December for the assessment year.

In addition to rescinding the EMPP exemption, the Department will also ask the STC to revoke any exemption under section 9f of the general property tax act which was approved after 2013, any extended exemption for eligible personal property under section 9f(8)(a) and any exemption for eligible personal property subject to an extended industrial facilities exemption certificate under MCL 211.561a.

After the Department rescinds the exemption, the taxpayer, assessor, and treasurer will be notified that the exemption has been rescinded. The taxpayer will be notified that they must file with the assessor of the Township or City within 30 days of the date of the rescission a personal property statement (Form 632), for all property for which the exemption has been rescinded.

Assessors must ensure that they correct their assessment roll to return the personal property to the Ad Valorem roll. It is **not necessary** for an assessor to take this matter to any Board of Review, the determination of the Department is the necessary authority to correct the assessment roll.

Within 60 days of the date of the rescission, the treasurer of the local tax collecting unit shall issue amended tax bills for any taxes, including penalty and interest, that were not billed under the general property tax act and that are owed as a result of the order of rescission.

An eligible claimant may appeal a rescission by filing a petition with the MTT not later than December 31 in that tax year.

An eligible claimant may appeal a rescission, as a result of an audit by filing a petition with the MTT within 30 days of the date of that assessment's issuance.

An eligible claimant may appeal an assessment levied or a late payment penalty to the MTT by filing a petition not later than December 31 in that tax year.

An eligible claimant may appeal an assessment issued, including penalties or interest as a result of an audit conducted by filing a petition with the MTT within 30 days of the date of that assessment's issuance.

# **Key Things Assessors Need to Know About ESA:**

- ESA is a specific tax replacement for Personal Property Tax for Eligible Personal Property.
- The specific tax is calculated based upon the year of acquisition by the first owner.

- ESA is reduced under specific circumstances for certain property, including certain IFT property, property in renaissance zones, property subject to Alternative ESA by the MSF and for construction in progress (CIP).
- Most taxpayers will continue to pay Ad Valorem and/or IFT taxes and will also pay the ESA specific tax until the phase out is complete in 2023.
- ESA has specific statutory dates for taxpayers to certify their ESA statement and make payment using the on-line ESA system.
- Failure to meet the ESA due dates will result in rescission of the exemption and require the assessor to return the personal property to the local personal property roll and for local unit Treasurers to bill the taxpayer for those local property taxes.
- Appeal of rescissions or the ESA tax levied are to the MTT.
- Assessors will receive copies of notification letters for changes made in the ESA system. These letters are to help assessors ensure proper local Ad Valorem and/or IFT taxation.
- Assessor will receive a Summary of Changes letter after the filing deadline has passed, detailing relevant changes to the ESA statement.
- Assessors will also receive copies of rescissions issued by the Department.

# **Special Circumstances:**

Assessors need to be aware of several special circumstances that may affect both the Ad Valorem and ESA filings for taxpayers.

1. Renaissance Zones: As indicated in P.A. 92, the acquisition cost for personal property exempt under the Michigan renaissance zone act is \$0.00 except for the 3 years immediately preceding the expiration of the exemption of that personal property, during which period of time the acquisition cost for that personal property means the fair market value of that personal property at the time of acquisition by the first owner, including the cost of freight, sales tax, and installation, and other capitalized costs, except capitalized interest, multiplied by the percentage reduction in the exemption as provided in section 9(3) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2689.

Additionally, P.A. 92 indicates: For eligible personal property exempt under the Michigan Renaissance Zone Act, 1996 PA 376, MCL 125.2681 to 125.2696, an eligible claimant shall report the fair market value of that personal property at the time of acquisition by the first owner, including the cost of freight, sales tax, installation, and other capitalized costs, except capitalized interest.

Taxpayers were advised of the following for 2016 Renaissance Zone Eligible Manufacturing Personal Property (RZ EMPP) Reporting:

If all the RZ EMPP was first placed in service in 2006 – 2012 and <u>is not</u> subject to an extended IFT or PA 328 exemption, we recommend they file Form 632, the personal property statement until the property becomes

exempt under MCL 211.9m or MCL 211.9n. At that time, the taxpayer will file Form 5278.

- If the RZ EMPP <u>is not</u> subject to an extended IFT or PA 328 exemption and the RZ EMPP was first placed in service before 2006 or after 2012 and in 2006-2012, taxpayers will file Form 5278.
- If the RZ EMPP <u>is</u> subject to an extended IFT or PA 328 exemption and if all the RZ EMPP was first placed in service in 2006 – 2012, taxpayers will file Form 5278.
- If the RZ EMPP <u>is</u> subject to an extended IFT or PA 328 exemption and the RZ EMPP was first placed in service before 2006 or after 2012 and in 2006-2012, taxpayers will file Form 5278.
- If all the RZ EMPP was first placed in service before 2006 or after 2012, taxpayers will file Form 5278.

A company who resides in a Renaissance Zone, that properly and timely files a Form 5278 for their EMPP first placed in service before 2006 or after 2012 (exempt under 211.9m or 211.9n) will be exempt from all millages and exempt from ESA unless the Renaissance Zone is in the 3 year phase-out period.

Taxpayers filing Form 5278 for RZ EMPP have been asked to fill in the acquisition cost, meaning the fair market value of that personal property at the time of acquisition by the first owner, including the cost of freight, sales tax, and installation, and other capitalized costs, except capitalized interest. The ESA system will calculate the appropriate percentage reduction for that RZ EMPP Property, including a 100% reduction for property not in the 3 year phase-out period.

2. Leased Personal Property: Leasing companies are not eligible to receive the EMPP exemption and may not use the Combined Document. However, MCL 211.9m does provide for lessees and lessors to make an election to allow the lessee to report the personal property under a lease agreement and pay the Ad Valorem and any ESA specific tax on that property. Specifically MCL 211.9m indicates:

With respect to personal property that is the subject of a lease agreement, regardless of whether the agreement constitutes a lease for financial or tax purposes, all of the following apply:

(i) If the personal property is eligible manufacturing personal property, the lessee and lessor may elect that the lessee report the leased personal property on the combined document.

- (ii) An election made by the lessee and the lessor under this subdivision shall be made in a form and manner approved by the department.
- (iii) Absent an election, the personal property shall be reported by the lessor on the personal property statement unless the exemption for eligible manufacturing personal property is claimed by the lessee on the combined document.

The Department has designed Form 5467, Election of Lessee Report of Eligible Manufacturing Personal Property, which will be filed with Form 5278 when the lessee and lessor elect for the lessee to report the personal property. This form will include all parcels statewide for which the election is being made for a specific lessee and lessor. That list will be attached to each Form 5278 filed where the election has been made. The form will also include the lease agreement expiration date so the assessor knows when the lease agreement ends.

The election will remain in place until rescinded by the lessee or lessor. The list of parcels/lease agreements will be updated annually and attached to Form 5278 for each election made.

**3. P.A. 328:** How P.A. 328 (MCL 211.9f) property is treated with the changes to the personal property tax can be confusing. MCL 211.9f(8) indicates:

Notwithstanding any other provision of this section to the contrary, if new personal property exempt under MCL 211.9f on or after December 31, 2012 is eligible manufacturing personal property, that eligible manufacturing personal property shall remain exempt under this section until the later of the following:

- (a) The date that eligible manufacturing personal property would otherwise be exempt from the collection of taxes under this act under section 9m, 9n, or 9o.
- (b) The date that eligible manufacturing personal property is no longer exempt under the resolution adopted under subsection (1).

Simply put: Eligible Manufacturing Personal property (EMPP) that was subject to a P.A. 328 exemption on or after December 31, 2012 but before December 31, 2014, shall remain exempt until whichever of the following is later:

- a. The personal property is exempt under MCL 211.9m, 9n or 9o
- b. The P.A. 328 exemption expires.

The definition of new personal property under P.A. 328 does not include EMPP for a resolution adopted after December 31, 2014.

Please note, an extension of the P.A. 328 Certificate until the personal property is exempt under MCL 211.9m, 9n or 90 does not allow for the continued addition of new personal property to the P.A. 328 exemption.

# Example 1: (Non-Extended P.A. 328)

A P.A. 328 exemption was approved in 2000 and effective for 2001 through 2030 (expires 12/30/30). The personal property is Eligible Manufacturing Personal Property (EMPP).

The exemption does not need to be extended because the exemption is valid until 2031.

The personal property will remain exempt under P.A. 328 until 2031 and will not be subject to the Essential Services Assessment (ESA) until 2031. The taxpayer is not required to file Form 5278 until 2031 when the property is no longer exempt under P.A. 328.

# Example 2: (Extended P.A. 328)

A P.A. 328 exemption was effective 12/31/2012 and expires on 12/30/20. The personal property was placed in service in 2011, 2012, 2013 and 2014. The personal property is Eligible Manufacturing Personal Property (EMPP).

The law will extend the P.A. 328 exemption from Ad Valorem assessment through 2023. Property placed in service in 2012 will be considered eligible personal property in 2023 under MCL 211.1053(e)(i).

Beginning in 2021, the year following the original certificate expiration date, the property will pay the full Essential Services Assessment (ESA).

Year Property First Placed in Service	TY 2016	TY 2017	TY 2018	TY 2019	TY 2020	TY 2021	TY 2022	TY 2023
2011	328	328	328	328	328	Ext 328 - Full ESA	Ext 328 - Full ESA	9N - Full ESA
2012	328	328	328	328	328	Ext 328 - Full ESA	Ext 328 - Full ESA	9N - Full ESA
2013	328	328	328	328	328	Ext 328 - Full ESA	Ext 328 - Full ESA	9N - Full ESA
2014	328	328	328	328	328	Ext 328 - Full ESA	Ext 328 - Full ESA	9N - Full ESA

# Example 3: (Extended P.A. 328 – Complex Example)

A P.A. 328 exemption was effective 12/31/2007 and expires 12/30/15. The personal property was placed in service in 2006, 2007, 2008 and 2009. The personal property is Eligible Manufacturing Personal Property (EMPP).

Eligible Manufacturing Personal property (EMPP) that was subject to a P.A. 328 exemption on or after December 31, 2012 but before December 31, 2014, shall remain exempt until the later of the following:

- a. The personal property is exempt under MCL 211.9m, 9n or 9o
- b. The P.A. 328 exemption expires.

The P.A. 328 exemption was in effect on or after December 31, 2012. Therefore, the exemption is extended until 2020, when the property placed in service in 2009 becomes exempt. The property shall remain exempt from Ad Valorem taxation under P.A. 328 until the personal property is exempt under MCL 211.9m, 9n or 9o.

This property will be subject to the full payment of the Essential Services Assessment (ESA) because MCL 211.1053 defines eligible personal property (which is property subject to pay the ESA) as both EMPP that is subject to an extended exemption under MCL 211.9f(8)(a) and EMPP exempt under MCL 211.9m or 9n..

Year Property First Placed in Service	TY 2016	TY 2017	TY 2018	TY 2019	TY 2020
2006	EXT 328 - Full ESA	9N - Full ESA			
2007	EXT 328 - Full ESA	9N - Full ESA			
2008	EXT 328 - Full ESA	9N - Full ESA			
2009	EXT 328 - Full ESA	9N - Full ESA			

**P.A. 328 Additional Information:** The full ESA must be paid for all P.A. 328 exemptions approved in 2014 unless the application was filed before August 5, 2014 and the resolution approving the exemption projected costs to be at least \$25 million. The taxpayer will fill out Form 5278 Part 3.

- **4. IFT (P.A. 198 Exemptions):** How IFT (P.A. 198) property is treated with the changes to the personal property tax is one of the more complex and confusing parts of the statutory changes. Discussions regarding the treatment of IFT property begins with the taxpayer answering two questions:
  - Is my property subject to an IFT Certificate that was in effect before January 1, 2013?
  - Is my property subject to an IFT Certificate which was in effect on or after December 31, 2012 and therefore was extended under the provisions of MCL 207.561a?

Simply put, if the answer is yes to question 1, then property exempt under MCL 211.9m or MCL 211.9n will pay the ESA Specific Tax at ½ the Fair Market Value at the time of acquisition by the first owner (Acquisition Cost) until that IFT Certificate expires.

If the answer is yes to question 2, the IFT certificate will be extended and not expire until all the property covered under that IFT certificate is exempt under MCL 211.9m and MCL 211.9n. Once the certificate expires, then the property will pay ESA on the full Acquisition Cost.

How does an assessor or taxpayer determine if an IFT certificate can or should be extended? That can be answered by asking a few simple questions:

1. Was the IFT certificate in effect on or after December 31, 2012?

If yes, then the IFT certificate can be extended. If no, the personal property should have been returned to the Ad Valorem roll upon expiration of the IFT certificate (see MCL 211.154 Petitions section above. Depending on the year first placed in service, the property is reported in Part 2 (non-exempt) and Part 3 (exempt) of Form 5278.

2. Is the end date of the IFT certificate before or after the personal property is exempt under MCL 211.9m or MCL 211.9n? (See personal property phase out chart.)

If the end date of the IFT certificate is before the personal property is exempt under MCL 211.9m or MCL 211.9n, then the IFT certificate is extended until the personal property is exempt under MCL 211.9m or MCL 211.9n.

If the end date of the IFT certificate is after the personal property is exempt under MCL 211.9m or MCL 211.9n, then the IFT certificate is not extended.

# Example 1: (Extended IFT)

A six year IFT Certificate was approved in 2007 and in effect for 2008 through 2013 (expires 12/30/13). The personal property under this certificate was placed in service in 2007 and is Eligible Manufacturing Personal Property (EMPP). As a reminder, personal property that was first placed in service in 2007 will become exempt under MCL 211.9n in 2018.

We will begin with two simple questions:

- 1. Is the property subject to an IFT Certificate that was in effect before January 1, 2013? **Yes**
- Is the property subject to an IFT Certificate which was in effect on or after December 31, 2012 and, therefore, was extended under the provisions of MCL 207.561a? Yes

Because the answer to question 2 was Yes, the IFT Certificate now has an extended term of 2014, 2015, 2016 and 2017 under the provisions of MCL 207.561a.

During the extended term, the property remains subject to the IFT tax and will be reported in the appropriate table in Part 2 of the Form, but beginning in 2016 will also be subject to the ESA Specific Tax and will also have to be reported in Part 3 of the Form.

However, because the answer to question 1 was Yes, in 2016 and also in 2017, the personal property will be subject to ESA at ½ the Fair Market Value at the time of acquisition by the first owner (MCL 211.1053a). Note: The Fair Market Value at the time of acquisition by the first owner should be reported at 100% on Form 5278; the ESA Specific Tax at ½ the Fair Market Value at the time of acquisition by the first owner (Acquisition Cost) will be calculated on the statement subsequently filed with the Department of Treasury, not on Form 5278.

Since the property becomes exempt under MCL 211.9n in 2018 the property is now subject to the full ESA Specific Tax and reported on Form 5278 on Part 3.

Year Property First Placed in Service	TY 2016	TY 2017	TY 2018
2007	EXT - IFT + 50% ESA	EXT - IFT + 50% ESA	Full ESA

# Example 2: (Non Extended IFT)

A twelve year IFT Certificate was approved in 2009 and in effect for 2010 through 2021 (expires 12/30/21). The personal property was placed in service in 2009 and is Eligible Manufacturing Personal Property (EMPP). As a reminder, personal property that was first placed in service in 2009 will become exempt under MCL 211.9n in 2020.

Going back to our two simple questions:

- 1. Is the property subject to an IFT Certificate that was in effect before January 1, 2013? Yes
- Is the property subject to an IFT Certificate which was in effect on or after December 31, 2012 and, therefore, was extended under the provisions of MCL 207.561a? No

The answer to question 2 is No, because the personal property covered under the IFT Certificate will become exempt under MCL 211.9n <u>before</u> the certificate was scheduled to expire. For 2016 through 2019 the personal property will be subject to the IFT Specific Tax and will be reported on Form 5278 Part 2 only and will not pay ESA Specific Tax.

However, because the answer to question 1 was Yes, the taxpayer will report the property on Part 3 starting in 2020. In 2020 and in 2021 the personal property is subject to the ESA Specific Tax at ½ the Fair Market Value at the time of acquisition by the first owner. Note: In this case the assessor must retain the IFT parcel number until 2022 and not move the property to the Ad Valorem parcel for purposes of ESA reporting.

Since the property is exempt under MCL 211.9m and 9n and the IFT Certificate that would have been in effect for the parcel has expired, in 2022 the property is subject to the full ESA Specific Tax and reported on Form 5278 on Part 3.

Year							
Property							
First Placed	TY	TY	TY	TY		TY	ļ
in Service	2016	2017	2018	2019	TY 2020	2021	TY 2022
						1/2	Full
2009	IFT	IFT	IFT	IFT	1/2 ESA	ESA	ESA

# Example 3: (New IFT)

A six year IFT Certificate was approved in 2013 and in effect for 2014 through 2019 (expires 12/30/19). The personal property was placed in service in 2013 and is Eligible Manufacturing Personal Property (EMPP). As a reminder, personal property that was first placed in service in 2013 will become exempt under MCL 211.9m in 2016. Going back to our two simple questions:

- Is the property subject to an IFT Certificate that was in effect before January 1, 2013? No
- Is my property subject to an IFT Certificate which was in effect on or after December 31, 2012 and, therefore, was extended under the provisions of MCL 207.561a? No

Because in 2016, EMPP first placed in service after 2012 is exempt, the IFT Certificate expires and the personal property is reported on Form 5278 Part 3.

Because the answer to question 1 was No, the personal property is subject to the ESA Specific Tax at the full Acquisition Cost.

# Example 4: (Extended IFT – A Complex Example)

An IFT Certificate was approved in 2005 and in effect for 2006 through 2017 (expires 12/30/17). The personal property was placed in service in 2005, 2006, 2007, 2008 and 2009 and is Eligible Manufacturing Personal Property (EMPP). We will begin with our two simple questions:

- 1. Is my property subject to an IFT Certificate that was in effect before January 1, 2013? **Yes**
- Is my property subject to an IFT Certificate which was in effect on or after December 31, 2012 and, therefore, was extended under the provisions of MCL 207.561a? Yes

Because the answer to question 2 was Yes, the IFT Certificate has an extended term of 2017, 2018 and 2019 under the provisions of MCL 207.561a. The taxpayer will check Box 1 as yes on Part 3 of Form 5278. Because this is a complex example, we will go through the reporting year by year:

In 2016, the taxpayer will report the property placed in service in 2005 on Part 3 Section 2 of the form. Because the answer to question 1 was yes, the personal property will be subject to ESA at ½ the Fair Market Value at the time of acquisition by the first owner. The taxpayer will report the property placed in service in 2006, 2007, 2008 and 2009 in Part 2 of Form 5278 and this property will be subject to the IFT Specific Tax only.

In 2017, the taxpayer will report the property placed in service in 2005 and 2006 on Part 3 of the form. Because the answer to question 1 was Yes, the personal property will be subject to ESA at ½ the Fair Market Value at the time of acquisition by the first owner. The taxpayer will report the property placed in service in 2007, 2008 and 2009 in Part 2 of Form 5278 and this property will be subject to the IFT Specific Tax only.

In 2018, the taxpayer will report the property placed in service in 2005, 2006, 2007, 2008 and 2009 on Part 3 of the form. Because the answer to question 1 was Yes, the personal property will be subject to ESA at ½ the Fair Market Value at the time of acquisition by the first owner. The taxpayer will also report the property placed in service in 2008 and 2009 in Part 2 of Form 5278 and this property will also be subject to the IFT Specific Tax.

In 2019, the taxpayer will report the property placed in service in 2005, 2006, 2007, 2008 and 2009 on Part 3 of the form. Because the answer to question 1 was Yes, the personal property will be subject to ESA at ½ the Fair Market Value at the time of acquisition by the first owner. The taxpayer will also report the property placed in service in 2009 in Part 2 of Form 5278 and this property will also be subject to the IFT Specific Tax.

Beginning in 2020 all the property is subject to the full ESA Specific Tax and reported on Form 5278 on Part 3.

The table below graphically shows the year by year reporting.

IFT Certificate Effective 12-31-05 and Expires on 12-30-17 IFT										
Year Placed in Service	2016	2017	2018	2019	2020					
2005	ESA at ½ FMV	ESA at ½ FMV	ESA at ½ FMV	ESA at ½ FMV	ESA At Full Cost					
2006	IFT Specific Tax	ESA at ½ FMV	ESA at ½ FMV	ESA at ½ FMV	ESA At Full Cost					
2007	IFT Specific Tax	IFT Specific Tax	ESA at ½ FMV	ESA at ½ FMV	ESA At Full Cost					
2008	IFT Specific Tax	IFT Specific Tax	ESA at ½ plus IFT Specific Tax	ESA at ½ FMV	ESA At Full Cost					
2009	IFT Specific Tax	IFT Specific Tax	ESA at ½ plus IFT Specific Tax	ESA at ½ plus IFT Specific Tax	ESA At Full Cost					

# **Contact Information:**

ESA:

Email: ESAQuestions@michigan.gov

Phone: 517-241-0310

Web: www.michigan.gov/esa (updated ESA Topics and FAQ's can be found

on the ESA website)

State Tax Commission

Email: Statetaxcommission@michigan.gov

Phone: 517-335-3429

Local Unit Reimbursement Questions:

Email: TreasORTAPPT@michigan.gov

Phone: 517-373-2697

5102 (Rev. 04-15)



Agenda Item #15

NICK A. KHOURI STATE TREASURER

RICK SNYDER GOVERNOR

> Bulletin 6 of 2017 June 6, 2017 Poverty Exemption

**TO:** Assessors and Equalization Directors

**FROM:** State Tax Commission

**SUBJECT:** Exemption of Principal Residence by Reason of Poverty

### Bulletin 5 of 1995, Bulletin 7 of 2010 and Bulletin 5 of 2012 are rescinded.

MCL 211.7u provides for a property tax exemption, in whole or part, for the principal residence of persons who, by reason of poverty, are unable to contribute to the public charges. Principal residence is defined in MCL 211.7dd as a principal residence or qualified agricultural property. MCL 211.7u(1) states that this section does not apply to property of a corporation. Even if a corporation or a limited liability company meets the definition of a principal residence or a qualified agricultural property, it is not be eligible to receive a poverty exemption.

# **Local Unit Responsibilities:**

MCL 211.7u requires local units to annually adopt a policy, including an asset test, used to approve or deny poverty exemptions.

**First**, local units must annually adopt guidelines which specify the total household income which will be used to approve or deny poverty exemptions. Statute requires that the income levels shall not be set lower than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services and published by the State Tax Commission in their annual Procedural Changes Bulletin.

According to the U.S Census Bureau, "income" includes, but is not limited to:

- Money, wages, salaries before deductions, regular contributions from persons not living in the residence
- Net receipts from non-farm or farm self-employment (receipts from a person's own business, professional enterprise, or partnership, after business expense deductions)
- Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, supplemental security income (SSI)
- Alimony, child support, military family allotments
- Private and governmental retirement and disability pensions, regular insurance, annuity payments

- College or university scholarships, grants, fellowships, assistantships
- Dividends, interest, and net income from rentals, royalties, estates, trusts, gambling or lottery winnings

**Second**, the local unit policy must include an asset test. The purpose of an asset test is to determine the resources available: cash, fixed assets or other property that could be converted to cash and used to pay property taxes in the year the poverty exemption is filed. The local unit should require that claimants provide a list of all assets when applying for a poverty exemption. Following is a list of assets that may be included in the annual guidelines.

- A second home, land, vehicles
- Recreational vehicles such as campers, motor-homes, boats and ATV's
- Buildings other than the residence
- Jewelry, antiques, artworks
- Equipment, other personal property of value
- Bank accounts (over a specified amount), stocks
- Money received from the sale of property, such as, stocks, bonds, a house or car (unless a person is in the specific business of selling such property)
- Withdrawals of bank deposits and borrowed money
- Gifts, loans, lump-sum inheritances and one-time insurance payments
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms
- Federal non-cash benefits programs such as Medicare, Medicaid, food stamps and school lunches

The Michigan Tax Tribunal in *Robert Taylor v Sherman Twp.*, *Docket No. 236230* ruled that the asset test does not include the value of the principal residence. Additionally, the Michigan Court of Appeals in *Ferrero v Township of Walton*, *No. 302221*, ruled that the homestead property tax credit is not to be considered income for poverty exemption purposes.

The local unit policy may provide for an applicant to own possessions in addition to the principal residence and still receive a poverty exemption. Examples may include, but are not limited to:

- Additional vehicles
- More land than a minimum "footprint" for the home
- Equipment or other personal property of value, including recreational vehicles (campers, motor homes, boats, ATV's etc.)
- Bank account(s) (a maximum amount should be specified)

**Third**, MCL 211.7u(1) allows for partial poverty exemptions to be granted. A partial poverty exemption is an exemption of a percentage of the taxable value of the principal residence rather than the entire taxable value. The local unit can limit poverty exemptions to partial exemptions or to minimum or maximum exemption of their choosing. The State Tax Commission recommends that local governing bodies include within their annual guidelines, language and criteria for granting partial exemptions and/or minimum or maximum exemptions.

**Finally**, the State Tax Commission recommends that local units develop an application to be used by claimants and a written policy that details the process. To assist local governing bodies, the State Tax Commission has developed a sample application and resolution. See attached.

# **Taxpayer Filing Requirements:**

In order to receive a poverty exemption, a taxpayer must annually file a completed application form and all required additional documentation, with the supervisor, assessor, or the Board of Review where the property is located. The application form may be obtained from the local unit where the property is located and may be submitted on or after January 1 but before the day prior to the last day of the December Board of Review during the year in which the exemption is requested.

To ensure an application is received in time to be heard by a Board of Review, the State Tax Commission recommends the claimant contact the local governing unit directly to verify deadline dates for submission of an application.

In addition to annually filing the application, in order to be eligible for the poverty exemption, a taxpayer must do all of the following:

- 1. Own and occupy the principal residence.
- 2. Provide federal and state income tax returns for the current or immediately preceding year, including any property tax credits, for all persons **residing in the principal residence** (disclosure of the income of an owner who is not residing in the principal residence is not required). An alternative affidavit may be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current or immediately preceding year. (See Form 4988, *Poverty Exemption Affidavit*)
- 3. Produce a valid driver's license, or other form of identification, if requested by the supervisor, assessor or Board of Review.
- 4. Produce a deed, land contract, or other evidence of ownership of the property, if requested by the supervisor, assessor or Board of Review.
- 5. Meet the federal poverty income guidelines determined annually by the U.S. Department of Health and Human Services OR meet allowable alternative income guidelines adopted by the local governing body.
- 6. Meet the asset level test adopted by the local governing body.
- 7. Meet additional tests reasonably adopted by the local governing body.

# **Board of Review Responsibilities:**

MCL 211.7u(1) indicates: The principal residence of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute to the public charges is eligible for exemption in whole or part from taxation under this act.

The State Tax Commission has determined that the supervisor shall make a recommendation regarding the claimant's petition and the Board of Review shall consider, review and then approve or deny the exemption request.

Additionally, MCL 211.7u(5) states, in part: The Board of Review shall follow the policy and guidelines of the local assessing unit in granting or denying an exemption under this section.

When reviewing an application, the Board of Review should consider all information available to them at that time. They should consider all documentation originally submitted by the taxpayer and any additional relevant information that is available to the Board of Review.

The Board of Review can deviate from the adopted policy and guidelines of the local unit <u>only</u> when there are "substantial and compelling reasons why there should be a deviation from the policy and guidelines." If the Board of Review deviates from the adopted policy and guidelines, they are required by statute to communicate the substantial and compelling reasons for the deviation from the guidelines in writing to the taxpayer.

# **Appeal Rights:**

A property owner or assessor may appeal a decision of the March Board of Review by completing and submitting a petition to the Michigan Tax Tribunal no later than July 31 of the same year. A property owner or assessor may appeal a decision of the July or December Board of Review by completing and submitting a petition to the Michigan Tax Tribunal within 35 days of the July or December Board of Review's denial of the poverty exemption.

An application for poverty exemption, for a specific principal residence, may only be acted upon by the Board of Review once a year. If an application is denied at the March Board of Review, it may not be reheard by the July or December Board of Review during the same calendar year. The taxpayer must file an appeal of the March Board of Review determination to the Michigan Tax Tribunal. Similarly, if an application is denied at the July Board of Review, the December Board cannot rehear that application, the taxpayer must file an appeal to the Michigan Tax Tribunal.

A person who files a claim for poverty exemption is not prohibited from also appealing the assessment on the same property in the same year.

# **SAMPLE GUIDELINE RESOLUTION FOR POVERTY EXEMPTION**

WHEREAS, the adoption of guidelines for poverty exemptions is required of the City Council (Township Board); and

**WHEREAS**, the principal residence of persons, who the Supervisor/Assessor and Board of Review determines by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390 of 1994 (MCL 211.7u); and

**WHEREAS**, pursuant to PA 390 of 1994, the City/Township of \_\_\_\_\_\_\_, \_\_\_\_\_\_ County adopts the following guidelines for the Board of Review to implement. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year;

To be eligible, a person shall do all the following on an annual basis:

- 1) Be an owner of and occupy as a principal residence the property for which an exemption is requested.
- 2) File a claim with the supervisor/assessor or Board of Review, accompanied by federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns filed in the immediately preceding year or in the current year or a signed State Tax Commission Form 4988, *Poverty Exemption Affidavit*.
- 3) File a claim reporting that the combined assets of all persons do not exceed the current guidelines. Assets include but are not limited to, real estate other than the principal residence, personal property, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc.
- 4) Produce a valid driver's license or other form of identification if requested.
- 5) Produce, if requested, a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
- 6) Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services or alternative guidelines adopted by the governing body providing the alternative guidelines do not provide eligibility requirements less than the federal guidelines.
- 7) The application for an exemption shall be filed after January 1, but one day prior to the last day of the December Board of Review. The filing of this claim constitutes an appearance before the Board of Review for the purpose of preserving the right of appeal to the Michigan Tax Tribunal.

The following are the (insert year) federal poverty income guidelines which are updated annually by the United States Department of Health and Human Services. The annual allowable income includes income for all persons residing in the principal residence.

# Federal Poverty Guidelines Used in the Determination of Poverty Exemptions

Size of Family Unit	2017 Poverty Guidelines
1	\$ 11,880
2	\$ 16,020
3	\$ 20,160
4	\$ 24,300
5	\$ 28,440
6	\$ 32,580
7	\$ 36,730
8	\$ 40,890
For each additional person	\$ 4,160

**NOW, THEREFORE, BE IT HEREBY RESOLVED** that the supervisor/assessor and Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption, unless the Board of Review determines there are substantial and compelling reasons why there should be a deviation from the policy and federal guidelines and these reasons are communicated in writing to the claimant.

The	foregoing	resolution	offered	by City	Council	Member/	Township	Board	Member
			and	supported	by City	Council	Member/	Township	Board
Mem	ber					·			
Upon "Aye		e, the followi	ng voted:	2					
"Nay									
The (	City/Townshi	ip Clerk decl	ared the res	olution		·			
				$\overline{XX}$	X, Clerk			Date	

# **SAMPLE POVERTY EXEMPTION APPLICATION**

206 of 1893. The principal r charges is eligible for exemption.  In order to be considered coregarding all members residente the application. Please write PERSONAL INFORMATION.	oly for property tax relief under esidence of persons who, by ron in whole or in part from tax omplete, this application must ling within the household, and legibly and attach additional on.	er MCL 21 reason of pation per M st: 1) be c nd 3) inclu l pages as	1.7u of the Gen poverty are unab ICL 211.7u(1).  completed in its ide all required necessary.	eral Pile to co	contribute toward the public ety, 2) include information		
Property Address of Principal Res	sidence:	Daytime I	Phone Number:				
Age of Petitioner:		Marital St	atus:	1	Age of Spouse:		
Number of Legal Dependents:		Age of De	pendents:				
Applied for Homestead Property	Tax Credit (yes or no):	Amount o	f Homestead Prop	erty Ta	nx Credit:		
<b>REAL ESTATE INFORMATION:</b> List the real estate information related to your principal residence. Be prepared provide a deed, land contract or other evidence of ownership of the property at the Board of Review meeting.  Property Parcel Code Number:  Name of Mortgage Company:							
Unpaid Balance Owed on Princip Property Description:	al residence.	Monthly Payment:		Lengt	th of Time at This Residence:		
Troperty Bescription.							
residing in the household owns			•				
Do you own, or are buying, other information below.	property (yes or no)? If yes, comp	olete the	Amount of Incom	ne Earı	ned from Other Property:		
Property Address	Name of Owner(s)		Assessed Value	ue	Amount & Date of Last Taxes Paid		
			\$				
			\$				

**EMPLOYMENT INFORMATION:** List your current employment information.

Name of Employer: Name of Contact Pers

Address of Employer:				Employer Phon	e Number:	
List all income sources, in retirement accounts), unemportains and judgments from source of income, for all per	ployment compensation lawsuits, alimony, chil	n, disability d support, f	, government j	pensions, worke	er's comper	nsation, dividends,
S	ource of Income			Monthly or Annu	ıal Income (i	ndicate which)
CHECKING, SAVINGS A members, including but no certificates of deposit, cash,	ot limited to: checkin stocks, bonds, or simil	ng accounts	s, savings accents, for all pers	ounts, postal s	avings, cre	edit union shares,
Name of Financial Institution or Investments	Amount on Deposi	Current Interest Rate		Name on Account		Value of Investment
				<b>&gt;</b>		
LIFE INSURANCE: List a	all policies held by all l	nousehold r	nembers.			
Name of Insured	Amount of Policy	Monthly Payment	Policy Paid in Full	Name of Ber	neficiary	Relationship to Insured
MOTOR VEHICLE INFO held or owned by any persor				orcycles, motor	homes, car	mper trailers, etc.)
Make	Year	Year		Payment	Ba	lance Owed
}						

Name of Contact Person:

LIST ALL PERSONS LIVING IN HOUSEHOLD	All persons residing in the residence must be listed.
--------------------------------------	---

First & Last Name	Age	Relationship to Applicant	Place of Employment	Amount of Monetary Contribution to Family Income

**PERSONAL DEBT:** All personal debt for all household members must be listed.

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

**MONTHLY EXPENSE INFORMATION:** The amount of monthly expenses related to the principal residence for each category must be listed. Indicate N/A as necessary.

Heating:	Electric:	Water:
Phone:	Cable:	Food:
Clothing:	Heath Insurance:	Garbage:
Daycare:	Car Expense (gas, repair, etc):	Other (list type):
Other (list type):	Other (list type):	Other (list type):
Other (list type):	Other (list type):	Other (list type):
Other (list type):	Other (list type):	Other (list type):

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*Notice:* Any willful misstatements or misrepresentations made on this form may constitute perjury, which, under the law, is a felony punishable by fine or imprisonment.

Notice: Per MCL 211.7u(2b), a copy of all household members federal income tax returns, state income tax returns (MI-1040) and Homestead Property Tax Credit claims (MI-1040CR 1, 2, 3 or 4) must be attached as proof of income or a signed Form 4988, *Poverty Exemption Affidavit*. Documentation for all income sources including, but not limited to, credits, claims, Social Security income, child support, alimony income, and all other income sources must be provided at time of application.

Petitioners: Do not sign this application until witnessed by the Supervisor, Assessor, Board of Review or Notary Public. (Must be signed by either the Supervisor, Assessor, Board of Review Member or Notary Public)

STATE OF MICHIGAN COUNTY OF			
			te and true and that neither I, nor any operty other than mentioned herein.
	Petitioner Signature		Date
Subscribed and sworn this	day of	, 2	011
Assessor Signature:		Printed Name: _	
BOR Member Signature:	-	Printed Name: _	
Notary Signature:		Printed Name:	
My Commission Expires:			
This application shall be filed after the address below.		_	of the December Board of Review to
	Board of Review		
	c/o Supervisor o Name of Local U		
	Street Address	Jiiit	
	City, State, ZIP		

DECISIONS OF THE MARCH BOARD OF REVIEW MAY BE APPEALED BY PETITION TO THE MICHIGAN TAX TRIBUNAL BY JULY 31 OF THE CURRENT YEAR. JULY OR DECEMBER BOARD OF REVIEW DENIALS MAY BE APPEALED TO MICHIGAN TAX TRIBUNAL BY PETITION WITHIN 35 DAYS OF THE DENIAL. A COPY OF THE BOARD OF REVIEW DECISION MUST BE INCLUDED WITH THE PETITION.

Michigan Tax Tribunal PO Box 30232 Lansing, MI 48909 Phone: 517-373-4400

E-mail: taxtrib@michigan.gov



RICK SNYDER GOVERNOR

# DEPARTMENT OF TREASURY LANSING NICK A. KHOURI STATE TREASURER

Bulletin 7 of 2017 June 6, 2017 Transfer of Qualified Agricultural Property

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

**FROM:** State Tax Commission

**RE:** Transfer of Qualified Agricultural Property

#### Bulletin No. 7 of 2006 is rescinded.

PA 260 of 2000 [MCL 211.27a(7)(o)] first became effective for transfers on, or after, January 1, 2000. Therefore qualifying transfers were first exempt from uncapping under this Public Act beginning with the 2001 assessment roll. This Bulletin restates and clarifies the State Tax Commission's previous guidance relating to the implementation of PA 260. This Bulletin also addresses statutory changes resulting from Public Act 375 of 2016, which added a provision regarding creation of a separate tax parcel for qualified agricultural property.

#### 1. The Effect of Public Act 375 of 2016

PA 375 of 2016 was signed into law on December 28, 2016, and given immediate effect. 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, MCL 211.1001 et seq. Although the property is subject to the qualified agricultural property recapture tax, the taxable value of the separate parcel of property does not uncap until and unless there is a transfer of ownership.

**Note:** This statutory language does not modify the assessor's already existing authority to establish two or more tax parcels for real property which is held by the owner as one parcel. The establishment of two or more tax parcels for property held by an owner as a single legal parcel may be justified by a variety of circumstances and the use of multiple tax parcels for that single legal parcel is not itself a land division, and the separation does not itself constitute a division of the property for any purpose other than for property tax assessment.

# 2. Certain Transfers of Qualified Agricultural Property Are Not "Transfers of Ownership"

PA 260 of 2000 provided that a transfer of qualified agricultural property is not a "transfer of ownership" if the following occurs:

- a. The property remains qualified agricultural property after the single most immediate transfer, and
- b. The person to whom the property is transferred files an affidavit with the assessor and the register of deeds. (The State Tax Commission recommends that the assessor verify that an affidavit has also been filed with the register of deeds.)

The signer of the affidavit must attest that the qualified agricultural property shall remain qualified agricultural property. The affidavit, Form 3676, can be obtained at the Department of Treasury Web site, www.michigan.gov/treasury.

When a property is transferred and the transfer is not a "transfer of ownership", the taxable value of the property is not uncapped in the year following the transfer. Therefore, if an owner files a form 3676 with the assessor and records the form with the register of deeds, the taxable value does not uncap in the year following the transfer. However, if a purchaser who thereafter acquires property under an existing PA 260 filing does not properly submit a form 3676 to reaffirm the commitment that the property will remain qualified agricultural property, then a transfer of ownership may occur unless other exception to uncapping applies. If qualified agricultural property is transferred and does not remain qualified agricultural property, the taxable value may still be exempt from uncapping if the transfer qualifies under some other section of law, such as a qualifying transfer to a trust, etc.

# 3. Procedure to Follow When Qualified Agricultural Property Which Has Been Exempt from Uncapping Under the Provisions of PA 260 of 2000 Later Ceases to be Qualified Agricultural Property

MCL 211.27a(7)(o) provides that if qualified agricultural property, which was exempt from being uncapped due to the provisions of PA 260 of 2000, ceases to be qualified agricultural property at any time after being transferred, the following shall occur:

- i. The taxable value shall be uncapped in the year after the property ceases to be qualified agricultural property. This means that the SEV, for the year after the property ceases to be qualified agricultural property, will become the taxable value of the property for that year.
- ii. The property is subject to the Agricultural Property Recapture Act. Separate instructions regarding the recapture tax are provided in this Bulletin as a service to assessors.

**Important Note:** The language "ceases to be qualified agricultural property" has been interpreted to include situations where the portion of a parcel that is qualified agricultural property decreases (i.e., the qualified agricultural property exemption percentage decreases). Notice, however, that if a separate tax parcel has been established prior to the change in use then only the portion as to which the change in use has occurred will be subject to uncapping. Please see question 3 contained in the addendum to this bulletin.

4. Procedure to Follow When Qualified Agricultural Property Which Has Been Exempt From Uncapping Under the Provisions of PA 260 of 2000 is Conveyed or Otherwise Transferred to a Person Who Does Not File a Form 3676 and/or Who is Entitled to Claim Another Exception to Uncapping Pursuant to MCL 211.27a and the Property Ceases to be Qualified Agricultural Property.

When a property is conveyed or otherwise transferred to a successive owner, the successor in ownership must file with the assessor <u>and</u> record with the register of deeds a form 3676 to attest that the qualified agricultural property shall remain qualified agricultural property. If the successor owner does not do so, then the taxable value will uncap, but the recapture tax is not initiated unless there is also a change in use which results in the property no longer being qualified agriculture property

5. Procedure to Follow When a Purchaser of Qualified Agricultural Property Does Not Timely File An Affidavit to Claim the Exemption From Uncapping, Then Later Discovers This Exemption From Uncapping, and Files Form 3676 After the Taxable Value Has Been Uncapped by the Assessor

PA 260 of 2000 provided for the recapping of taxable value when all of the following five conditions exist.

- a. A purchaser of qualified agricultural property qualifies for the exemption from uncapping except that the purchaser does not timely file the affidavit required, and
- b. The assessor uncaps the taxable value in the year following the transfer, and
- c. The purchaser later discovers (or chooses to claim) this exemption from uncapping, and
- d. The purchaser then files the affidavit (Form 3676), and
- e. The property was qualified agricultural property for each year back to and including 1999.

When all five of these conditions exist, the local tax collecting unit shall immediately revise the current tax roll by changing the existing uncapped taxable value to the taxable value the property would have if it had not been uncapped after the transfer. (This applies only to uncapping which occurred in 2001 or later.) This will require going back to the year when the taxable value was uncapped and recalculating the capped value for each intervening year from that point forward to the current year. However, only the current year's tax roll is actually changed. (A notation is also made in the *change column* of the current assessment roll.)

When an assessor recaps taxable value, the STC requires that the assessor file Form 3675. This is a mandatory form that provides a paper trail for an action not occurring at a meeting of the Board of Review. Form 3675 can only be used for the recapping authorized by PA 260 of 2000 and cannot be used for other purposes.

When a taxable value is recapped, the owner of the recapped property is not entitled to a refund of taxes already paid. However, if a tax bill <u>has not</u> been paid and the due date for the bill occurs after the recapping, the recapped taxable value shall be used for that bill. The due date is the last date on which taxes can be legally paid without the addition of interest or penalty.

**Important Note:** The recapping of taxable value as authorized by PA 260 of 2000 for qualified agricultural property must not be confused with adjustment of taxable value by the July or December Board of Review to correct an incorrect uncapping of taxable value. Adjustment of taxable value by the July or December Board of Review is now authorized only when the assessor has determined that no transfer of ownership occurred after a property has been incorrectly uncapped. Uncapping that occurs when qualified agricultural property transfers ownership and the new owner does not file the affidavit to keep the cap in place, resulting in an uncapping of the taxable value by the assessor, is not an incorrect uncapping.

# THE RECAPTURE TAX

# 1. When is the recapture tax imposed?

The recapture tax is imposed when <u>all</u> of the following conditions are met:

- a. Property was transferred after December 31, 1999.
- b. The taxable value of the property was not uncapped in the year following the transfer because it qualified for the exemption from uncapping provided by PA 260 of 2000.
- c. The qualified agricultural property is converted by a change in use after December 31, 2000. There is a change in use when one of the following occurs:
  - i. There is a change in use and the assessor determines that the property is no longer qualified agricultural property, or
  - ii. A purchase is about to occur but, prior to the purchase, the future purchaser files a Notice of Intent to Rescind the Qualified Agricultural Property Exemption (Form 3677) with the local tax-collecting unit.

**Please Note:** Form 3677 - The Notice of Intent to Rescind the Qualified Agricultural Property Exemption is different from Form 2743 - The Request to Rescind the Qualified Agricultural Property Exemption. Form 3677 is filed before a change in use occurs. Form 2743 is filed after a change in use actually occurs.

Property is converted by a change in use on the date that the notice (Form 3677) is filed with the local tax collecting unit. If the sale is not consummated within 120 days of the filing with the local unit, then the property is not converted by a change in use.

PA 261 of 2000 (MCL 211.1001, et seq.), in Section 2, states that the phrase "Benefit Period" which means "the **period in years between the date of the first exempt transfer and the conversion by a change in use**, not to exceed the 7 years immediately preceding the year in which the qualified agricultural property is converted by a change in use." (Emphasis added.) Therefore, the benefit period used in calculating the recapture tax is not limited to the period of time that the current owner has held title and, instead, extends for the full period over which the property has been benefited, or seven years, whichever is less.

# 2. How is the recapture tax calculated?

The recapture tax is calculated on the benefit period, which consists of up to seven years of tax savings received by the person and/or by that person's predecessor(s) in ownership to whom qualified agricultural property has been transferred with a capped taxable value under PA 260 of 2000. When a conversion by a change in use occurs, the tax benefit that occurred during the period of up to seven years is recaptured. The year that the property is converted by a change in use is not included in this calculation.

# For example:

Qualified agricultural property is transferred on October 1, 2005. The property remained qualified agricultural property after the transfer and an affidavit (Form 3676) was filed by the new owner. Therefore, the property was not a transfer of ownership due to the provisions of PA 260 of 2000 and the taxable value was not uncapped in 2006. The property then is converted by a change in use on September 1, 2015.

In this example there is a seven year recapture tax period consisting of the tax savings for the years 2008 through 2014. The tax savings for the years 2001 through 2007 are not included because these years are before the most recent 7 years. The tax savings for the year 2015 are not included because the tax savings for the year that a property is converted by a change in use are not recaptured.

The following procedures are recommended for use in calculating the recapture tax:

- a. Determine the number of mills levied on the property during each year of the benefit period.
- b. Determine the taxable value the property would have had during the benefit period if it had been uncapped in the year following the transfer. This is called the true cash taxable value.
- c. Determine the actual taxable value for the benefit period.
- d. Subtract the actual taxable value for each year of the benefit period from the true cash taxable value for each year of the benefit period.
- e. Multiply the millage for each year determined in step a) by the taxable value difference for each year determined in step d) and add the results.

# 3. Who calculates the recapture tax?

The county treasurer calculates and collects the recapture tax. However, the assessor of the local tax collecting unit must notify the county treasurer of the date on which the property is converted by a change in use and must calculate the true cash taxable as described in item 2(b) above.

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**Please Note:** The State Tax Commission recommends that assessors keep a record of properties which have been exempt from uncapping due to PA 260 of 2000 and annually calculate the true cash and taxable values of these properties. If, for example, a conversion by a change in use were to occur 25 years in the future, it might be very difficult to go back and calculate true cash taxable values 25 years after the exemption from uncapping was initially granted.

**Important Note:** The recapture tax must include the tax savings for the entire benefit period of up to seven years. In calculating the benefit period, the treasurer must consider not only the benefit received by the most immediate owner but also the benefit received, of up to seven total years, by a previous owner or by previous owners, from the year following the year that the initial owner first filed form 3676 with the assessor and recorded the form 3676 with the register of deeds. The county treasurer does not have the authority to reduce the recapture tax.

# 4. Who pays the recapture tax?

The recapture tax is sometimes paid by the person who owns the property at the time that the property is converted by a change in use. However, under certain circumstances, the recapture tax is paid by the person who transfers a property even though the actual change in use occurs after the transfer. This is the case when, prior to the transfer, the future purchaser files a Notice of Intent to Rescind the Qualified Agricultural Property Exemption (Form 3677) with the local tax collecting unit and delivers a copy of the notice to the future seller. Please review Section 2(c)(ii), and 3(3) of PA 261 of 2000.

**Important Note:** If a property is transferred after receiving an exemption from uncapping (as provided by PA 260 of 2000) and if the status of the property later changes so that the property is no longer qualified agricultural property to the same extent it was before the transfer, the entire recapture tax is paid by the owner who owned the property when the qualified agricultural property exemption percentage was reduced. It is not split between the current owner and the previous owner. This is generally the current owner unless that owner, as purchaser, completed form 2677 prior to purchase

# For Example:

Person A sells a farm property (which is 100 percent qualified agricultural property) to person B. Person B qualifies for the exemption from uncapping provided by PA 260 of 2000. After five years, person B sells the property to person C who also qualifies for the exemption from uncapping provided by PA 260 of 2000. After another three years, person C develops the property into a commercial use and the property is no longer qualified agricultural property to the same extent it was before the transfer. In this example, seven years of recapture tax are due and the recapture tax is paid entirely by person C. Person B pays none of the recapture tax.

# 5. When is the recapture tax collected?

Section 3(2) of PA 261 applies when there is a change in use as defined in Section 2(c)(i) of PA 261, and requires that the tax be paid within 90 days of the date the property was converted by a change in use. If it is not paid within 90 days, the treasurer may bring a civil action against the owner of the property.

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Section 3(3) of PA 261 applies when a future purchaser files a Notice of Intent to Rescind the Qualified Agricultural Property Exemption (Form 3677). In this case, the tax is an obligation of the person who owned the property prior to the transfer and the tax is due when the instruments transferring the property are recorded with the register of deeds.

# 6. Who gets the recapture tax revenue?

Please see Sections 5 and 6 of PA 261 of 2000 for specific wording. The recapture tax is collected by the county treasurer and deposited with the state treasurer where it is credited to the fund in which the proceeds from lien payments made under part 361 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101 to 324.36117, are deposited.

The interest earned on the money collected while held by the county may be retained by the county treasurer as reimbursement for the costs incurred by the county in collecting and transmitting the tax. The money retained by the county shall be deposited in and credited to the general fund of the county in which the tax is collected.

# **ADDENDUM**

**Question 1:** What happens if the property being transferred has a qualified agricultural property exemption of less than 100 percent – for example a 75 percent exemption – and the transfer qualifies to be exempt from being uncapped due to the provisions of PA 260 of 2000?

In this situation, there is a partial uncapping of 25 percent of the taxable value and 75 percent remains capped.

**Question 2**: What happens if a property has a 100 percent exemption as qualified agricultural property and only 75 percent will remain qualified agricultural property after the transfer due to a partial change in use? (**Note: This example does not involve a split.**)

There will be a total uncapping of the taxable value of this parcel (assuming that the transfer does not qualify to be exempt from uncapping under some other provision of the law). It is the opinion of the STC that a reduction in the percentage of the qualified agricultural property exemption of a parcel results in a total uncapping of that parcel's taxable value in the situation described above. PA 260 of 2000 did not provide for a partial uncapping in this situation. Note, however, the possible application of PA 375 of 2016, which is discussed at the beginning of this Bulletin, and which, at the request of the owner, permits the assessor to divide the parcel into two or more tax parcels which result in triggering the recapture tax on one or more of the tax parcels while continuing the PA 260 treatment on the portion of the parcel which remains qualified agricultural property. It is the State Tax Commission's interpretation that the separation of the legal parcel into two or more tax parcels must be requested before the change in use occurs.

**Question 3:** In terms of uncapping, what happens if only part of a qualified agricultural property is converted by a change in use after a transfer, which was exempt from uncapping by PA 260 of 2000?

If part of the property is split off, and then the split parcel is converted by a change in use, the taxable value of the split parcel is uncapped in the following year and the recapture procedure is applied. The taxable value of what remains of the original parcel remains capped (assuming that the

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original portion remains qualified agricultural property to the same extent it was before the split). However, if part of the property is converted by a change in use prior to or not involving a split, the taxable value of the entire parcel is uncapped in the year following the change in use and the recapture procedure is applied.

**Question 4:** An 80-acre property is classified agricultural but the owner lives on the property and claims the homeowner's principal residence exemption so that he/she can also claim a homeowner's principal residence exemption on a contiguous vacant property, which is classified residential. If this 80-acre parcel is being transferred to someone who will continue to farm the property, can the buyer file an affidavit (Form 3676) and claim the exemption from uncapping that is provided for qualified agricultural property even though the property is receiving the homeowner's principal residence exemption (and not the qualified agricultural property exemption)?

Yes. Properties which are classified agricultural meet the definition of "qualified agricultural property" even though the property has a homeowner's principal residence exemption. PA 260 of 2000 simply required the property be qualified agricultural and remain qualified agricultural after a transfer in order to avoid uncapping. The act did not require that the property be receiving the qualified agricultural property exemption if it was receiving the principal residence exemption instead.

Furthermore, if the 80-acre parcel was classified residential but was qualified agricultural property because more than half its acreage was devoted to agricultural use, a transfer of the parcel could qualify for the exemption from uncapping even though it is classified residential. (Please see the current Qualified Agricultural Property Exemption Guidelines published by the State Tax Commission regarding the 50 percent test for qualified agricultural property.)

Question 5: A 40-acre property is classified agricultural real property and the previous owner, at the time of that owner's purchase of the property in 2011, properly filed and recorded form 3676 attesting that the property would remain qualified agricultural property. In 2015 that owner conveys the property pursuant to a sale of the property. The new owner did not file a form 3676, indicating that the use of the property for agriculture would continue, and did not file a form 3677 notifying the assessor and the seller of his intention to change the use of the property. However, the property continued to be used for agriculture to the same extent as previously, resulting in continued classification of the property as agricultural real property. In 2017 the new owner changes the use of the property from its agricultural use to a commercial use, by constructing a retail shopping center on the site. Did the taxable value uncap and, if so, in what year or years? Will recapture tax be due and, if so, when will the tax become due, and how many years of recapture are included in the calculation?

Since the new owner did not file a form 3676 attesting that the property would remain qualified agricultural property when he or she acquired title, the taxable value will uncap unless another exception to uncapping applies. However, while the failure to file and record form 3676 may be an uncapping event, the recapture tax will not be due until and unless there is a change in use of the property. Further, if there is a subsequent change in use then the change in use is a transfer of ownership on the date of the change in use. Under the facts given, transfers of ownership occurred in 2015 (for the 2016 assessment year) and in 2017 (for the 2018 assessment year). In calculating the benefit period, the year of the change in use (2017) is not considered and the benefit period begins in 2011 and ends in 2016 (seven years), even though the current owner has owned the property only since 2015. The recapture tax is calculated over the entire benefit period and must be paid in its entirety by the current owner.

## Draft 5/19/2017

Michigan Department of Treasury 3676 (Rev. 05-17)			This form is issued under authority of P.A. 260 and P.A. 378 of 2006. Filing is mandaton
Affidavit Attesting Quali	fied Agricultural Pro	perty Shall Rem	ain Qualified Agricultural Propert
Street Address of Property		-	2. Name of County
3. City/Township/Village Where Real Estate	e is Located		City Township Village
4. Name of Property Owner(s) (Print or Typ	pe Legibly)	5. Property ID Numbe	er (from Tax Bill or Assessment Notice)
Legal Description (Legal description is renecessary)	equired; attach additional sheets if		property that is, and will remain Qualified Agricultural Property fied Forest Program Property) %
8. Daytime Telephone Number	9. E-mail Address		Partial transfer under MCL 211.27a(6)(K)? See Page 2
currently is, and will remain, qualifi	_ , 20 Signed	red or Type)	artner, corporate officer, or a duly authorized age
Dated:	_ , 20 Signed		
		ed or Type)	
	Title		
STATE OF MICHIGAN ) ss.			
COUNTY OF)			
On this day of	, 20, the	above-named person	(s)
			ne persons' execution of this affidavit was that ne best of that person's information, knowledge
	 PRINT/TYPI	F NAMF:	
	NOTARY PL	<u> </u>	County, Michigan
	Acting in	•	County
(NOTARY SEAL)			
Drafter's Name			
Drafter's Address			
	USE ONLY AFTER THE IN	NSTRUMENT IS REC	ORDED WITH THE REGISTER OF DEEDS
FOR LOCAL GOVERNMENT Is the percentage stated above in Agricultural Property?	n number 7 the current percen	ntage of the property the	Yes No
FOR LOCAL GOVERNMENT Is the percentage stated above in	n number 7 the current percen	ntage of the property the	at is Qualified Yes No

# Instructions: Form 3676, Affidavit Attesting that Qualified Agricultural Property Shall Remain Qualified Agricultural Property

This form must be filed to claim that a transfer of property is not a statutory transfer of ownership because the property will continue to be qualified agricultural property. This form must be filed with the register of deeds for the county in which the qualified agricultural property is located and then with the assessor of the local tax collecting unit where this property is located. This affidavit must be signed by the owner(s), by a duly authorized partner or corporate officer, or by a duly authorized agent. All individual owners must sign if the property is not titled in the name of a corporation, limited liability company, partnership or trust, unless the signer executes this affidavit as attorney in fact for the owners who do not sign, pursuant to a duly executed power of attorney. If there are more than two owners, additional duplicate affidavits should be completed for the remaining owners.

## **EXCERPTS FROM MICHIGAN COMPILED LAWS (MCL)**

#### Section 211.7dd. (d)

"'Qualified agricultural property' means unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use...Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed a principle residence exemption on other property. Property used for commercial storage, commercial processing, commercial distribution, commercial marketing, or commercial shipping operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agricultural use only if more than 50% of the parcel's acreage is devoted to agricultural use. An owner shall not receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose or that is a residence that is not a related building."

#### Section 211.27a. (3)

"Upon a transfer of ownership of property after 1994, the property's taxable value for the calendar year following the year of the transfer is the property's state equalized valuation for the calendar year following the transfer."

#### Section 211.27a. (6)

"...'[T]ransfer of ownership' means the conveyance of title to or a present interest in property, including the beneficial use of the property, the value of which is substantially equal to the value of the fee interest."

#### Section 211.27a. (6)(k)

Notwithstanding the provisions of section 7ee(5), at the request of a property owner, an assessor's establishment of a separate tax parcel for a portion of a parcel that ceases to be qualified agricultural property but is not subject to a land division under the land division act, 1967 PA 288, MCL 560.101 to 560.293, or any local ordinance. For purposes of this subdivision, a transfer of ownership occurs only as to that portion of the parcel established as a separate tax parcel and only that portion shall have its taxable value adjusted under subsection (3) and shall be subject to the recapture tax provided for under the agricultural property recapture act, 2000 PA 261, MCL 211.1001 to 211.1007. The adjustment under subsection (3) shall be made as of the December 31 in the year that the portion of the parcel established as a separate tax parcel ceases to be qualified agricultural property. A portion of a parcel subject to this subdivision is considered a separate tax parcel only for those purposes described in this subdivision.

**Note**: A request to establish a separate parcel in accordance to MCL 211.27a(6)(k) must be made in writing to the local unit assessor where the qualified agricultural property is located prior to submitting Form 3676, *Affidavit Attesting that Qualified Agricultural Property Shall Remain Qualified Agricultural Property*.

#### Section 211.27a. (7)(n)

"Transfer of ownership" does not include the following: "A transfer of qualified agricultural property, if the person to whom the qualified agricultural property is transferred files an affidavit with the assessor of the local tax collecting unit in which the qualified agricultural property is located and with the register of deeds for the county in which the qualified agricultural property is located attesting that the qualified agricultural property shall remain qualified agricultural property... An owner of qualified agricultural property shall inform a prospective buyer of that qualified agricultural property that the qualified agricultural property is subject to the recapture tax provided in the agricultural property recapture act...if the qualified agricultural property is converted by a change in use. If property ceases to be qualified agricultural property at any time after being transferred, all of the following shall occur:

- (i) The taxable value of that property shall be adjusted under subsection (3) as of the December 31 in the year that the property ceases to be qualified agricultural property.
- (ii) The property is subject to the recapture tax provided for under the agricultural property recapture act."

5102 (Rev. 04-15) Agenda Item #17



LANSING

RICK SNYDER GOVERNOR

NICK A. KHOURI STATE TREASURER

Bulletin 8 of 2017 June 6, 2017 Transitional Qualified Forest Property Exemption

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

**FROM:** State Tax Commission

**RE:** Transitional Qualified Forest Property Exemption

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 legislation provides for a graduated return to ad valorem property taxes by allowing a five (5) year incremental return to full tax liability. This is accomplished by the creation the Transitional Qualified Forest Property (TQFP) exemption and specific tax.

#### PA 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 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 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 following:

- The specific tax calculated under Section 51106 of the Natural Resources and Environmental Protection Act (the Commercial Forest specific tax); or,
- 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. The form used by the collecting officer to show disbursements can be obtained on request by Email from the State Tax Commission at <a href="mailto:state-tax-commission@michigan.gov">state-tax-commission@michigan.gov</a>.

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 five 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 five (5) year period is not successfully completed, then the CFR withdrawal penalties apply.

#### PA 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.

Sec. 7vv:

(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.

#### PA 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 five (5) years, to become Qualified Forest Property.

### **Taxpayers Seeking Entry into the Program:**

Property owners seeking entry into the TQFP program should contact the Michigan Department of Agriculture and Rural Development (MDARD). The website relating to the topic is found at <a href="https://www.michigan.gov/qfp">www.michigan.gov/qfp</a>, and the property owner can contact the Department at <a href="https://mww.michigan.gov">MDARD-QFP@michigan.gov</a>, or by calling 517-284-5630.

## **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, he or she shall exempt the TQFP from collection of ad valorem property taxes collected under the general property tax act, 1893 PA 206, as provided in section 7jj(1) of the act, for a period not to exceed five (5) years.
- 2. The assessor shall determine annually, as of December 31, the 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. In other words, the taxable value of the parcel is determined using the same procedures as are used to value parcels which are not TQFP. Since the parcel is returning to the roll from exempt status, the taxable value and the state equalized value of the parcel will be equal in the first year that the parcel is TQFP.
- 3. If notified by the Department of Agriculture and Rural Development that a parcel is no longer TQFP, or upon the expiration of the five (5) year exemption period, he or she shall immediately place the property on the ad valorem tax roll.

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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 until 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 five (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.



LANSING



RICK SNYDER GOVERNOR NICK A. KHOURI STATE TREASURER

Bulletin 9 of 2017 June 6, 2017 Sales Ratio Studies

TO: Assessing Officers and Equalization Directors

FROM: State Tax Commission

RE: 12-Month and 24-Month Sales Ratio Studies and Date Change

#### Bulletin 5 of 2007 is rescinded.

The following dates have been approved by the State Tax Commission for use in conducting and completing sales ratio studies:

- 24-month: April 1 of the prior two years through March 31 of the current assessment year
- 12-month: October 1 of the prior year through September 30 of the current assessment year

**Note:** Assessing officers and county equalization directors are reminded that they must complete their sales studies, establish and reflect land value determinations and starting ratio(s), and add the determined economic condition factor(s) to the CAMA Software prior to adding the value of new construction, and other New and Additions. Failure to do so may result in an overstatement of the Rollback (understatement of the Millage Reduction Fraction).

- The 12-month sales study shall be considered annually for study purposes but shall only be used when there are indicators of a declining market. A declining market may include, but is not limited to:
  - a. A reduced number of market sales without a reduction in the number of listings
  - b. An increase in the number of foreclosure sales
  - c. A loss of major employer(s)
  - d. A single year sales study ratio higher than the standard 24-month ratio, in combination with items a through c above
- 12-month sales studies must contain a sufficient number of valid arms-length sales so that a conclusion can be reached and the results of the study are indicative of the real estate market being studied.
- 12-month sales studies may be initiated by the local assessor and delivered to the county equalization department and the State Tax Commission not later than November 1 prior to tax day. Sales that occur from October 1 of the previous year through September

- **30 prior to tax day shall be used in the 12-month study**. The study shall be accompanied by a written request that the county equalization director review the study and accept it as the beginning ratio for county equalization.
- The county equalization director may initiate a 12-month sales study in consultation with the local assessor. The county equalization director may substitute the 12-month sales study for the 24-month sales study to determine the starting ratio. All 12-month sales studies that are utilized must be submitted to the State Tax Commission, along with any other portions of the study, no later than December 31.
- For 24-month sales studies, sales that occur prior to April 1 shall be compared to the previous year's assessed value then multiplied by the previous year's adjustment modifier. Sales that occur after March 31 shall use the current year's assessment unadjusted. The two assessed value totals as adjusted shall be divided by the total of the sale prices to determine the beginning ratio. (See Form 2793, formerly L-4017 and L-4047)
- If the evidence of a declining market is limited to a subpopulation of a classification within the local unit, or if the distribution of sales is not uniform with respect to that classification, strong consideration should be given to stratification of the study. Proper stratification of a study will include separate ratios for each subpopulation, multiplied by the appropriate adjustment modifier. (See Form 2793, formerly L-4017 and L-4047)
- Property sales may not be excluded from a sales study simply because the property has received Mathieu Gast non-consideration treatment for the value of normal repairs, replacements or maintenance. The sale price of such sales may not be adjusted except as permitted by State Tax Commission Bulletin 7 of 2014.

#### 2017 24 and 12 Month Sales Ratio Study for Determining the 2018 Starting Base

This form is utilized with your Sales Ratio Study to determine the ratio and true cash value amounts entered on Form 603, *Analysis for Equalized Valuation*NOTE: PAGE 2 CONTAINS INSTRUCTIONS THAT SHOULD BE REVIEWED PRIOR TO COMPLETING THIS FORM

County Name:				City or Township Name:				
Classification of	Classification of Property (Ag, Com, Res, etc.)  Agricultural Sales Study							
2015 to 201	6 Adjustment	Modifier						
1. Enter the	1. Enter the assessed valuation after adjustment from the 2016 form L-4023 line 105							
2. Enter the	2. Enter the assessed valuation before adjustment from the 2016 form L-4023 line 103							
3. 2015 to 20	016 Adjustment M	lodifier. Div	vide line 1 by line 2				3. <b>0.0000</b>	
2016 to 201	7 Adjustment	Modifier						
4. Enter the	assessed valuation	on after adju	ustment from the 2017 form	m L-4023 line 105			4.	
5. Enter the	assessed valuatio	on before a	djustment from the 2017 fo	orm L-4023 line 103		!	5.	
6. 2016 to 20	017 Adjustment M	lodifier. Div	vide line 4 by line 5				6. <b>0.0000</b>	
2015 to 201	2015 to 2017 Adjustment Modifier							
7. 2015 to 20	017 Adjustment M	lodifier. Mu	ultiply line 3 by line 6				7	
			24	Month Sales Stu	ıdy			
A Year of Assessment	B Sales Period	C Number of Sales	Total Assessed Value for Sales	Applicable Adjustment Modifier	Adjusted Assessed Value	Total Adjusted Prices	н Adjusted % Ratio (col. F ÷ col. G)	
2015	4/15 - 9/15						0.00%	
2015	10/15 - 3/16						0.00%	
12	12 Month Total Sales - 12 Month Total Sales 0.00%						0.00%	
2016	4/16 - 9/16			0.0000			0.00%	
2016	10/16 - 3/17			0.0000			0.00%	
12	Month Total Sales	-		12 Month Total Sales	-	-	0.00%	
24 Mo	onth Total Sales	-		24 Month Total Sales	-	-		
				_	*24 Month Me	an Adjusted Ratio	0.00%	

#### \* Important:

For sales from April 2015 through March 2016, divide the 12 month total 'Adjusted Assessed Value' by the 'Total Prices for Sales' to get the 12 month 'Adjusted % Ratio'. Repeat this process for sales from April 2016 through March 2017. Finally, sum the two 'Adjusted % Ratios and divide the result by 2 to get the 'Mean Adjusted Ratio'. The 'Mean Adjusted Ratio' in column H is carried to Form 603 (L-4018).

12 Month / Single Year Sales Study					L-4047		
				E	F	G	н
A	В	С	D	Applicable	Adjusted	Total	Adjusted
Year of	Sales	Number	Total Assessed	Adjustment	Assessed	Prices	Ratio %
Assessment	Period	of Sales	Value for Sales	Modifier	Value	for Sales	(col. F ÷ col. G)
2016	10/16 - 3/17	-	i	0.0000		-	0.00%
2017	4/17 - 9/17			1.0000			0.00%
12	Month Total Sales	-		12 Month Total Sales	-	-	
** 12 Month Aggregate Adjusted Ratio							

#### \*\* Important:

For sales from October 2016 through September 2017, divide the 12 month total 'Adjusted Assessed Value' by the 'Total Prices for Sales' to get the '12 Month Aggregate Adjusted % Ratio'. The 'Aggregate Adjusted Ratio' in column H is carried to Form 603 (L-4018).

- 2015 March Board of Review valuations are compared with sales transacted during the last nine months of 2015 and those transacted in the first three months of 2016.
- 2016 March Board of Review valuations are compared with sales transacted during the last nine months of 2016 and those transacted in the first three months of 2017.
- 2017 March Board of Review valuations are compared with sales transacted during April through September of 2017.

#### **INSTRUCTIONS FOR FORM 2793 (L-4017 & L-4047)**

- 1. Complete the county and local unit information at the top of the page.
- 2. Indicate the classification of the property in the yellow box in front of the "01".
- 3. Enter the appropriate value from Form L-4023, line 405, in line 1 of the form.
- 4. Enter the appropriate value from Form L-4023, line 403, in line 2 of the form.
- 5. Enter the appropriate value from Form L-4023, line 405, in line 4 of the form.
- 6. Enter the appropriate value from Form L-4023, line 403, in line 5 of the form.
- 7. Enter the number of sales, total assessed values and total of prices from Form L-4015 in lines A thru H.

Note the small yellow highlighted box found between "\*24 Month Mean Adjusted Ratio" and the box containing the ratio.

Note the small yellow highlighted box found between "\*12 Month Aggregate Adjusted Ratio" and the box containing the ratio.

Place an asterisk character in the small yellow highlighted box that corresponds to the ratio that will be carried to Form 603 (formerly L-4018R), *Analysis for Equalized Valuation – Real Property*. This will identify the ratio that is to be carried to Form 603. However, it will **not** automatically post the ratio to Form 603, you must manually enter the ratio.

Note: Form 2793 (formerly L-4017 and L-4047) is subject to review and audit for compliance by the State Tax Commission



RICK SNYDER GOVERNOR NICK A. KHOURI STATE TREASURER

Bulletin 10 of 2017 June 6, 2017 County Multipliers

**TO:** Assessors and Equalization Directors

FROM: State Tax Commission

**SUBJECT:** County Multipliers

Attached are the 2017 County Multipliers for use with the 2003 cost schedules contained in Volumes I and II of the Assessor's Manual. The 2017 County Multipliers are to be used in the 2017 equalization appraisal studies whose purpose is to set the 2018 base.

Volumes I and II of the Michigan Assessor's Manual can be accessed at: www.michigan.gov/statetaxcommission.

#### Attachments:

Commercial and Industrial County Multipliers

Residential County Multipliers



RICK SNYDER GOVERNOR NICK A. KHOURI STATE TREASURER

Bulletin 11 of 2017 June 6, 2017 MTT Interest Rates

**TO:** Assessing Officers and County Equalization Directors

FROM: Michigan State Tax Commission

**SUBJECT:** Interest Rates on Michigan Tax Tribunal Judgments

Public Act 220 of 2012 provides that, after June 30, 2012, the Tax Tribunal interest rate shall be calculated twice a year for the periods of January 1 to June 30 and July 1 to December 31. The interest rate is established as the "adjusted prime rate" plus 1%. The "adjusted prime rate" is the average predominant prime rate quoted by not fewer than 3 commercial banks to large businesses during a preceding six-month period, as determined by the Department of Treasury.

Period	Interest Rate
July 1 – December 31, 2012	4.25%
January 1 – June 30, 2013	4.25%
July 1 – December 31, 2013	4.25%
January 1 – June 30, 2014	4.25%
July 1 – December 31, 2014	4.25%
January 1 – June 30, 2015	4.25%
July 1 – December 31, 2015	4.25%
January 1 – June 30, 2016	4.25%
July 1 – December 31, 2016	4.40%
January 1 – June 30, 2017	4.50%
<b>July 1 – December 31, 2017</b>	4.70%

Prior to July 1, 2012, the average interest rate was calculated annually utilizing the average auction rate of 91-day discount Treasury bills in the prior State fiscal year. Announced interest rates through June 30, 2012 may be found in Bulletin 14 of 2012.



RICK SNYDER GOVERNOR NICK A. KHOURI STATE TREASURER

**DATE:** June 6, 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	1	Taxes – 1981 Legislation	Transmittal of Public Act 213 of 1981, which was amended in 1986, and of Public Act 210, which has been amended six times since 1981.
1982	8	Real Estate Transfer Tax	Transmittal of Attorney General opinion regarding real estate transfer tax.
1982	25	Personal Property Expensed	A more recent version of the information provided in this bulletin is included in the instructions to the annual Personal Property Statement.
1982	27	Tribunal Actions	Concerns MTT advice and policy regarding MCL 211.53a and MCL 211.24c; merely reiterates statutory language.
1983	18	Air and Water Pollution Facilities	Concerns Public Acts 250 of 1965 and 222 of 1966, both of which were repealed by PA 451 of 1994 and replaced by the Natural Resources and Environmental Protection Act.

1985	2	Public Acts	Sole purpose of bulletin is to list and
			briefly describe the Public Acts
			relating to property taxes that were
			passed in 1984, many of which have
			been subsequently amended.
1985	3	Cost Base Modifiers	Sets out the cost base modifiers for the
			Assessor's manual applicable to 1985
			only.
1986	5	Cost Base Modifiers	Sets out the cost base modifiers for the
			Assessor's manual applicable to 1986
			only.
1987	6	Request for Special Assessment	Transmittal of special assessments
		Report	forms used in 1986 only.
1987	9	Computerized Appraisal	Advice issued in 1987 regarding the
		Schedules	use of computerized appraisal
			schedules and computerized appraisal
			systems.
1988	14	Status of Soil Surveys	Contains a map indicating the status of
			soil surveys as of October 1988,
			forwards the 1988 updates to the
			Assessor's Manual, and forwards an
			order form for the 1986 Assessor's
			Manual.
1989	4	IFT Certificates/CFT Certificates	Reminder to local unit assessors to
			check for expired certificates before
1.00	_		preparing 1989 assessment roll.
1989	5	Public Records: Inspection and	Relates to MCL 399.5, MCL 750.492,
(and		Furnishing Copies	and MCL 15.240, all of which have
add'n to			been amended or repealed. Now
1989-5,			governed by the Freedom of
issued 8/22/89)			Information Act.
1989	14	IFT Exemption Certificate	Additional guidance is available in the
1707	17	Applications	STC FAQ: Frequently Asked
		1 ipplications	Questions (FAQ) Plant Rehabilitation
			and Industrial Development Act
			(Industrial Facilities Exemption).
1992	6	Fast Food Restaurants	Discusses the results of a 1992 survey
			regarding the valuation of personal
			property of fast food restaurants;
			superseded by Bulletin 12 of 1999.
1992	9	Computer Equipment and	Sets out the cost multipliers for
		Assessable Software	computer equipment and assessable
			software applicable to 1993 only;
			superseded by Bulletin 12 of 1999.

1994	11	Public Act 80 of 1994	Transmittal of Public Act.
1997	15	Property Transfer Affidavit Land Division Form	Transmittal of Property Transfer Affidavit and Land Division Forms for 1997 tax year; more recent versions of the forms are available.
2006	13	Changes in the 2007 Personal Property Statement	Concerns changes in the 2007 personal property statement.



#### STATE OF MICHIGAN



WILLIAM G. MILLIKEN, Governor

#### DEPARTMENT OF TREASURY

COMMISSION MEMBERS

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

LOREN E. MONROE, State Treasurer

#### STATE TAX COMMISSION

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

> No. 1 - January 5, 1982 Taxes - 1981 Legislation Millage Rollbacks Assessment Notices

TO: County Equalization Directors

FROM: Emil E. Tahvonen, Administrator

State Tax Commission

RE: Act 213, P.A. of 1981 (House Bill 5044)

Act 210, P.A. of 1981 (House Bill 5144)

Attached are copies of each of the above Acts. Both are effective December 30, 1981.

## Act 213, P.A. of 1981

Act 213 amends Section 34 of the General Property Tax Act. The primary change provides that if in an assessing unit, township or city, the state equalized valuation exceeds its assessed valuation by 5.0% or more in 1982 or by any amount in 1983 or any year thereafter, the city or township shall reduce its maximum authorized millage rate, as determined after any reduction caused by section 34a (Headlee Rollback), so that total property taxes levied for that unit do not exceed that which would have been levied based on its assessed valuation.

Subsection (4) of Section 34 has been amended to allow the certified assessor of a township or city, with the approval of the governing body, to file a county equalization appeal with the Michigan Tax Tribunal.

A new subsection (5) was also added.

## Act 210, P.A. of 1981

Amends Section 24c of the General Property Tax Act relating to assessment notices.

The State Tax Commission will prepare and send you a model assessment notice form shortly.

If you have any questions please write or phone 517-373-0500.

#### ACT NO. 210 of 1981

Approved December 30, 1981, Immediate Effect

## STATE OF MICHIGAN 81ST LEGISLATURE REGULAR SESSION OF 1981

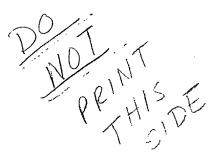
Introduced by Reps. Virgil C. Smith, Vanek, Lalonde and Richard A. Young

## ENROLLED HOUSE BILL No. 5144

Section 1. Section 24c of Act No. 206 of the Public Acts of 1893, as amended by Act No. 361 of the Public Acts of 1976, being section 211.24c of the Compiled Laws of 1970, is amended to read as follows:

- Sec. 24c. (1) The assessor shall give to each owner or person or persons listed on the assessment roll of the property a notice by first class mail of an increase in the assessment for the year. The notice shall specify each parcel of property, the assessed valuation for the year and the previous year, and the time and place of the meeting of the board of review. The notice also may specify the net change in assessment.
- (2) Except as provided by subsection (4), the notice shall include, in addition to the information required by subsection (1), all of the following:
  - (a) The state equalized valuation for the previous year.
  - (b) The tentative equalized valuation for the year.
- (c) The net change between the tentative equalized valuation for the year and the state equalized valuation for the previous year.
  - (d) The classification of the property as defined by section 34c.
- (3) When required by Act No. 281 of the Public Acts of 1967, as amended, being sections 206.1 to 206.532 of the Michigan Compiled Laws, the assessment notice shall include or be accompanied by information or forms prescribed by Act No. 281 of the Public Acts of 1967, as amended.
  - (4) For assessment notices mailed in 1982 only:
- (a) If the tentative equalization multiplier is 1.0 for all classes of property, the assessment notice may exclude the information required by subsection (2)(b), (c), and (d).
- (b) If the equalization multiplier for 1981 was 1.0 for all classes of property, the assessment notice may exclude the information required by subsection (2)(a).
- (c) The assessment notice may exclude the assessed valuation for 1981 if it includes the information required by subsection (2)(a).
- (5) The assessment notice shall be addressed to the owner according to the records of the assessor and mailed not less than 10 days before the meeting of the board of review. The failure to send or receive an assessment notice shall not invalidate an assessment roll or an assessment on that property.
- (6) The tentative equalized valuation shall be calculated by multiplying the assessment by the tentative equalized valuation multiplier. If the assessor has made assessment adjustments which would have changed the tentative multiplier, the assessor may recalculate the multiplier for use in the notice.
- (7) The state tax commission shall prepare a model assessment notice form which shall be made available to local units of government.

#### ACT NO. 213 of 1981



Approved December 30, 1981, Immediate Effect

## STATE OF MICHIGAN 81ST LEGISLATURE REGULAR SESSION OF 1981

Introduced by Reps. Emerson, Trim, Lincoln, Ryan, Stabenow, Jondahl, Roy Smith, Mary C. Brown, Ciaramitaro, Thomas H. Brown, Richard A. Young, Vanek, Harrington and Barcia

## ENROLLED HOUSE BILL No. 5044

Section 1. Section 34 of Act No. 206 of the Public Acts of 1893, as amended by Act No. 6 of the Public Acts of 1981, being section 211.34 of the Compiled Laws of 1970, is amended to read as follows:

Sec. 34. (1) The county board of commissioners in each county shall meet in April each year to determine county equalized value which equalization shall be completed and submitted along with the tabular statement required by section 5 of Act No. 44 of the Public Acts of 1911, being section 209.5 of the Michigan Compiled Laws, to the state tax commission before the first Monday in May. The business which the board may perform shall be conducted at a public meeting of the board held in compliance with Act No. 267 of the Public Acts of 1976, as amended. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976, as amended. Each year the county board of commissioners shall advise the local taxing units when the state tax commission increases the equalized value of the county as established by the board of county commissioners and each taxing unit other than a city, township, school district, intermediate school district, or community college district, shall immediately reduce its maximum authorized millage rate, as determined after any reduction caused by section 34d, so that subsequent to the increase ordered by the state tax commission pursuant to Act No. 44 of the Public Acts of 1911, as amended, being sections 209.1 to 209.8 of the Michigan Compiled Laws, total property taxes levied for that unit shall not exceed that which would have been levied for that unit at its maximum authorized millage rate, as determined after any reduction caused by section 34d, if there had not been an increase in valuation by the state. If its state equalized valuation exceeds its assessed valuation by 5.0% or more in 1982 or by any amount in 1983 or any year thereafter, a city or township shall reduce its maximum authorized millage rate, as determined after any reduction caused by section 34d, so that total property taxes levied for that unit do not exceed that which would have been levied based on its assessed valuation.

<sup>(4)</sup> The supervisor of a township or, with the approval of the governing body, the certified assessor of a township or city, or the intermediate district board of education, or the board of education of an incorporated city or village aggrieved by the action of the county board of commissioners, in equalizing the valuations of the townships or cities of the county, may appeal from the determination to the state tax tribunal in the manner provided by law. An appeal from the determination by the county board of commissioners shall be filed with the clerk of the tribunal by a written or printed petition which shall set forth in detail the reasons for taking the appeal. The petition shall be signed and sworn to by the supervisor, the certified assessor, or a majority of the members of the board of education taking the appeal; shall show that a certain township, city, or school district has been discriminated against in the equalization, and shall pray that the state tax tribunal proceed at its earliest convenience to review the action from which the appeal is taken. The state tax tribunal shall, upon hearing, determine if in its judgment there is a . . .

<sup>(5)</sup> For purposes of appeals pursuant to subsection (4) in 1981 only, an agent of a supervisor, including an assessor, shall be considered to have the authority to file and sign a petition for an appeal, and any otherwise timely submitted petition in 1981 by an agent of a supervisor shall be reviewed by the tribunal as if submitted by the supervisor.

Act No. 213
Public Acts of 1981
Approved by Governor
December 30, 1981, I.E.

## STATE OF MICHIGAN 81ST LEGISLATURE REGULAR SESSION OF 1981

Introduced by Reps. Emerson, Trim, Lincoln, Ryan, Stabenow, Jondahl, Roy Smith, Mary C. Brown, Ciaramitaro, Thomas H. Brown, Richard A. Young, Vanek, Harrington and Barcia

## ENROLLED HOUSE BILL No. 5044

AN ACT to amend section 34 of Act No. 206 of the Public Acts of 1893, entitled as amended "An act to provide for the assessment of property and the levy and collection of taxes thereon, and for the collection of taxes levied; making such taxes a lien on the lands taxed, establishing and continuing the lien, providing for the sale and conveyance of lands 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 therewith; 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 certain acts and parts of acts in anywise contravening any of the provisions of this act," as amended by Act No. 6 of the Public Acts of 1981, being section 211.34 of the Compiled Laws of 1970.

## The People of the State of Michigan enact:

Section 1. Section 34 of Act No. 206 of the Public Acts of 1893, as amended by Act No. 6 of the Public Acts of 1981, being section 211.34 of the Compiled Laws of 1970, is amended to read as follows:

- Sec. 34. (1) The county board of commissioners in each county shall meet in April each year to determine county equalized value which equalization shall be completed and submitted along with the tabular statement required by section 5 of Act No. 44 of the Public Acts of 1911, being section 209.5 of the Michigan Compiled Laws, to the state tax commission before the first Monday in May. The business which the board may perform shall be conducted at a public meeting of the board held in compliance with Act No. 267 of the Public Acts of 1976, as amended. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976, as amended. Each year the county board of commissioners shall advise the local taxing units when the state tax commission increases the equalized value of the county as established by the board of county commissioners and each taxing unit other than a city, township, school district, intermediate school district, or community college district, shall immediately reduce its maximum authorized millage rate, as determined after any reduction caused by section 34d, so that subsequent to the increase ordered by the state tax commission pursuant to Act No. 44 of the Public Acts of 1911, as amended, being sections 209.1 to 209.8 of the Michigan Compiled Laws, total property taxes levied for that unit shall not exceed that which would have been levied for that unit at its maximum authorized millage rate, as determined after any reduction caused by section 34d, if there had not been an increase in valuation by the state. If its state equalized valuation exceeds its assessed valuation by 5.0% or more in 1982 or by any amount in 1983 or any year thereafter, a city or township shall reduce its maximum authorized millage rate, as determined after any reduction caused by section 34d, so that total property taxes levied for that unit do not exceed that which would have been levied based on its assessed valuation.
- (2) The county board of commissioners shall examine the assessment rolls of the townships or cities and ascertain whether the real and personal property in the respective townships or cities has been equally and uniformly assessed at true cash value. If, on the examination, the county board of commissioners considers the assessments to be relatively unequal, it shall equalize the assessments by adding to or deducting from the valuation of the taxable property in a township or city an amount which in the judgment of the county board of commissioners will produce a sum which represents the true cash value of that property, and the amount added to or deducted from the valuations in a township or city shall be entered upon the records. The county board of commissioners and the state tax commission shall equalize real and personal property, separately by adding to or deducting from the valuation of taxable real property, and by adding to or deducting from the valuation of taxable personal property in a township, city, or county, an amount which will produce a sum which represents the proportion of true cash value established by the legislature. Beginning December 31, 1980, the county board of commissioners and the state tax commission shall equalize separately the following classes of real property by adding to or deducting from the valuation of agricultural, developmental, residential, commercial, industrial, and timber cutover taxable real property, and by adding to or deducting from the valuation of taxable personal property in a township, city, or county, an amount as will produce a sum which represents the proportion of true cash value established by the legislature. The tax roll and the tax statement shall clearly set forth the latest state equalized valuation for each item or property which shall be determined by using a separate factor for personal property and a separate factor for real property as equalized. Beginning December 31, 1980, the tax roll and the tax statement shall clearly set forth the latest state equalized valuation for each item or property which shall be determined by using a separate factor for personal property and a separate factor for each classification for real property as equalized. Factors used in determining the state equalized valuation for real and personal property on the tax roll shall be rounded up to not less than 4 decimal places. Equalized values for both real and personal property shall be equalized uniformly at the same proportion of true cash value in the county. The county board of commissioners shall also cause to be entered upon its records the aggregate valuation of the taxable real and personal property of each township or city in its county as determined by the county board. The county board of commissioners shall also make alterations in the description of any land on the rolls as is necessary to render the descriptions conformable to the requirements of this act. After the rolls are equalized, each shall be certified to by the chairperson and the clerk of the board and be delivered to the supervisor of the proper township or city, who shall file and keep the roll in his or her office.
- (3) The county board of commissioners of a county shall establish and maintain a department to survey assessments and assist the board of commissioners in the matter of equalization of assessments, and may employ in that department technical and clerical personnel which in its judgment are considered necessary. The personnel of the department shall be under the direct supervision and control of a director of the tax or equalization department who may designate an employee of the department as his or her deputy. The director of the county tax or equalization department shall be appointed by the county board of commissioners. The county board of commissioners, through the department, may furnish assistance to local assessing officers in the performance of duties imposed upon those officers by this act, including the development and maintenance of accurate property descriptions, the discovery, listing, and valuation of properties for tax purposes, and the development and use of uniform valuation standards and techniques for the assessment of property.

- (4) The supervisor of a township or, with the approval of the governing body, the certified assessor of a township or city, or the intermediate district board of education, or the board of education of an incorporated city or village aggrieved by the action of the county board of commissioners, in equalizing the valuations of the townships or cities of the county, may appeal from the determination to the state tax tribunal in the manner provided by law. An appeal from the determination by the county board of commissioners shall be filed with the clerk of the tribunal by a written or printed petition which shall set forth in detail the reasons for taking the appeal. The petition shall be signed and sworn to by the supervisor, the certified assessor, or a majority of the members of the board of education taking the appeal; shall show that a certain township, city, or school district has been discriminated against in the equalization, and shall pray that the state tax tribunal proceed at its earliest convenience to review the action from which the appeal is taken. The state tax tribunal shall, upon hearing, determine if in its judgment there is a showing that the equalization complained of is unfair, unjust, inequitable, or discriminatory. The state tax tribunal shall have the same authority to consider and pass upon the action and determination of the county board of commissioners in equalizing valuations as it has to consider complaints relative to the assessment and taxation of property. The state tax tribunal may order the county board of commissioners to reconvene and to cause the assessment rolls of the county to be brought before it, may summon the commissioners of the county to give evidence in relation to the equalization, and may take further action and may make further investigation in the premises as it considers necessary. The state tax tribunal shall fix a valuation on all property of the county. If the state tax tribunal decides that the determination and equalization made by the county board of commissioners is correct, further action shall not be taken. If the state tax tribunal, after the hearing, decides that the valuations of the county where improperly equalized, it shall proceed to make deductions from, or additions to, the valuations of the respective townships, cities, or school districts as may be considered proper, and in so doing the tribunal shall have the same powers as the county board of commissioners had in the first instance. The deductions or additions shall decrease or increase the state equalized valuation of the local unit affected but shall not increase or decrease the total state equalized valuation of the county in the case of an appeal under this section to the state tax tribunal. The state tax tribunal immediately after completing its revision of the equalization of the valuation of the several assessment districts, shall report its action to the county board of commissioners and board of education if the board has instituted the appeal by filing its report with the clerk of the county board of commissioners. The action of the state tax tribunal in the premises shall constitute the equalization of the county for the tax year.
- (5) For purposes of appeals pursuant to subsection (4) in 1981 only, an agent of a supervisor, including an assessor, shall be considered to have the authority to file and sign a petition for an appeal, and any otherwise timely submitted petition in 1981 by an agent of a supervisor shall be reviewed by the tribunal as if submitted by the supervisor.

This act is ordered to take immediate effect.

homas S. Lushand
Clerk of the House of Representatives.
Wille C. Londen
Secretary of the Senate.

nor.
***********



TO: All Personnel FROM: Emil E. Tahvonen

No. 8 - January 20, 1982 Opinions - Real Estate Transfer Tax Register of Deeds Receipts

STATE OF MICHIGAN

FRANK J. KELLEY, ATTORNEY GENERAL

FREEDOM OF INFORMATION:

Receipts for amounts paid as real estate transfer taxes exempt from public inspection

REGISTER OF DEEDS:

Inspection of receipts for amount paid as real estate transfer taxes

Copies of receipts maintained by a register of deeds for amounts paid as real estate transfer taxes fall within the mandatory exemption from disclosure established by 1966 PA 134, § 11b and are exempt from disclosure under the Freedom of Information Act.

Opinion No. 6023

Honorable Gary Randall State Representative The Capitol Lansing, Michigan 48909 JAN 08 1982

You have requested my opinion on the following question:

Does the Freedom of Information Act, 1976 PA 442; MCLA 15.231 et seq; MSA 4.1801(1) et seq, permit a register of deeds to exempt from public inspection copies of receipts for amounts paid as real estate transfer taxes under 1966 PA 134; MCLA 207.501 et seq; MSA 7.456(1) et seq?

1966 PA 134; MCLA 207.501 et seq; MSA 7.456(1) et seq, is an act to impose a tax upon written instruments which transfer any interest in real property. Section 4 of that Act, as most recently amended by 1980 PA 413, § 1, provides in pertinent part:

"The tax shall be at the rate of 55 cents in a county with a population of less than 2,000,000 and not more

than 75 cents as authorized by the county board of commissioners in a county with a population of 2,000,000 or more for each \$500.00 or fraction thereof of the total value. A written instrument subject to the tax imposed by this act shall state on its face the total value of the real property or there shall be attached to the instrument an affidavit declaring the total value of the real property ...."

Payment of the tax is to be evidenced by affixing documentary stamps to the written instrument showing the amount of tax paid. 1966 PA 134, supra, § 7.

As originally enacted, 1966 PA 134, <u>supra</u>, made it impossible to record a written instrument with the register of deeds without revealing the value of the real estate transferred by that instrument. 1966 PA 134, <u>supra</u>, § 11 provided in pertinent part that:

- "(a) No written instrument upon which a tax is imposed by this act shall be recorded in the office of any register of deeds of any county of this state unless documentary stamps have been affixed thereto as required by this act and unless there is attached thereto an affidavit as provided in sections 10 and 11. The affidavit shall be recorded as a part of the instrument.
- "(b) Each written instrument upon which a tax is imposed by this act shall have appended thereto an affidavit of the parties to the transaction or their legal representatives declaring the value of the property transferred . . .
- "(d) The register of deeds shall transmit 2 true copies of the affidavit to the assessing officer of the governmental unit in which the property is located. ..."

Thus, even when the taxpayer elected not to state the value of the real property on the face of the written instrument, it was still possible to determine the value of the transferred property either from the amount of the documentary

stamps affixed to the transfer instrument or from the recorded affidavit setting forth the value. Moreover, the register of deeds was expressly required to forward copies of the affidavit, showing the value of the transferred real estate, to the local assessor.

1966 PA 134, § 11, <u>supra</u>, however, was subsequently amended by 1968 PA 327 to contain only subsections (a) and (b) and now provides in pertinent part:

"(a) No written instrument subject to this act shall be recorded in the office  $% \left( 1\right) =\left( 1\right) =\left( 1\right)$ of any register of deeds of any county of this state unless documentary stamps as required by this act have been purchased at the time of presentation by the party responsible for their purchase according to subsection (2) of section 2. stamps shall be affixed to the face of the instrument prior to recording unless the person specifically requests that the instrument be recorded prior to the affixing of the stamps. In the latter case, the stamps may be affixed to the reverse side of the instrument, however, in those cases where it is necessary to record said reverse side, the stamps shall be affixed after recording by the register of deeds. .

"(b) An affidavit attached to a written instrument under the provisions of this act shall not be recorded and shall be detached from the written instrument prior to the recording of the instrument. Such affidavit shall be used for county fund auditing purposes only and shall not be disclosed to any other person."

(Emphasis supplied.)

1968 PA 327 represented a significant departure from the prior law. Because it permits the recording of a transfer instrument prior to the affixing of the documentary stamps, it is no longer possible to compute the value of the property from the value of the stamps, in those instances where the taxpayer elects to use this method. Nor may the value of the property be determined from the affidavit since

the amended provision requires that the affidavit remain unrecorded and further requires that it is to be used for county auditing purposes only and is not to be disclosed to any other person. Finally, 1968 PA 327 completely eliminated the provision contained in former § 11(d) of 1966 PA 134 requiring transmittal of true copies of the affidavit to the local assessor.

Also relevant in this regard is a recent amendment to the General Property Tax Act, 1893 PA 206, as amended; MCLA 211.1 et seq; MSA 7.1 et seq. Section 27(3)(d) of that Act, added by amendatory 1976 PA 411, required that a purchaser of real property provide the local assessor with copies of the purchase agreement or of an affidavit which would reveal the value of the property. Section 27(3)(d) was subsequently amended by 1978 PA 25 which made the submission of this information optional.

Thus, the Legislature has by amendment eliminated any requirement that the value of transferred real estate be made known even to the local assessor by the register of deeds or by the taxpayer himself and, further, has expressly provided in 1966 PA 134, supra, \$ 11(b), as amended, that when a taxpayer elects, pursuant to 1966 PA 134, \$ 11(a), as amended, not to disclose the value of the real estate, the affidavit declaring that value is not to be disclosed to any person except for county fund auditing purposes.

The Freedom of Information Act, 1976 PA 442; MCLA 15.231 et seq; MSA 4.1801(1) et seq, is an act to provide for public access to certain public records of public bodies. Section 13(1)(d) of that act permits a public body to exempt from disclosure:

"Records or information specifically described and exempted from disclosure by statute."

1966 PA 134, supra, \$ 11(b), as amended, expressly exempts affidavits stating the value of real estate from disclosure to any person except for county fund auditing purposes. It should be noted, moreover, that this statutory exemption from disclosure, by its terms, is mandatory rather than permissive. Cf, Tobin v Civil Service Commission, 98 Mich App 604, 608; 296 NW2d 320 (1980) lv granted, \_\_\_\_\_ Mich \_\_\_\_, and Blue Cross and Blue Shield of Michigan v Insurance Bureau, 104 Mich App 113, 124-126; 304 NW2d 499 (1981).

Such affidavits, then, are exempt from disclosure pursuant to the Freedom of Information Act, \$ 13(1)(d), supra, as "[r]ecords or information specifically described and exempted from disclosure by statute."

A somewhat more difficult question is posed by the receipt books which are the subject of your inquiry. When a taxpayer purchases the required number of documentary stamps pursuant to 1966 PA 134, <a href="supera">supera</a>, a receipt is issued to the taxpayer. A record of this receipt is maintained in the register of deed's receipt book in order to account for the revenue collected. This record, of necessity, includes such information as the name of the taxpayer, the nature of the payment, and the amount paid. Thus, by examining this receipt book, a person may determine the amount of the transfer tax paid and, hence, the approximate value of the real estate in question.

The statutory exemption from disclosure established by 1966 PA 134, supra, § 11(b), as amended, refers expressly

only to the affidavit of value; no reference is made to any other document. Nevertheless, an examination of the amended provisions of section 11(b), together with the various other amendments described above both to 1966 PA 134, supra, and to the General Property Tax Act, supra, makes it clear that the Legislature intended to mandate the confidentiality of information concerning the value of transferred real estate, at least where the taxpayer elects such confidentiality. To permit inspection by the public of copies of receipts kept by the register of deeds concerning such transactions, thus disclosing the identical information rendered exempt by 1966 PA 134, § 11(b), as amended, would totally frustrate this clear legislative intent.

I am advised that your request for my opinion arose out of an unsuccessful attempt by a city assessor to obtain copies of such receipts from a register of deeds in order to use those receipts to aid him in determining the proper assessment of certain real estate. I am aware that the conclusion I have reached may make it more difficult for such assessors to carry out their statutory duty to make such assessments. The Legislature, however, presumably was well aware of this problem and by amendatory 1968 PA 327 and 1976 PA 411, expressly eliminated the former requirement that such information be provided to the local assessor. If the unavailability of this information is found to unduly hamper local assessors, the Legislature may address this problem.

It is my opinion, therefore, that when a taxpayer has elected pursuant to 1966 PA 134, § 11(a), as amended, to maintain confidentiality as to the value of transferred real

estate, copies of receipts maintained by a register of deeds showing the amounts paid as real estate transfer taxes under 1966 PA 134, supra, fall within the mandatory exemption from disclosure established by 1966 PA 134, § 11(b), as amended. Consequently, the register of deeds is required to exempt copies of such receipts from disclosure pursuant to the Freedom of Information Act, § 13(1)(d), supra.

FRANK J. KELLEY Attorney General

#### STATE OF MICHIGAN



WILLIAM G. MILLIKEN, Governor

### DEPARTMENT OF TREASURY

COMMISSION MEMBERS

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

LOREN E. MONROE, State Treasurer

STATE TAX COMMISSION

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

> No. 25 - November 10, 1982 Personal Property Expensed Internal Revenue Code Sec. 179

TO:

Assessing Officers

Equalization Directors

FROM:

Edward G. Johnson

Assistant Administrator

RE:

Personal Property

Internal Revenue Code Sec. 179 Property

The Internal Revenue Code, as amended in 1981, provides that a taxpayer may elect to treat the cost of qualifying property, called Sec. 179 property, as an expense rather than a capital expenditure. The change becomes effective for the 1982 tax year.

The portion of the acquisition cost that may be treated as an expense rather than a capitol expenditure is limited to \$5,000 for property placed in service in 1982 or 1983. When the change is fully phased in, in 1986, the amount expensed will be limited to \$10,000.

In order to qualify for the Sec. 179 deduction the property must be depreciable property that qualifies as section 38 property. Section 38 property is property that qualifies for an investment credit and is acquired by purchase for use in a trade or business. Although Section 38 property is primarily machinery and equipment, it does include to a very limited extent certain types of real property.

This bulletin is not intended to interpret the Internal Revenue Code. It is intended to alert assessing officers that the total original cost of personal property should be reflected on the personal property statements by taxpayers even though a portion of the cost may have been recorded in the taxpayers accounting records as an expense pursuant to Sec. 179 of the Internal Revenue Code.

We will revise our personal property statement form L-4125 to call attention to amounts expensed pursuant to Sec. 179.

#### 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. 27 - November 22, 1982 Tribunal Actions Sections 53a and 24 c General Property Tax Act

TO:

Equalization Directors Assessing Officers

FROM:

Emil E. Tahvonen, Administrator

State Tax Commission

RE:

Section 53a - General Property Tax Act Section 24c - General Property Tax Act

Section 53a (211.53a M.C.L.) of the General Property Tax Act provides in its entirety, as follows:

"Sec. 53a. Any taxpayer who is assessed and pays taxes in excess of the correct and lawful amount due because of a clerical error or mutual mistake of fact made by the assessing officer and the taxpayer may recover the excess so paid, without interest, if suit is commenced within 3 years from the date of payment, notwithstanding that the payment was not made under protest."

The Michigan Tax Tribunal advised that actions under Section 53a are within the jurisdiction of the Tribunal and petitions filed with the Tribunal are honored during the 3 year period if the Tribunal feels that the facts indicate mutual mistakes of facts or clerical errors. However, the Tribunal further advises that a taxpayer cannot benefit from delinquent payments. Petitions are accepted only if taxes are paid during the current tax collection period and therefore not returned delinquent to the county treasurer.

Section 24c - Assessment Increase Notices; Tribunal policy is that an appeal will be accepted within 60 days after receipt of the first tax bill if the local unit of government failed to notify the taxpayer of an assessment increase.

L-4209 (Rev. 1-83)

TO: Equalization Directors

Assessing Officers

FROM: State Tax Commission

STATE OF MICHIGAN



Bulletin No. 18 November 15, 1983

Policy Statement Air and Water Pollution

JAMES J. BLANCHARD, Governor

#### DEPARTMENT OF TREASURY

ROBERT A. BOWMAN, 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

STATE TAX COMMISSION

POLICY STATEMENT

AIR AND WATER POLLUTION CONTROL FACILITIES

At a meeting of the State Tax Commission held on October 11, 1983, the State Tax Commission established the following policy.

The value to be exempt from property taxation as provided by Act 250, Public Acts of 1965, as amended, for eligible air pollution control facilities shall be the cost of the facility entitled to exemption reduced by the gross annual commercial or productive value derived from any materials captured or recovered by the air pollution control facility.

The value to be exempt from property taxation as provided by Act 222, Public Acts of 1966, as amended, for eligible water pollution control facilities shall be the cost of the facility entitled to exemption reduced by the gross annual commercial or productive value derived from any materials captured or recovered by the water pollution control facility.

STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

#### **DEPARTMENT OF TREASURY**

ROBERT A. BOWMAN, State Treasurer

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

COMMISSION MEMBERS

WARD G. DEXEL LEROY J. NELSON ROBERT O. VANDERMARK

DATE: January 21, 1985

TO: Assessing Officers

FROM: State Tax Commission

RE: Public Acts, Property Taxes

Attached is a brief summary of the 1984 Public Acts relating to property taxes passed and signed by the Governor.

For a more complete understanding of the changes or additions or deletions made in each Act, the Act should be read in its entirety.

#### 1984 PUBLIC ACTS

**Effective Date** 

The following Public Acts which relate to property taxes were passed during the 1984 legislative session.

19		March 29,	1985
			-
		-	
		_	
21		May 1 20	
31	_	March 12,	1984
48		April 6, 1	984

Act No.

#### **Brief** Explanation

General Property Tax Act. Director of a county tax or equalization department to be certified at the level determined to be necessary by the State Assessor's Board before being appointed by the county board of commissioners or before performing, or after the effective date of amendment, continuing to perform, the functions of the director of a county tax or equalization department. The state board of assessors may grant a conditional extension of 12 months to a person who is serving as the director of a county tax or equalization department on the effective date of this new subsection if all of several conditions are met including a request by the county board of commissioners that an extension be granted. An additional 6 month extension, in addition to the 12 month extension, may also be granted by the State Assessors Board at the request of a county board of commissioners provided that the applicant demonstrates progress in the required course of study. In filling a vacancy a county board of commissioners may appoint a director having a certification I level below the required level for a period not to exceed 12 months provided that the person previously holding the position was certified at the required level. (Amends Sec. 211.10d, M.C.L.)

General Property Tax Act. Changed to allow summer property tax deferral for property used as agricultural real property as well as property classified as agricultural property. Gross income vs household income tests remain the same as in previous version of statute. (Amends Sec. 211.51 M.C.L.)

General Property Tax Act. Amends Sec. 211.87b, 211.98b, 211.31, and 211.131a, M.C.L. Amendment to Section 87b applicable to only Wayne County and requires interest be paid on delayed payments from Delinquent Tax Revolving Fund to School Districts resulting from failure of a township or city to deliver delinquent rolls to the county treasurer prior to June 1, 1984 and May 1, 1985. Interest paid to be charged to the

Act No. Effective Date

48 con't. April 6, 1984

63 April 12, 1984

103 May 8, 1984

#### Brief Explanation

city or township failing to make timely delivery of the delinquent roll. Amendments to Sec. 131 and 131a eliminate obsolete references to the Department of Conservation and replaced with references to the Department of Natural Resources. Amendment to Section 98b changed a reference to Auditor General to Department of Treasury. (Amends Sections 211.87b, 211.98b, 211.131 and 211.131a, M.C.L.)

Lessees or Users of Tax Exempt property: Extends sunset provision to include tax day, December 31, 1984 (1985 tax levies), as final date for exemption of property which is used by the lessee or user in such a manner that the township or city in which the property is located receives revenue pursuant to section 13(2) of Act 327 of the P.A. of 1980, Sec. 431.73, M.C.L Section 431.73 of Act 327 of 1980 requires that a portion of horse racing revenue received by the state be paid by the state to the city or township in which the racetrack is located. Affects racecourse property owned by a municipality or an agricultura' society and leased to private organizati (Amends Sec. 211.181, M.C.L.)

General Property Tax Act. New subsection (3) added to Section 67a provides that. special assessments which have been or are authorized to be levied upon property which reverts to the state for unpaid taxes shall not be cancelled but rather shall be deferred and shall be added to the selling price when sold by the Department of Natural Resources. Upon collection through sale the special assessments will be paid to the unit levying the special assessment. The special assessments deferred will include penalties and interest. The county treasurer will notify the Department of Natural Resources of each parcel of land within the county which has special assessments deferred pursuant to this section. Properties subject to deferred special assessments will be entered in the assessment rolls, tax rolls and delinquent rolls with the special assessment amount deferred. Special assessments to be deferred pursuant to this section only those levied against property and which are pledged for the repayment of bonds or notes issued by a local unit to finance public improvements for which the special assessments are authorized. Apparently

Act No. 103 con't

122 and

135

Effective Date

May 8, 1984

June 1, 1984 June 1, 1984

146 June 2, 1984

#### **Brief Explanation**

the deferrals will be made for all such special assessments due at the time the title to the property becomes absolute in the state and special assessments due and payable which apparently will include the annual installments of special assessments for which the master roll was confirmed prior to the state receiving title. Some legal clarification may be required. (Amends Section 211.67a, M.C.L.)

Industrial Facilities and Commercial Facilities Tax. If the school taxes remitted to the state for an in-formula school district pursuant to Act 198, P.A. of 1974 and Act 255, P.A. of 1978, exceeds the amount of school aid paid to that district pursuant to Sections 21(1), 56, 62 or 81 of the State School Aid Act the State Treasury shall allocate to the affected school district or intermediate school district the difference between the total amount of commercial and industrial facilities tax received by the state and the amount of state aid paid to that district (Act 122 Amends Sec. 207.561, M.C.L. and Act 135 Amends Sec. 207.662, M.C.L. Acts 198, P.A. 1974 and Act 135 Amends Sec. 207.662 M.C.L. - Act 255, P.A. of 1978)

General Property Tax Act. Amendments to Section 43 provides that the localtreasurers shall make distributions of community college and intermediate school district taxes directly to the units rather than distributing the collections to the county treasurer for subsequent distribution to the intermediate school district and/or community college. The direct distribution will not be made unless the Intermediate School District Board or the Board of Trustees of a Community College requests by resolution that such direct distribution be made. The resolution must be adopted at least 60 days before the taxes to be collected become a lien and the resolution must specify the period of time for which the resolution shall be effective. Copies of the resolution shall be furnished to the county treasurer and to the local treasurers affected. Changes were also made by Act 78 and 79 to the school code and community college acts to bring the sections of those acts relating to tax collection distributions into conformance with this amended section 43. The amendment also requires

Act No. Effective Date Brief Explanation 146 con't. June 2, 1984 that taxes levied by a public transportation authority be distributed directly to that authority by the local treasurer within the same time frames that other collections are distributed. (Amends Sec. 211.43, M.C.L.) 149 June 21, 1984 General Property Tax Act. Boards of Review. township board may appoint 3, 6 or 9 electors of the township who shall constitute a board of review for the township. 2/3 of the members shall be property taxpayers of the township. At least 2 members of a 3 member board of review shall be present to conduct any business or hearings of the board of review. If 6 or 9 members are appointed the membership of the board of review shall be divided into board of review committees consisting of 3 members each for the purpose of hearing and deciding issues. Two of the three members of a board of review committee shall constitute a quorum for the transaction of the business of the committee. A city is given the option of organizing a board of review as provided in its charter or may establish a board of review pursuant to this section. Members appointed to a board of review shall serve for a two year period beginning at noon on January 1 of each odd numbered year. Each member shall qualify by taking the constitutional oath of office within IC days after appointment. A township board member shall not be eligible to serve on the board of review or to fill a vacancy on the board. (Amends Sec. 2IT.28, M.C.L.) 158 December 21, 1984 General Property Tax Act. Amends Section 7w of Act 206, P.A. of 1893. Section as amended reads in its entirety as follows: "Sec. 7w. (1) Property owned exclusively by the state agricultural society or a county or district agricultural society and used by the society primarily for fair purposes is exempt from taxation under this act. (2) Property shall be considered used by a society primarily for fair purposes if the society leases the property to others for purposes which do not interfere with fair purposes and if the income received by the society under the lease is used entirely to defray the costs and expenses of conducting the fair and maintaining the buildings and grounds of the society." 179 March 29, 1985 General Law Villages; Village Taxes. Village taxes shall become a lien on July 1. Taxes collected on or before September 14 shall be without interest. Taxes paid after September 14 shall have interest added at the rate of 1% per month or fraction of a

month. Village taxes may also be subject to a property tax administration fee of up to 1% if imposed by resolution of the village council. The Village Council may also impose a 3% penalty for

Act No. 179 con't.

Effective Date

Brief Explanation

March 29, 1985

collections made on February 15 and through the month of February. Village taxes are to be returned delinquent (unpaid) to the county treasurer as of September 15 unless the village council by resolution adopted on or before June 1 determines that village taxes are to be returned to the county treasurer on the same date (as of March 1 following the year of the levy) as county taxes are returned. If the taxes are returned unpaid to the county treasurer as of September 15 the county treasurer shall add the same fees and interest to the village taxes as would have been added had the taxes been collected by the village treasurer. As of the last day of February the county treasurer shall add the accumulated interest to such taxes and taxes collected after March 1 by the county treasurer shall include the tax and the accumulated interest. If imposed the 1% property tax administration fee will also be included in the delinquent roll and collected by the county treasurer and paid over to the village. The 4% county property tax administration fee and delinquent tax interest will be computed on the village tax plus the accumulated village tax interest (6 months at 1% per month unless taxes subject to summer deferment) and the 1% property tax administration fee if imposed by the village. If the village collects its own taxes through the month of February return of village taxes shall include as part of the tax the accumulated interest at 1% per month or fraction of month from September 15 through the last day of February or 6%. Taxes approved for summer deferment will have 1% interest for the fraction of the month of February that such taxes remained unpaid. The unpaid 1% property tax administration fee, if imposed will also be returned delinquent. The delinquent taxes will then, of course, be collected by the county treasurer with the addition of the statutory fees and interest. (Amends Sec. 69.15 and 69.18 M.C.L., General Village Law.)

205 March 29, 1985

General Property Tax Act. Increases from \$10,000 to \$20,000 the income limitation to determine eligibility of senior citizens, paraplegics, quadriplegics, eligible veterans, and eligible widows for deferment of summer taxes. Will be effective for 1985 summer tax levies. (Amends Sec. 211.51, M.C.L.)

206 July 9, 1984

General Property Tax Act. Amends personal property exemption section 9 by adding subsequent q. All equipment used exclusively in wood harvesting, but not including portable or stationary sawmills, or other equipment used in secondary processing operations. "Wood harvesting" means the clearing of the land for forest management purposes, the planting of trees, and all forms of cutting or chipping of trees and the loading of them on trucks for removal from the harvest area. Subsection (j) of Section 9 also changed to include property used in "raising and harvesting of fish." Prior to change subsection

Act No.	Effective Date	Brie
206 con't.	July 9, 1984	read anim 211.
222	October 1, 1984	Tax fisc
		Sec. for eith draf Mich cler (2) in (a) \$500 (ii) the stat less stat diff dete equa (b)
		spec 2% o dete of t than (3) (a)
		clair or in (b) any

### ef Explanation

"raising of livestock, bees, fur bearing mals, poultry or fish . . . " (Amends Section 9, M.C.L.)

Tribunal Fees: Appropriations Act 1984-1985 cal year.

. 44. (1) Payments to the Michigan tax tribunal fees or charges of the tribunal shall be made her in cash or in checks, money orders, or other fts made payable to the order of "State of nigan" and shall be mailed or delivered to the rk of the tribunal at Lansing.

The following fees shall be paid to the clerk

all entire tribunal proceedings:

Upon filing of a property tax appeal petition: Allocation, apportionment, and equalization . . 0.00.

) Upon filing of a property tax appeal petition, filing fee shall be .12% (.0012) of the total te equalized value in contention but in no case s than \$60.00 nor more than \$25,000.00. Total te equalized value in contention means the erence between the state equalized value as ermined from the assessment and the state alized value contended by the petitioner.

Upon filing of a nonproperty tax appeal or a cial assessment petition, the filing fee shal! \_: of the difference between the amount of tax as ermined in the assessment notice and the amount cax as contended by the petitioner, but not less

1 \$60.00 nor more than \$25,000.00.

Fees shall be paid to the clerk as follows:

Upon transfer of a proceeding from the small ms division to the entire tribunal on a party's ntervenor's motion . . . \$35.00.

Upon transfer of a cause to the tribunal from

forum . . . \$35.00.

(c) Upon filing of a motion . . . \$35.00.

(d) Upon certification of the record on appeal to the court of appeals plus the cost of the transcript . \$35.00.

(e) For copies of documents on file with the tribunal . . . \$.50 per page.

Sec. 45 (1) A formal transcript shall not be taken for any proceeding commenced and completed in the residential property and small claims division of the tax tribunal.

(2) Fees or costs shall not be charged or allowed on appeals of homestead property in the division.

(3) Except for homestead property appeals, the following fees shall be paid to the clerk in all residential property and small claims division proceedings:

(a) Upon filing of a property tax appeal petition a fee of \$35.00.

Effective Date Act No. October 1, 1984 222 con't. 251

### Brief Explanation

(b) Multiple parcels (contiguous) owned by the same person; 1 filing fee plus \$15.00 for each additional assessed parcel.

(c) Upon filing of a nonproperty tax appeal or special assessment petition, a fee of \$35.00. (d) Upon filing of a request for a hearing a fee of \$35.00.

Sec. 461 The funds collected from parties desiring a transcription of the proceedings of the state tax tribunal and deposited in the revolving fund in accordance with section 45(2) of Act No. 186 of the Public Acts of 1973, being section 205.746 of the Michigan Compiled Laws, shall be appropriated for salaries and wages, fees, supplies, and equipment necessary to provide the service. Funds are allotted for expenditure when they are received by the department of treasury.

November 14, 1984

General Property Tax Act: Allows millages voted by the electorate between September 15 and December 14, 1984 to be levied in 1984 provided that ballot proposal does not provide for levy starting in later years. Units which may levy in 1984 and final date of election is as follows.

School Districts, Intermediate School Districts, Junior and Community Colleges--December 14, 1984.

Counties - levy for any purpose--November 8, 1984.

County Libraries -- November 8, 1984.

Townships--November 8, 1984.

December 17, 1984 264

General Property Tax Act. Provides that county treasurer shall make payments to local units within 20 days after sufficient funds are deposited in the delinquent tax revolving fund. Provides for payment of interest at 12% per annum from date of settlement to date of payment from Delinquent Tax Revolving Fund if county does not make payments to local units within 10 days after settlement and county uses its own funds, not borrowed money, to finance delinquent tax revolving fund. In a county with a population of 1,500,000 or more if delinquent tax rolls are not delivered to the county by May 1, 1985 and the county is unable to complete its borrowing for the delinquent tax revolving fund and make subsequent distribution of delinquent tax revolving funds to the school districts and intermediate school districts by August 1 the distribution to schools shall include 9% interest from June 1 to the date of payment and the interest will be charged to the cities and townships that failed to submit the delinquent rolls timely.

Effective Date Brief Explanation Act No. 264 con't. December 17, 1984 Also provides that if a local taxing unit has borrowed money in anticipation of collecting taxes for any school district or other municipality that the county treasurer shall pay the school or other municipality's delinquent tax revolving fund disribution to the borrowing municipality. Act 157, P.A. of 1984 allows a city with a population of 150,000 to make such borrowings. Act 157 amends the Municipal Finance Act. (Act 264 amends Section 87b of the General Property Tax Section 87b of the General Property Tax Act, Section 211.87b, Michigan Compiled Laws.) 305 December 21, 1984 Taxation of otherwise exempt leased real property; Amends Section 211.81 M.C.L., Act 189, P.A. of 1953 to read as follows. The amended Section reads in its entirety as follows: Sec. 1. (1) When any real property which for any reason is exempt from ad valorem property taxation is leased, loaned, or otherwise made available to and used by a private individual, association, or corporation in connection with a business conducted for profit, the lessees or users of this real property shall be subject to taxation in the same amount and to the same extent as though the lessee or use were the owner of this real property. (2) Subsection (1) shall not apply to: (a) Federal property for which payments are made instead of ad valorem property taxes in amounts equivalent to taxes which might otherwise be lawfully assessed or property of any state-supported educatioal institution, enumerated in section 4 of article 8 of the state constitution of 1963. (b) Property which is used as a concession at a public airport, park, market, or similar property and which is available for use by the general public. (c) Property which is used by the lessee or user only in conjunction with a county fair, community fair, 4-H fair, or state fair of this state, or in conjunction with a special event for which the lessee or user pays a fee to the county fair, community fair, 4-H fair, or state fair. As used in this subdivision, "special event" means an event during which property is occupied by the lessee or user for not more than 14 consecutive days. (d) For tax days before December 31, 1985 property which is used by the lessee or user in such a

Laws.

manner that the city or township in which the property is located receives revenue pursuant to section 13(2) of Act No. 327 of the Public Acts of 1980, being section 431,73 of the Michigan Compi?

Act No.	Effective Date	Brief Explanation
336	December 26, 1984	General Property Tax Act. A Charter County with a population of 2,000,000 or more may impose by ordinance a different amount for a fee prescribed by Section 142a. This section deals with the 50¢ fee for filing and 50¢ fee for recording the notice served upon owners of property when a tax title buyer perfects a state tax deed. This is a county treasurer fee. (Amends Section 211.142a, M.C.L.)
342	December 27, 1984	Commercial Redevelopment District: Extends Act 255, P.A. of 1978 for 1 year until December 31, 1985. Act 255 provides tax abatements for qualifying commercial properties. Amendment also provides that a municipality that grants an abatement for a period of years less than 12 may review and extend the abatement certificate but not for a total period in excess of the 12 year maximum provided that the review of the certificate for the purpose of determining an extension shall be based on factors, criteria, and objectives that shall be placed in writing, approved at the time the legislative body approves—the certificate.—  A copy of the review factors, criteria and objectives shall be sent to the applicant and to the tax commission. (Amends Section 207.759 and 207.668, M.C.L., these are sections 9—and 18 of Act—255, P.A. of 1978.)
385	December 28, 1984	Technology Park Development Act. A new Act which provides requirements, procedures, etc. Municipalities including city, village or township may grant tax abatement for up to 12 years for enterprises that qualify. Apparently only a few municipalities will qualify because of stringent requirements regarding location, size of parcel and type of activity required and requirements for location near a 4 year public university. Act should be read carefully in its entirety by those affected and interested.
399	December 28, 1984	General Property Tax Act. Change in Section 44. Local tax collecting unit may waive 3% penalty on taxes collected between February 15 and last day of February for qualifying Senior Citizens, paraplegics, quadraplegics, eligible servicemen, eligible widows, totally and permanently disabled and blind persons. If 3% penalty is waived for these eligible persons the 1% interest due for the period from February 15 through the last day of February on deferred summer taxes may also be waived. The waiver of the 1% interest on deferred summer taxes is the change made by this amendment. We also emphasize that the waiver of 3% penalty and 1% interest on deferred summer taxes is not applicable to summer taxes that were deferred for reason that the property was used or classified as agricultural property. (Amends Section 211.44, M.C.L., which is Section 44 of the General Property Tax Act, Act 206, P.A. of 1983.)

Act No. Effective Date Brief Explanation

406 con't. March 29, 1985 state generally in

state generally in the calendar year prior to the year a 13le redemption is made. The amendments to the Sections do not alter the usual penalties, fees and interest charged. (Act 406, P.A. of 1984 amends Sections 131, 13la, 13lc, and 13le of the General Property Tax Act.)

STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

### **DEPARTMENT OF TREASURY**

ROBERT A. BOWMAN, State Treasurer

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

Bulletin No. 3 February 1, 1985 Cost Base Modifiers Assessors Manual Chapter XIV

COMMISSION MEMBERS

WARD G. DEXEL LEROY J. NELSON ROBERT O. VANDERMARK

DATE: February 1, 1985

TO:

Assessing Officers and

Users of Assessor's Manual

FROM: State Tax Commission

Attached are the 1985 Cost Base Modifiers for the Michigan Assessor's Manual.

# 1985 COST BASE MODIFIERS (DECEMBER 31, 1984)

	Reside	ential		Skin Cla	ıd				_	_	
<u>Location</u>	Siding or Stucco	<u>Veneer</u>	Agricul- tural	Steel Frame	Wood Frame		eel ame B*	Co	nforce ncrete ame B*	Wo	od ame B*
DISTRICT 1 Baraga Dickinson Gogebic Houghton Iron Keweenaw Marquette Ontonagon	2.21	2.24	2.18	2.14	2.28	2.18	2.18	2.24	2.19	2.40	2.19
DISTRICT 2 Alger Chippewa Delta Luce Mackinac Menominee Schoolcraft	2.24	2.27	2.21	2.14	2.28	2.19	2.18	2.24	2.19	2.39	2.21
RICT 3 Antrim Benzie Charlevoix Grand Travers Kalkaska Lake Leelanau Manistee Missaukee Osceola Wexford	2.17 se	2.17	2.15	2.14	2.27	2.15	2.10	2.17	2.14	2.27	2.14
DISTRICT 4 Alcona Alpena Cheboygan Crawford Emmet Iosco Montmorency Ogemaw Oscoda Otsego Presque Isle	2.17	2.17	2.17	2.27	2.29	2.21	2.14	2.18	2.15	2.27	2.14

<sup>15</sup> Chapter XIV 1985

# 1985 COST BASE MODIFIERS (DECEMBER 31, 1984)

	Reside	ential		Skin Clad							
Location	Siding or Stucco	<u>Veneer</u>	Agricul- tural	Steel Frame	Wood Frame	Ste Fra <u>A*</u>	eel ame B*	Co	inforce oncrete rame <u>B*</u>	Wo	od ame <u>B*</u>
DISTRICT 5 Mason Muskegon Oceana	2.19	2.24	2.19	2.18	2.27	2.24	2.19	2.28	2.24	2.33	2.21
DISTRICT 6 Bay Isabella Midland	2.35	2.40	2.35	2.30	2.40	2.35	2.35	2.40	2.39	2.44	2.34
Arenac Clare Gladwin	2.17	2.17	2.17	2.27	2.29	2.21	2.14	2.18	2.15	2.27	2.14
DISTRICT 7 Gratiot Kent Mecosta Montcalm "ewaygo tawa	2.19	2.19	2.18	2.17	2.24	2.18	2.17	2.19	2.21	2.33	2.19
DISTRICT 8 Genesee Livingston	2.40	2.44	2.39	2.34	2.40	2.39	2.39	2.44	2.43	2.49	2.40
Ionia	2.28	2.30	2.24	2.18	2.33	2.27	2.27	2.30	2.29	2.39	2.29
Shiawassee Clinton Ingham	2.35	2.36	2.33	2.30	2.34	2.35	2.33	2.39	2.36	2.46	2.35
DISTRICT 9 Huron Lapeer Saginaw Sanilac Tuscola	2.35	2.36	2.36	2.30	2.39	2.36	2.35	2.40	2.40	2.44	2.35

<sup>15</sup> Chapter XIV 1985

### 1985 COST BASE MODIFIERS (DECEMBER 31, 1984)

	Resid	ential		Skin Cla	ad				•		
<u>Location</u>	Siding or Stucco	Veneer	Agricul- tural		Wood Frame	Ste Fra <u>A*</u>	eel ame B*	Co	inforce oncrete rame B*	Woo	od ame <u>B*</u>
DISTRICT 10 Allegan Berrien Cass Kalamazoo St. Joseph Van Buren	2.24	2.28	2.24	2.18	2.27	2.24	2.27	2.33	2.28	2.40	2.29
DISTRICT 11 Barry Branch Calhoun Hillsdale Jackson	2.28	2.30	2.24	2.18	2.33	2.27	2.27	2.30	2.29	2.39	2.29
Eaton	2.35	2.36	2.33	2.30	2.34	2.35	2.33	2.39	2.36	2.46	2.35
DISTRICT 12 awee Monroe Washtenaw	2.47	2.48	2.46	2.33	2.46	2.43	2.46	2.49	2.48	2.54	2.48
DISTRICT 13 Macomb Oakland St. Clair	2.50	2.53	2.54	2.34	2.50	2.48	2.49	2.61	2.56	2.62	2.53
DISTRICT 14 Wayne	2.49	2.55	2.50	2.40	2.49	2.48	2.50	2.61	2.61	2.71	2.56

A\* - Applicable to factories, warehouses and similar occupancies where interior finish is less important and building service systems are just adequate for operations.

B\* - Applicable to office buildings, hospital buildings and similar occupancies with substantial amount of interior finish and a complete line of building service systems.

Chapter XIV 1985

STATE OF MICHIGAN



Bulletin No. 5 March 4, 1986 Cost Base Modifiers Assessors Manual Chapter XIV

JAMES J. BLANCHARD, Governor

### DEPARTMENT OF TREASURY

ROBERT A. BOWMAN, State Treasurer

Lansing, Michigan 48922 Telephone 517 373-0500

STATE TAX COMMISSION\_\_\_\_
4th Floor Treasury Building

COMMISSION MEMBERS

WARD G DEXEL LEROY J NELSON ROBERT O VANDERMARK

DATE: March 4, 1986

TO: Assessing Officers and

Users of Assessor's Manual

FROM: State Tax Commission

Attached are the 1986 Cost Base Modifiers for the Michigan Assessor's Manual.

# 1986 COST BASE MODIFIERS (DECEMBER 31, 1985)

	Resid	ential	Sk	in Clad							
Location	Siding or Stucco	Veneer	Agricul- tural	Steel Frame	Wood Frame		eel ame B*	Conc	orced rete ame B*		ood ame B*
DISTRICT 1 Baraga Dickinson Gogebic Houghton Iron Keweenaw Marquette Ontonagon	2.24	2.27	2.21	2.17	2.31	2.21	2.21	2.27	2.22	2.43	2.22
DISTRICT 2 Alger Chippewa Delta Luce Mackinac Menominee Schoolcraft	2.27	2.30	2.24	2.17	2.31	2.22	2.21	2.27	2.22	2.42	2.24
DISTRICT 3 Antrim Benzie Charlevoix Gr. Traverse Kalkaska Lake Leelanau Manistee Missaukee Osceola Wexford	2.20	2.20	2.18	2.17	2.30	2.18	2.13	2.20	2.17	2.30	2.17
DISTRICT 4 Alcona Alpena Cheboygan Crawford Emmet Iosco Montmorency Ogemaw Oscoda Otsego Presque Isle Roscommon	2,20	2.20	2.20	2.30	2.32	2.24	2.17	2.21	2.18	2.30	2.17

# 1986 COST BASE MODIFIERS (DECEMBER 31, 1985)

	Reside	ential	S	kin Clad							
Location	Siding or Stucco	Veneer	Agricul- tural	Steel Frame	Wood Frame		eel ame B*	Cond	forced crete ame B*		ood ame B*
DISTRICT 5 Mason Muskegon Oceana	2.22	2.27	2.22	2.21	2.30	2.27	2.22	2.31	2.27	2.36	2.24
DISTRICT 6 Bay Isabella Midland	2.38	2.43	2.38	2.33	2.43	2.38	2.38	2.43	2.42	2.47	2.37
Arenac Clare Gladwin	2.20	2.20	2.20	2.30	2.32	2.24	2.17	2.21	2.18	2.30	2.17
DISTRICT 7 Gratiot (ent Mecosta Montcalm Newaygo Ottawa	2.22	2.22	2.21	2.20	2.27	2.21	2.20	2.22	2.24	2.36	2.22
DISTRICT 8 Genesee Livingston	2.43	2.47	2.42	2.37	2.43	2.42	2.42	2.47	2.46	2.52	2.43
Ionia	2.31	2.33	2.27	2.21	2.36	2.30	2.30	2.33	2.32	2.42	2.32
Shiawassee Clinton Ingham	2.38	2.39	2.36	2.33	2.37	2.38	2.36	2.42	2.39	2.49	2.38
DISTRICT 9 Huron Lapeer Saginaw Sanilac Tuscola	2.38	2.39	2.39	2.33	2.42	2.39	2.38	2.43	2.43	2.47	2.38

# 1986 COST BASE MODIFIERS (DECEMBER 31, 1985)

	Reside	ential	S	kin Clad							
Location	Siding or Stucco	Veneer	Agricul- tural	Steel Frame	Wood Frame		eel ame B*	Cond	forced crete ame B*		ood ame B*
DISTRICT 10 Allegan Berrien Cass Kalamazoo St. Joseph Van Buren	2.27	2.31	2.27	2.21	2.30	2.27	2.30	2.36	2.31	2.43	2.32
DISTRICT 11 Barry Branch Calhoun Hillsdale Jackson	2.31	2.33	2.27	2.21	2.36	2.30	2.30	2.33	2.32	2.42	2.32
Eaton	2.38	2.41	2.36	2.33	2.37	2.38	2.36	2.42	2.39	2.49	2.38
STRICT 12 Lenawee Monroe Washtenaw	2.50	2.51	2.49	2.36	2.49	2.46	2.49	2.52	2.51	2.57	2.51
DISTRICT 13 Macomb Oakland St. Clair	2.53	2.56	2.57	2.37	2.53	2.51	2.52	2.64	2.59	2.65	2.56
DISTRICT 14 Wayne	2.52	2.58	2.53	2.43	2.52	2.51	2.53	2.64	2.64	2.75	2.59

A\* - Applicable to factories, warehouses and similar occupancies where interior finish is less important and building service systems are just adequate for operations.

B\* - Applicable to office buildings, hospital buildings and similar occupancies with substantial amount of interior finish and a complete line of building service systems.

No. 6 - August 6, 1987 Request for Special Assessment Report

Date: August 5, 1987

To: Assessing Officers

From: State Tax Commission

Re: Act 116 Public Acts of 1987- Impacts revenue sharing for local units of government.

Senate Bill #40 has been enacted as 1987 PA 116. This will enable units of local government that have special assessments which qualify under the provisions of 1987 PA 116 to obtain credit for these special assessments in the calculation of their tax effort for revenue sharing payments. This will increase state revenue sharing payments for qualified units starting with the payments based on 1986 tax levies.

Each year the legislature determines the total money available for state revenue sharing payments based on collections made.

This change in the amounts used to determine the local tax effort and state wide tax effort rates for state revenue sharing will first effect revenue sharing payments based on 1986 tax levy data, and each year thereafter.

The major provisions regarding the qualifications necessary to include special assessments levied by a local unit of government as part of a unit's local tax effort rate for purposes of state revenue sharing are: 1) the special assessment must be spread throughout the entire township (including villages) or city or village, and 2) the special assessment must be levied by a millage rate applied to the state equalized value of real property.

A SEPARATE SPECIAL ASSESSMENT FORM IS INCLUDED FOR USE IN REPORTING AT THIS TIME ALL QUALIFYING SPECIAL ASSESSMENTS BASED ON 1986 TAX LEVIES. THESE FORMS MUST BE RETURNED TO THE STATE TAX COMMISSION BEFORE SEPTEMBER 4, 1987. THE ASSESSING OFFICERS REPORTS OF PROPERTY TAXES LEVIED AND SPECIAL ASSESSMENT REPORTS SUBMITTED AS OF DECEMBER 1, 1986 DO NOT CONTAIN SUFFICIENT DETAIL TO ENABLE US TO DETERMINE IF SPECIAL ASSESSMENT LEVIES REPORTED QUALIFY FOR INCLUSION IN THE TAX EFFORT RATES OF THE LOCAL UNITS PURSUANT TO THE NEW ACT #116. ADJUSTMENTS WILL BE MADE IF NECESSARY, BASED UPON THE COMPLETION AND SUBMISSION OF THIS NEW FORM.

Please list all the qualifying special assessments without regard as to whether the special assessments were already reported on the 1986 Assessing Officers Report of Property Taxes Levied or on the 1986 Special Assessment Report. These reports, together with 1986 Assessing Officers Reports and Special Assessment Reports,

Special Assessments and 1987 PA 116 August 5, 1987 Page Two

will be reviewed together to avoid duplication and to ensure proper credit for qualifying special assessments.

SPECIAL ASSESSMENTS DESCRIBED BY ACT #116 WILL NOT BE INCLUDED ON THE 1987 ASSESSING OFFICERS REPORTS OF PROPERTY TAXES LEVIED WHICH ARE TO BE SUBMITTED TO THE TAX COMMISSION BEFORE NEXT DECEMBER FIRST. SEPARATE SPECIAL ASSESSMENT FORMS FOR 1987 PA 116 SPECIAL ASSESSMENTS AND FOR OTHER SPECIAL ASSESSMENTS WILL BE MAILED WITH THE 1987 ASSESSING OFFICERS REPORTS OF PROPERTY TAXES LEVIED ALONG WITH REVISED INSTRUCTIONS.

SPECIAL ASSESSMENTS DESCRIBED BY ACT #116 WILL BE USED ONLY IN STATE REVENUE SHARING CALCULATIONS AND WILL NOT BE REPORTED ON THE ASSESSING OFFICERS REPORTS OF PROPERTY TAXES LEVIED. DATA FROM THE ASSESSING OFFICERS REPORTS OF PROPERTY TAXES LEVIED ARE USED IN THE DETERMINATION OF THE AVERAGE TAX RATE.

A copy of 1987 PA 116 is attached. If you have questions regarding this process, please contact Roland C. Andersen, Manager, Research and Statistics, at 517 373 3620.

Please return the enclosed form to the State Tax Commission as soon as possible but in no case later than September 4, 1987. A self addressed return envelope is enclosed for your convenience.

£		
Michigan Department	of	Treasury
L-4016 (8-87)		

This form is issued under the authority of P.A. 140 of 1971, as amended by P.A. 116 of 1987. Filing of this form is mandatory.

# 1986 SUPPLEMENTARY SPECIAL ASSESSMENT REPORT

1. County	2. CITY TOWN	1	I Unit Name	P
NOTE: List only those special asses on a millage rate basis throug Enter the public act number o assessments in column 4. If t Village Charter, enter the cha	phout the entire to r Michigan Compi he assessments v	ownship, city or village. led Laws section(s) in (	column 5 that a	pplies to the special
that qualify under (Number P.A. 116 of 1987 or Co	ber & Year) ompiled Laws narter Sections	Total of Original Roll Less Municipality paid Portion	7. Number of years of Spread	8. Average Yearly Spread (Col. 6 ÷ Col. 7)
Fire Protection				
Police Protection				
Street Lights	-	-		
Other (Specify)				-
			-	
SIGNATURE	· -	TITLE		DATE
MAIL	TO: Michigan Do 4th Floor T	epartment of Treasury, S reasury Building, Lansi	State Tax Comm ng, Michigan 4	ission 8922

This form is issued under the authority of P.A. 140 of 1971, as amended by P.A. 116 of 1987. Filing of this form is mandatory.

# 1986 SUPPLEMENTARY SPECIAL ASSESSMENT REPORT

1. County		TY WNSHIP LAGE	3. Governmenta	ıl Unit Name	
NOTE: List only those special on a millage rate basis  Enter the public act nun assessments in column Village Charter, enter the	throughout the entirender or Michigan Con 4. If the assessment	e township, mpiled Law s were iss	city or village. s section(s) in	column 5 that a	applies to the special
4. Special Assessments that qualify under P.A. 116 of 1987	5. Public Act (Number & Year) or Compiled Laws or Charter Sections	6. Total of Less Mu Portion	Original Roll unicipality paid	7. Number of years of Spread	8. Average Yearly Spread (Col. 6 ÷ Col. 7)
Fire Protection	-	-			·
Police Protection			-		
Street Lights		1	-	-	
Other (Specify)				:	
	-	-			
	-				
SIGNATURE		TITL			DATE
	MAIL TO: Michigar 4th Floo	n Departmer r Treasury	nt of Treasury, S Building, Lansi	State Tax Comm ng, Michigan	nission 48922

NOTE: PLEASE PLACE THIS STATUTE WITH STC BULLETIN # 6

PUBLIC ACT # 16 Approved 7/(3/87 Filed 7/(4/87

# STATE OF MICHIGAN 84TH LEGISLATURE REGULAR SESSION OF 1987

Introduced by Senators Gast, DiNello, Carl, Miller, Engler, DeGrow, Welborn, Cropsey, Mack, Binsfeld, Geake, Arthurhultz, Sederburg, Shinkle, Ehlers, Cruce, Dillingham, Schwarz, Fessler and Nichols

# ENROLLED SENATE BILL No. 40

AN ACT to amend section 4 of Act No. 140 of the Public Acts of 1971, entitled as amended "An act to provide for the distribution of certain state revenues to cities, villages, townships, and counties; and to impose certain duties and confer certain powers on this state, political subdivisions of this state, and the officers of both," being section 141.904 of the Michigan Compiled Laws.

### The People of the State of Michigan enact:

Section 1. Section 4 of Act No. 140 of the Public Acts of 1971, being section 141.904 of the Michigan Compiled Laws, is amended to read as follows:

- Sec. 4. (1) "Local property taxes" means ad valorem property taxes levied by a city, village, or township.
- (2) "Local income and excise taxes" means collections of taxes pursuant to the city income tax act, Act No. 284 of the Public Acts of 1964, as amended, being sections 141.501 to 141.787 of the Michigan Compiled Laws, or pursuant to the city utility users tax act, Act No. 198 of the Public Acts of 1970, as amended, being sections 141.801 to 141.837 of the Michigan Compiled Laws, or pursuant to any acts authorizing local income or excise taxes by a city, village, or township, which collections are modified as follows:
- (a) For a city levying a local income tax, an amount shall be excluded prior to determining the rates pursuant to this act, which amount shall be determined by a proportion to be the ratio whose numerator is 1/2 of 1% and whose denominator is the sum of the resident rate multiplied by 2 and the nonresident rate multiplied by 1.
- (b) If the local income tax actually collected by a city from nonresident individuals is less than the amount determined pursuant to subdivision (a), the amount excluded prior to determining the rates shall be the amount of actual collections from nonresidents as certified by the city to the department of treasury.
- (3) "Local taxes" means local property taxes, local income and excise taxes, and, for distributions after June 30, 1987, special assessments, which special assessments meet all of the following criteria:
  - (a) The assessment district is the entire city, village, or township.
  - (b) The assessment is levied on an ad valorem basis against all real property in the city, village, or township.

- (4) "Overlapping taxes" means ad valorem property taxes, income taxes, and excise taxes levied in a city, village, or township by any of the following:
  - (a) A county.
  - (b) A school district, intermediate school district, or community college district.
  - (c) An authority or other governmental unit or agency except the state:
  - (5) "Special assessments" means any of the following, except as otherwise provided in subsection (6):
- (a) Special assessments imposed by a city, village, or township against property in the city, village, or township for streets, sidewalks, storm or sanitary sewers, water supply, drains, street lights, fire protection, police protection, or any other public improvement, facility, or service authorized by charter, ordinance, or statute to be imposed on the basis of benefit to the property.
- (b) Special assessments imposed by a county against property in the city, village, or township to pay a portion of the cost of constructing or maintaining a county public improvement determined on the basis of the benefit of the public improvement to the property.
- (c) For distributions after June 30, 1976, capital improvement charges imposed in lieu of special assessments pursuant to charter, ordinance, or statute by a city, village, or township to pay for a portion of the cost of constructing a public improvement determined on the basis of the benefit of the public improvement to the property.
- (6) "Special assessment" does not include a special assessment that is included in local taxes under subsection (3).

This act is ordered to take immediate effect.

Secretary of the Senate.

Clerk of the House of Representatives.

3.3

 STATE OF MICHIGAN

OF MICHIGAN

Bulletin Number 9 November 12,1987 Computerized Appraisal Schedules

JAMES J. BLANCHARD, Governor

### DEPARTMENT OF TREASURY

ROBERT A. BOWMAN, State Treasurer

#### STATE TAX COMMISSION

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

WARD G. DEXEL LEROY J. NELSON ROBERT O. VANDERMARK

To:

All Assessing Officers and County Equalization Directors

From:

State Tax Commission

Re:

Use of Computerized Appraisal Schedules

The assessing officers of Michigan now have up-to-date cost schedules for their appraisals. There has been interest as to what computer programs or software packages have been approved by the State Tax Commission. The Commission is concerned that computer assisted appraisals provide values that are compatible with the values produced by manually calculated applications of the Assessor's Manual cost schedules and that the format of the computer print-out is readily understandable by taxpayers and assessors.

### M.C.L. 211.10e provides the following:

"All assessing officials, whose duty it is to assess real or personal property on which real or personal property taxes are levied by any taxing unit of the state, shall use only the official assessor's manual or any manual approved by the state tax commission, consistent with the official assessor's manual, with their latest supplements, as prepared or approved by the state tax commission as a guide in preparing assessments."

The State Tax Commission stated at their meeting held April 14, 1987 "... that any assessor who wishes to use a computerized appraisal schedule, based on the Assessor's Manual shall submit model appraisals to the STC to demonstrate that the results are consistent with the Assessor's Manual without computerization."

The Property Tax Division has developed guidelines and procedures for evaluating computerized appraisal schedules for pricing site-built single-family residential structures and mobile manufactured housing. These guidelines, which are the basis for recommendations made to the State Tax Commission, are available upon request. Guidelines for evaluating software for the other major cost schedules of the Assessor's Manual will be developed in the future.

Assessor's Manual should contact the Property Tax Division for a list of approved systems. State Tax Commission approval of a computerized schedule indicates only that the schedule is consistent with the Assessor's Manual. The State Tax Commission does not rate the efficiency of computerized systems or their relative ease of use nor does the Commission recommend a specific vendor's product.

No. 14 - October 14, 1988 Soil Survey Status

### STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

### DEPARTMENT OF TREASURY

ROBERT A. BOWMAN, State Treasurer

#### STATE TAX COMMISSION

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

THEODORE P. MANSOUR LEROY J. NELSON ROBERT O. VANDERMARK

TO: Assessing Officers

FROM: Property Tax Division

Department of Treasury

RE: Status of Soil Surveys

The enclosed map indicates the status of soil surveys conducted by the Soil Conservation Service, U.S. Department of Agriculture.

The surveys are available from the Soil Conservation Service office which serves your county.

We have been advised that the surveys are available free of charge.



STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

### DEPARTMENT OF TREASURY

ROBERT A. BOWMAN, State Treasurer

STATE TAX COMMISSION

4th Floor Treasury Building Lansing, Michigan 48922 Telephone 517 373-0500 COMMISSION MEMBERS 海海和安全事務等在

LEROY J. NELSON
ROBERT O. VANDERMARK
Theodore P. Mansour

DATE: February 17, 1988

TO: Assessing Officers and

Users of Assessor's Manual

FROM: State Tax Commission

Attached are the 1988 updates for the new (1986) Michigan Assessor's Manual. Page number 233 labeled "1988 County Multipliers" is to be inserted behind the "County Multipliers" tab of Volume I. The remaining sheets are to be inserted in Volume II behind the tabs labeled "Equipment Index, Comparative Cost Multipliers", and "Architect's Fee, County Multipliers."

Also enclosed is a page of errors and omissions in the 1986 Assessor's Manual. Please note these changes in your manual.

The final sheet is a copy of the September 2, 1986 letter by the State Tax Commission which includes an order blank for the new Assessor's Manual. Those assessing officers who have not yet ordered the new manual can use this blank for their order.

Attachments

1988
COUNTY MULTIPLIERS
State of Michigan

				~ A DA4		RESIDE	NTIAL	FARM
	Counties	RESIDE Masonry	NTIAL Frame	FARM	Counties	Masonry	Frame	
	ALCONA	0.93	0.92	0.93	KENT	0.97	0.97	0.97
	ALCONA	0.94	0.93	0.94	KEWEENAW	0.92	0.91	0.92
	ALGER ALLEGAN	0.97	0.96	0.97	LAKE	0.93	0.92	0.93
	ALPENA	0.93	0.92	0.93	LAPEER	1.00	1.00	1.01
	ANTRIM	0.93	0.92	0.93	LEELANAU	0.93	0.92	0.93
	ARENAC	0.96	0.95	0.96	LENAWEE	1.02	1.03	1.03
	BARAGA	0.93	0.92	0.93	LIVINGSTON	1.03	1.04	1.04
	BARRY	0.97	0.97	0.98	LUCE	0.93	0.92	0.93
	BAY	0.98	0.98	0.99	MACKINAC	0.92	0.91	0.92
	BENZIE	0.93	0.92	0.93	MAÇOMB	1.06	1.06	1.06
	BERRIEN	0.97	0.97	0.98	MANISTEE	0.94	0.92	0.93
	BRANCH	0.99	0.98	0.99	MARQUETTE	0.96	0.96	0.97 0.94
	CALHOUN	1.01	1.01	1.01	MASON	0.94	0.94	
	CASS	0.97	0.97	0.98	MECOSTA	0.95	0.94	0.95
	CHARLEVOIX	0.93	0.92	0.93	MENOMINEE	0.93	0.93	0.94
	01/ED 01/04 M	0.93	0.91	0.92	MIDLAND	0.97	0.97	0.98
	CHEBOYGAN	0.93	0.91	0.92	MISSAUKEE	0.94	0.92	0.93
	CHIPPEWA	0.92	0.94	0.95	MONROE	1.05	1.06	1.06
	CLARE	1.00	1.00	1.00	MONTCALM	0.96	0.95	0.96
	CLINTON CRAWFORD	0.93	0.92	0.93	MONTMORENCY	0.92	0.91	0.92
	DELTA	0.93	0.93	0.94	MUSKEGON	0.97	0.98	0.98
	DICKINSON	0.96	0.95	0.96	NEWAYGO	0.96	0.95	0.96
	EATON	1.00	1.00	1.01	OAKLAND	1.06	1.07	1.07
	EMMET	0.93	0.92	0.93	OCEANA	0.96	0.95	0.96
	GENESEE	1.03	1.03	1.03	OGEMAW	0.93	0.92	0.93
	GLADWIN	0.95	0.94	0.95	ONTONAGON	0.93	0.91	0.92
	GOGEBIC	0.93	0.92	0.93	OSCEOLA	0.94	0.94	0.94
	GRAND TRAVERSE		0.93	0.94	OSCODA	0.92	0.91	0.92
	GRATIOT	0.97	0.97	0.97	OTSEGO	0.93	0.91	0.92
	HILLSDALE	1.00	1.01	1.01	OTTAWA	0.97	0.96	0.97
	HOUGHTON	0.93	0.92	0.93	PRESQUE ISLE	0.93	0.92	0.93
	HURON	0.98	0:97	0.98	ROSCOMMON	0.93	0.92	0.94
	INGHAM	1.03	1.03	1.03	SAGINAW	0.99	0.99	1.00
	IONIA	0.98	0.98	0.98	ST. CLAIR	1.02	1.02	1.03
	iosco	0.95	0.95	0.95	ST. JOSEPH	0.97	0.97	0.97
	IRON	0.94	0.93	0.94	SANILAC	0.99	0.99	1.00
	ISABELLA	0.97	0.97	0.97	SCHOOLCRAFT	0.93	0.92	0.93
	JACKSON	1.01	1.02	1.02	SHIAWASSEE	1.01	1.01	1.01
	KALAMAZOO	0.99	0.99	0.99	TUSCOLA	0.98	0.97	0.98
<b>)</b>	KALKASKA	0.94	0.92	0.93	VAN BUREN	0.97	0.97	0.97
7					WASHTENAW	1.05	1.05	1.05
					WAYNE	1.06	1.07	1.07
					WEXFORD	0.94	0.92	0.93

# COST INDEXES (1926 = 100) EQUIPMENT - NATIONAL AVERAGE

# FOR USE FOR 1988 ASSESSMENTS

These indexes can be used for analysis purposes. However, the valuation of machinery, equipment, furniture, fixtures, etc. for assessment purposes will usually be determined by applying the appropriate State Tax Commission personal property multipliers to the original cost, by year installed, of equipment as discussed in chapter 15 of the Assessor's Manual.

to the original soci, by year men	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
					755.8	742.4	709.2	642.8	584.4	534.7	497.1
Average of all	806.9	795.4	787.9	776.4 954.6	929.3	912.0	873.8	792.9	716.0	652.6	608.1
Airplane mfg.	982.4	971.5	967.0			541.4	521.2	477.5	441.2	406.5	378.9
Apartment	594.1	584.2	578.6	569.6	552.5		658.3	595.3	538.5	491.5	457.3
Bakery	755.2	742.7	730.0	716.2	699.7	689.8	558.7	513.8	476.5	437.3	406.9
Bank	636.5	625.6	619.8	612.6	593.6	579.0	556.7	313.0	470.5	407.0	
D01111							3055	650 E	595.8	545.7	506.9
Bottling	814.1	803.6	798.3	788.3	768.3	757.1	725.5	658.5		658.2	612.1
Brewery and distillery	988.8	976.4	967.9	954.0	930.9	917.8	876.8	792.9	715.9	623.4	580.0
Candy and confectionery	962.7	946.3	929.1	910.5	890.2	878.9	837.8	756.1	682.3		569.4
Cannery (fish)	942.5	926.8	911.9	894.8	873.2	860.2	820.9	743.1	672.9	613.5	571.4
Cannery (fruit)	942.8	926.4	911.2	895.5	873.9	859.3	822.6	746.4	677.7	617.5	571.4
Carmery (marc)			1	,						-400	500.7
Coment min	828.4	820.4	814.8	803.2	784.2	771.6	731.8	658.7	598.7	548.2	509.7
Cement mfg. Chemical	812.8	804.0	800.4	789.2	768.8	757.8	720.0	647.4	583.7	536.9	498.3
Church	670.4	656.9	647.0	638.5	617.0	598.5	576.1	530.2	495.5	450.4	412.5
	814.2	804.3	797.8	785.0	762.3	748.4	708.5	638.7	580.5	532.6	496.0
Clay products	939.9	927.2	919.5	908.4	890.1	871.6	824.2	739.3	669.4	610.9	567.0
Contractor's equip.	000.0	<b>0</b>									5040
a	828.3	815.1	802.6	788.5	770.5	760.5	725.8	656.0	590.3	541.3	504.8
Creamery and dairy	580.0	570.4	564.9	555.7	539.6	529.5	509.5	466.3	430.7	397.1	371.2
Dwelling	810.5	802.2	798.7	788.8	767.3	755.5	730.2	666.1	596.2	542.3	508.7
Elec. equip. mfg.	765.6	759.9	755.8	748.5	729.8	721.3	698.1	638.3	568.8	517.0	487.8
Elec. power equip.			775.4	763.3	746.5	738.1	705.4	637.8	575.8	526.6	490.9
Flour, cereal and feed	794.3	784.1	775.4	705.5	740.0	700					
	200 5	0040	888.4	874.6	851.4	834.0	794.7	716.8	648.6	592.9	551.0
Garage	906.5	894.0	749.6	740.2	720.9	710.9	680.0	617.0	557.3	510.6	475.7
Glass mfg.	762.0	753.4		700.5	680.0	665.7	635.0	578.1	526.3	481.2	448.5
Hospital	737.1	723.7	713.2	658.6	640.0	626.0	597.7	543.5	498.9	456.3	423.7
Hotel	697.5	683.9	671.6		648.3	637.4	609.0	553.0	503.8	462.6	431.6
Laundry and cleaning	693.2	682.9	677.0	667.1	040.3	037.4	000.0	. 000.0			
		754.0	3445	7244	711.3	696.0	667.7	609.8	561.7	513.0	475.7
Library	764.4	751.9	744.5	734.4		789.7	748.6	673.6	612.7	558.7	518.0
Logging equip.	853.5		836.5	825.8	806.0	847.0	810.2	730.9	657.7	599.8	557.3
Metal working	923.6		906.0	889.9	866.4	778.0	737.3	664.1	605.2	553.1	511.4
Mining and milling	833.1		821.9	812.2	796.1	821.7	790.5	720.8	654.8	598.2	556.5
Motion picture	890.6	878.0	871.6	861.9	838.0	021.7	730.5	720.0	00 1.0		
				074 O	OFF 4	641.4	617.0	565.8	523.4	482.6	453.5
Office equip.	703.8		683.4	674.3	655.1	813.3	780.2	708.8	648.0	591.2	545.4
Packing (fruit)	889.2		864.3	852.0	829.8	757.0		649.6	589.3	540.4	503.6
Packing (meat)	830.8		804.2	788.4	768.7		_	656.5	594.3	544.8	506.8
Paint mfg.	821.3		806.1	794.9	773.0	760.6		623.2	567.2	520.7	482.4
Paper mfg.	776.9	766.6	761.7	753.0	732.5	719.8	087.0	023.2	507.2	J20.7	702
. •						0040	770 A	600.1	621.0	568.3	526.7
Petroleum	860.3			847.7	832.4	824.6			547.8	498.9	464.0
Printing	755.9			726.5	703.3	690.3		605.9			586.4
Refrigeration	955.1	941.8		920.5	894.0	877.6					390.1
Restaurant	650.5	638.0		613.4	595.9						523.2
Rubber	878.3	864.3	857.5	842.3	817.0	800.6	758.2	681.1	618.6	565.2	525.2
								F00 0	500.0	404.5	459.7
School	751.2	737.3			691.1	676.7					
Shipbuilding	934.4				892.3						577.7
Steam power	803.0				753.9						500.0
Store	786.0				728.9						490.4
Textile	863.9			828.4	805.0	791.4	756.2	685.3	625.9	575.4	535.5
, James										4 4	4400
Theater	671.5	659.8	651.9	642.3	621.3						416.0
Warehousing	686.6										434.8
Woodworking	780.2					717.9	688.4	627.7	572.1	523.3	482.4
440004401KH18	, 40.	• •									

# COST INDEXES (1926 = 100) EQUIPMENT - NATIONAL AVERAGE

# FOR USE FOR 1988 ASSESSMENTS

	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966
Average of all	472.1	444.3	398.4	344.1	332.1	321.3	303.3	285.1	273.2	262.9	252.5
Airplane mfg.	577.5	543.7	487.0	415.9	400.0	385.9	364.2	340.8	326.1 237.9	315.5 229.0	303.3 220.5
Apartment	361.9	340.0	316.3	286.8 316.0	277.0 306.0	270.7 296.1	259.7 279.0	248.0 262.3	257.9 251.9	243.0	233.3
Bakery	433.9 389.4	407.6 367.3	364.2 332.6	289.9	278.5	270.9	279.0 256.9	240.3	230.5	221.4	211.3
Bank	303.4	307.5	JJZ.U	203.5	270.0	270.0	200.0	240.0	200.0	a.a. 17	
Bottling	482.2	455.5	403.5	347.8	336.3	325.4	306.7	288.3	276.9	267.0	256.4
Brewery and distillery	581.9	550.4	487.8	417.4	402.2	386.9	362.1	338.2	322.7	309.0	296.5
Candy and confectionery	549.9	517.7	463.8	400.3	386.2	371.5	347.6	324.7	309.8	296.6	284.6
Cannery (fish)	539.3	507.7	456.2	391.5	378.7	366.4	345.3	324.6	311.8	300.6 301.1	288.7 289.1
Cannery (fruit)	540.9	509.7	457.9	392.0	379.2	366.9	345.8	325.1	312.2	301.1	203.1
Cement mfg.	482.2	454.3	398.1	340.1	328.5	317.3	298.3	280.1	268.3	258.1	248.0
Chemical	473.2	447.6	400.5	341.1	329.7	319.1	300.7	282.8	271.6	261.9	251.5
Church	390.3	364.3	339.0	301.2	288.5	281.3	269.0	254.5	243.0	233.1	222.5
Clay products	466.9	437.2	384.5	330.3	319.3	308.4	289.9	272.2	260.7	250.8	240.9
Contractor's equip.	537.4	504.2	435.4	375.6	363.0	350.6	330.7	312.2	297.2	283.5	273.8
Creamery and dairy	479.5	452.1	405.1	346.7	334.8	322.1	302.3	283.4	271.1	260.9	249.8
Dwelling	355.3	334.3	310.7	281.7	272.3	265.5	255.1	245.3	234.9	226.2	218.5
Elec. equip. mfg.	484.3	457.9	409.5	351.8	340.4	330.8	313.9	296.5	285.8	277.6	267.0
Elec. power equip.	465.1	438.5	391.7	327.2	316.4	307.5	290.3	274.8	264.9	257.3	246.6
Flour, cereal and feed	466.4	440.1	390.7	333.2	321.9	311.6	293.6	276.0	265.1	255.6	245.4
_					0700	050.0	200.0	0400	207.0	207.0	200.0
Garage	524.6	496.2	443.6	385.2	373.2	358.9	338.6 283.9	319.8 266.9	307.3 256.3	297.6 247.2	289.0 237.4
Glass mfg.	451.3	425.3 404.8	375.4 366.2	321.9 319.0	311.3 306.3	301.3 294.6	203.9 275.7	257.5	245.7	235.0	237.4
Hospital Hotel	427.1 403.4	381.2	346.6	307.6	295.0	287.6	275.1	260.2	248.4	238.4	227.6
Laundry and cleaning	411.0	388.6	346.7	296.9	287.6	278.5	262.7	247.9	238.8	229.7	222.1
Edunary and oleaning		000.0	• 10			- 1 - 1 - 1					
Library	452.4	427.7	388.3	334.6	320.4	312.7	298.1	279.5	267.6	256.4	244.2
Logging equip.	490.7	459.2	397.7	346.9	335.6	324.2	304.8	286.1	274.0	263.6	253.2
Metal working	529.0	497.7	438.9	375.1	360.5	347.8	330.4	308.8	295.2	286.8	276.2
Mining and milling	482.9	451.2	394.3	342.9	331.8	321.1	302.6	284.5	273.2 311.0	263.5 299.9	253.0 288.0
Motion picture	528.5	495.8	446.4	390.1	377.7	365.5	344.5	323.8	311.0	299.9	200.∪
Office equip.	436.2	412.7	373.9	327.5	314.6	306.5	291.7	274.5	263.0	251.9	241.2
Packing (fruit)	516.0	477.6	439.8	389.5	378.1	365.9	344.8	324.1	311.3	300.2	288.3
Packing (meat)	478.1	449.8	404.8	347.9	336.0	323.5	303.4	284.4	272.0	261.7	250.7
Paint mfg.	481.2	455.0	406.1	345.9	333.3	320.7	300.1	280.3	267.4	256.0	245.7
Paper mfg.	457.6	430.1	381.7	328.4	317.7	307.5	289.7	272.4	261.6	252.2	242.2
Petroleum	497.7	470.9	419.3	356.0	343.0	330.0	308.8	288.4	275.2	263.4	252.8
Printing	440.1	414.5	375.8	320.1	309.2	299.3	282.0	265.1	254.7	245.6	235.8
Refrigeration	558.4	528.1	472.4	404.6	389.5	374.7	350.6	327.5	312.5	299.2	287.1
Restaurant	370.4	348.3	314.9	273.4	263.5	257.4	246.9	235.7	226.2	217.7	209.6
Rubber	497.3	468.5	415.3	357.8	344.7	331.6	310.3	289.9	276.5	264.7	254.1
School	437.2	411.6	376.5	326.1	313.0	304.4	288.7	270.0	259.0	248.8	237.6
School Shipbuilding	547 O	513.1	451.7	383.9	370.0	356.5	336.5	314.9	301.3	291.5	280.2
Steam power	475.7	448.2	400.8	338.9	326.3	313.9	293.8	274.4	261.8	250.6	240.5
Store	465.8	436.1	402.1	348.9	335.3	326.6	310.8	292.5	280.2	268.4	257.0
Textile	509.5	478.3	431.4	372.7	360.7	349.0	328.9	309.2	297.0	286.4	275.1
Theater	306.3	272.0	220.0	293.7	282.0	274.7	261.4	246.0	235.6	225.7	216.1
rneater Warehousing	396.2 412.0	373.8 381.1	339.8 349.8	293.7 309.6	302.3	274.7 291.3	273.5	259.0	250.3	241.6	234.4
Woodworking	456.0	424.6	387.8	341.6	330.8	320.4	302.8	284.4	273.3	264.4	254.2
						,					

# **COMPARATIVE COST MULTIPLIERS**

### FOR USE FOR 1988 ASSESSMENTS

These multipliers can be used to trend historical costs to the current level for rough estimating or checking. Example: a Class C structure which cost \$1,000,000 to build in July 1980 would cost approximately \$1,218,000 (i.e., \$1,000,000 x 1.218) for 1988 assessment purposes. The factors on this sheet do not allow for depreciation.

YEAR OF FORMER COST	CLASS A Fireproofed Steel Frame	CLASS B Reinforced Concrete Frame	CLASS C Masonry Bearing Walls	CLASS D Wood Frame	CLASS S Metal Frame and Walls	YEAR OF FORMER COST	CLASS A Fireproofed Steel Frame	CLASS B Reinforced Concrete Frame	CLASS C Masonry Bearing Walls	CLASS D Wood Frame	CLASS S Metal Frame and Walls
1987	1.000	1.000	1.000	1.000	1.000	JUL 1975 JÄN 1975	1.768 1.820	1.765 1.823	1.786 1.848	1.777 1.829	1.725 1.770
OCT 1986	1.005	1.004	1.004	1.004	1.003	JAN 1913	1.020	1.020	1.040	,	-
JUL 1986	1.005	1.006	1.005	1.005	1.005	JUL 1974	1.969	1.976	1.962	1.892	1.948
APR 1986	1.013	1.013	1.013	1.015	1.012	JAN 1974	2.083	2.099	2.070	1.966	2.093
JAN 1986	1.013	1.013	1.016	1.019	1.012	JUL 1973	2.151	2.169	2.134	2.020	2.158
				4.040	4.000	JAN 1973	2.249	2.274	2.240	2.137	2.258
OCT 1985	1.012	1.012	1.015	1.019	1.009		0.004	0.240	2 225	2.230	2.323
JUL 1985	1.013	1.014	1.017	1.021 1.022	1.009	JUL 1972	2.324	2.349 2.441	2.325 2.422	2.322	2.416
APR 1985	1.014	1.015	1.018 1.021	1.022	1.014	JAN 1972	2.413	2.441	2.462	2.522	2,410
JAN 1985	1.017	1.018	1.021	1.022	1.014	JUL 1971	2.508	2.530	2.506	2.418	2.482
OCT 1984	1.022	1.025	1.026	1.025	1.017	JAN 1971	2.615	2.643	2.618	2.538	2.644
JUL 1984	1.026	1.029	1.030	1.026	1.020	JUL 1970	2.733	2.771	2.746	2.655	2.783
APR 1984	1.029	1.033	1.035	1.031	1.021	JAN 1970	2.825	2.846	2.795	2.685	2.897
JAN 1984	1.033	1.035	1.045	1.044	1.027			0.000	0.077	2.718	3.028
OCT 1983	1.046	1.050	1.060	1.061	1.037	JUL 1969	2.918	2.939 3.045	2.877 2.997	2.716	3.106
JUL 1983	1.055	1.060	1.073	1.078	1.044	JAN 1969	3.016	3.043	2.331	2.004	000
APR 1983	1.075	1.081	1.097	1.108	1.061	JUL 1968	3.159	3.181	3.130	3.018	3.272
JAN 1983	1.081	1.088	1.105	1.117	1.067	JAN 1968	3.228	3.250	3.213	3.109	3.342
OCT 1982	1.081	1.090	1.106	1.118	1.066	JÜL 1967	3.317	3.345	3.318	3.220	3.474
JUL 1982	1.085	1.094	1.111	1.125	1.068	JAN 1967	3.397	3.414	3.394	3.292	3.498
APR 1982	1.096	1:104	1.120	1.136	1.079	JUL 1966	3.432	3.439	3.432	3.304	3.570
JAN 1982	1.107	1.115	1.131	1.146	1.093	JAN 1966	3.528	3.522	3.532	3.411	3.626
OCT 1981	1.103	1.108	1.119	1.128	1.088	JUL 1965	3.607	3.597	3.597	3.492	3.723
JUL 1981	1.133	1.136	1.146	1.155	1.118	JAN 1965	3.650	3.639	3.648	3.557	3.746
APR 1981	1.149	1.151	1.160	1.170	1.136	JUL 1964	3.692	3.697	3.704	3.601	3.779
JAN 1981	1.161	1.163	1.173	1.180	1.149	JAN 1964	3.746	3.748	3.765	3.683	3.822
OCT 1980	1.193	1.193	1.202	1.208	1.181	JUL 1963	3.761	3.763	3.781	3.696	3.896
JUL 1980	1.207	1.206	1.218	1.228	1.191	JAN 1963	3.819	3.812	3.831		3.880
APR 1980	1.217	1.217	1.232	1.238	1:199					0.000	0.004
JAN 1980	1.239	1.240	1.250	1.248	1.219	JUL 1962	3.837	3.841	3.848	3.802	3.961 3.907
OCT 1979	1.264	1.265	1.272	1.268	1.244	JAN 1962	3.888	3.882	3.913	3.842	3.501
JUL 1979	1.296	1.295	1.301	1.294	1.278	JUL 1961	3.906	3.900	3.937	3.866	3.920
APR 1979	1.339	1.339	1.341	1.330	1.323	JAN 1961	3.946	3.935	3.966	3.870	*****
JAN 1979	1.374	1.374	1.375	1.358	1.362	JUL 1960	3.938	3.932	3.963	3.866	3.924
OCT 1978	1.416	1.415	1.416	1.394	1.404	JAN 1960	3.935	3.971	4.001	3.912	
JUL 1978	1.455	1.454	1.455	1.429	1.442						
APR 1978	1.494	1.492	1.493	1.463	1.482	JUL 1959	3.944	3.990	4.010	3.907	3.928
JAN 1978	1.520	1.515	1.515	1.482	1.511	JAN 1959	4.012	4.044	4.078	3.990	
						JUL 1958	4.098	4.123	4.152	4.073	4.088
OCT 1977	1.552	1.549	1.559	1.529	1.535	JAN 1958	4.106	4.134	4.160	4.072	
JUL 1977	1.586	1.585	1.601	1.578	1.554	JUL 1957	4.164	4.187	4.210	4.120	4.176
APR 1977	1.615	1.612	1.629	1.605	1.571 1.585	JAN 1957	4.104	4.241	4.255	4.158	
JAN 1977	1.628	1.628	1.645	1.621							
JUL 1976	1.695	1.695	1.706	1.690	1.658	JUL 1956	4.345	4.357	4.374	4.235	4.331
JAN 1976	1.726	1.728	1.748	1.748	1.679	JAN 1956	4.407	4.424	4.473	4.330	

### **ARCHITECT'S FEES**

he architect's fees listed on the next page are based on averages of the actually charged or recommended. Actual fees, since they are based on the size of the project, the technical difficulty, the artistic requirements, the reputation of the architect, and his willingness to accept the assignment, vary greatly, and the estimate of the fee is a matter for the valuator's judgment.

Architect's fees normally will include part or all of the following:

- Plans and specifications including consultations, estimates, and engineering studies.
- General administration and over-all supervision of construction, not including superintending construction.
- 3. Approving payment vouchers to the contractor.
- 4. Approval and acceptance of completed construction.

Regardless of the size and type of construction, all of these services must be performed by someone. On some projects the owner or the general contractor may do the supervision. On governmental projects, many services are performed by government employees; however, in replacing the building, the cost of these services, whether performed by the architect or others, must be included.

The architect's fee multipliers given here are only a guide. On a simple residence, stock plans and specifications may be purchased for under 200, and on a large housing development, the architect may get full es for each individual design and payments as low as \$150 per unit for additional uses of the plans, or he may work as a corporate employee.

In actual practice, the architect's fee normally is based, by contract, either at a percentage of the entire cost, on a multiplier of the technical payroll plus incidental expenses, or on a fixed sum plus listed expenses.

In the final analysis, the architect's function when fully performed is a proper cost of construction. A well considered matching of structure to land may enhance the end value by more than the fees involved. However, when poorly performed, the cost of design and drafting work may be wasted and result in functional obsolescence in a brand new structure. This determination is a matter of judgment.

The average fees listed for buildings do not include fees for design of furniture, built-in equipment, plant layout, or other detailed special items designed for a specific trade or personal use.

#### **AVERAGE ARCHITECT'S FEES**

The table below can be used as a general guide or for greater detail see Page 2. The numbers listed below are percentages.

SECTION	QUALITY AVERAGE
SEG 1	7.0
SEG 2	7.0
SEG 3	7.0
SEG 4	6.0
SEG 5	7.0
SEG 6	7.0

Architectural Fees for most UIP components are commensurate with the general SEG building types.

The following special supplemental cost section items already include architect fees:

Manufactured Housing Parks

Service Stations

**Golf Courses** 

Drive-In Theaters

Ski-Lifts

Recreational Enclosures

#### APPENDIX C PAGE 2

### **ARCHITECT'S FEES**

TABLE I

Furnishings and Interiors

Mausoleums and Memorials

Special Lighting

TABLE II

Airport Terminals Computer Centers Laboratories Libraries

Convention Centers

Museums and Galleries

Hospitals and Mental Institutions

Store Fronts

TABLE III

**Auditoriums** 

Banks and Financial Institutions Communications and Broadcasting

Convalescent Hospitals Country Clubs and Marinas

Fire and Police Stations

Fraternal Buildings Hotels and City Clubs Medical Office Buildings Major Post Office Buildings **Public Health Centers** 

**Resort Lodges** Specialty Shops

Stadiums and Sports Facilities

Theaters

Veterinary Hospitals

**TABLE IV** 

**Apartments and Dormitories** Bars and Lounges

**Branch Post Offices Bus Stations** 

Clubhouses and Gymnasiums Cold Storage Buildings **Day Care Centers** 

Department Stores Eng. & Research Industrial Buildings

**Equestrian Centers** 

Fraternity and Sorority Houses

Health Clubs

Homes for the Elderly Laundries and Cleaners Maintenance Hangars

Mortuaries Motels

Office Buildings

**Public Recreation Facilities** Racquetball and Tennis Clubs Regional Shopping Centers

Restaurants and Clubs

TABLE V

**Automotive Centers** 

Barber and Beauty Shops

**Bowling Alleys** Car Washes

Community Shopping Centers

Creameries Dairies Discount Stores

Dispensaries Distribution Warehouses

Docks and Wharfs

Fast Food Restaurants

**Loft Buildings** 

Manufacturing Industrial Buildings Markets and Convenience Stores Multiples, Individual Design **Neighborhood Shopping Centers** 

Retail Stores

Row Houses, Individual Design Senior Citizen Multiple Residences

Showrooms Skating Rinks

Stables and Horse Arenas

Storage Hangars

The following are the approximate percentages included in the manual costs for single and multi-family residences and miscellaneous farm structures not listed in the above table.

**TABLE VI** 

Garages and Parking Structures

Greenhouses

Service Stations

Shipping Docks & Transfer Points

Storage Warehouses

	LOW COST	FAIR	AVERAGE	GOOE
Multiple-Residential	1.5%	1.9%	2.4%	3.9%
Miscellaneous Farm				
Structures	1.6%	2.1%	2.8%	3.8%

**EXPLANATION** 

The tables of architect's fees are based on composite curves derived

from many actual fees charged, recommendations of several architectural committees in various states, and architectural time

studies. In cases where superior quality and detail are required, the

fee may be higher than the average, while very low quality and

The fee schedules contain approximately 30% (20% to 40%) for contract administration and supervision. In many cases, this function may be performed by the contractor, an employee of the owner or an

outside consultant. In any case, this is a proper charge against the

building and the total fee should be added to building costs computed

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standardized buildings may call for a fee which is lower.

from the Unit-in-Place or the Segregated Costs.

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10.0

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8.7

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8.1

7.9

7.5

7.3

PROJECT COST

Up To

50.000

100,000

200,000

500,000

1,000,000

2,000,000

3,000,000

5.000.000

10,000,000

20,000,000

50,000,000

and up

1988

# COUNTY MULTIPLIERS State of Michigan

### **Counties**

### Commerical and Industrial

ARENAC 0.96 0.96 0.96 0.95 0.96 BARAGA 0.94 0.94 0.93 0.92 0.94 BARRY 0.98 0.98 0.97 0.97 0.98 BARY 1.00 0.99 0.98 0.98 0.99 0.99 BENZIE 0.94 0.94 0.93 0.92 0.93  BERRIEN 0.98 0.98 0.97 0.97 0.97 0.98 BBRANCH 1.00 1.00 0.99 0.98 1.00 CALHOUN 1.01 1.01 1.01 1.01 1.01 CASS 0.98 0.98 0.97 0.97 0.97 0.98 CHARLEVOIX 0.94 0.94 0.93 0.92 0.93  CHEBOYGAN 0.94 0.94 0.93 0.92 0.93 CHIPPEWA 0.93 0.93 0.91 0.93 CHIPPEWA 0.93 0.93 0.91 0.93 CHIRDOTON 1.00 1.00 1.00 1.00 1.00 CRAWFORD 0.95 0.94 0.93 0.92 0.91 DELTA 0.94 0.94 0.93 0.93 0.92 0.94 DELTA 0.94 0.94 0.93 0.92 0.99 DELTA 0.94 0.94 0.93 0.92 0.94 DELTA 0.94 0.94 0.93 0.92 0.99 DELTA 0.94 0.94 0.	Class	Α	, <b>B</b>	С	D	S
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ALEGAN  O.98  O.97  O.97  O.96  O.97  ALPENA  O.94  O.94  O.94  O.93  O.92  O.93  ARENAC  O.96  O.96  O.96  O.96  O.96  O.96  O.96  O.98  BARAGA  O.94  O.94  O.94  O.93  O.92  O.93  ARENAC  O.96  O.96  O.96  O.96  O.96  O.96  O.96  O.97  O.97  O.98  BARRY  O.98  O.98  O.97  O.97  O.98  BENZIE  O.94  O.94  O.94  O.93  O.92  O.93  BERRIEN  O.98  D.98  D.97  O.97  O.98  BERANCH  I.00  I.00  O.99  O.98  D.98  D.97  O.97  O.98  BRANCH  I.01  I.01  I.01  I.01  I.01  I.01  CASS  O.98  O.98  O.98  O.97  O.97  O.98  CHARLEVOIX  O.94  O.94  O.93  O.92  O.93  CHEBOYGAN  O.94  O.93  O.93  O.91  O.93  CLARE  O.96  O.97  O.99  O.9					0.93	0.94
ALPENA ANTRIM 0.94 0.94 0.94 0.93 0.92 0.93 ANTRIM 0.94 0.94 0.93 0.92 0.93 ARENAC 0.96 0.96 0.96 0.96 0.96 0.96 0.97 0.97 0.97 0.98 BARAY 0.98 0.98 0.97 0.97 0.97 0.98 BERRIEN 0.98 0.98 0.98 0.97 0.97 0.93 BERRIEN 0.98 0.98 0.98 0.97 0.97 0.98 BERANCH 1.00 1.00 0.99 0.98 1.00 CALHOUN 1.01 1.01 1.01 1.01 1.01 1.01 1.01 1.0						0.97
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BARRY 0.98 0.98 0.97 0.97 0.98 0.99 BAY 1.00 0.99 0.98 0.98 0.99 BENZIE 0.94 0.94 0.94 0.93 0.92 0.93 BERRIEN 0.98 0.98 0.99 BERRIEN 1.00 1.00 0.99 0.98 1.00 0.00 0.99 0.98 1.00 0.00 0.99 0.98 1.00 0.00 0.99 0.98 1.00 0.00 0.00 0.99 0.98 1.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0						
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BENZIE         0.94         0.94         0.93         0.92         0.93           BERRIEN         0.98         0.98         0.97         0.97         0.98           BRANCH         1.00         1.00         0.99         0.98         1.00           CALHOUN         1.01         1.01         1.01         1.01         1.01           CASS         0.98         0.98         0.97         0.97         0.98           CHARLEVOIX         0.94         0.94         0.93         0.92         0.93           CHARLEVOIX         0.94         0.93         0.93         0.91         0.93           CHEBOYGAN         0.94         0.93         0.93         0.91         0.93           CHEBOYGAN         0.94         0.93         0.93         0.91         0.93           CHARLEVOIX         0.94         0.93         0.92         0.91         0.93           CHARLEVOIX         0.94         0.93         0.92         0.91         0.93           CLARE         0.96         0.96         0.95         0.94         0.96           CLARE         0.96         0.95         0.94         0.96         0.95         0.94	· · · · · · · · · · · · · · · · · · ·					
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CASS	BRANCH	1.00	1.00	0.99	0.98	1.00
CHARLEVOIX  0.94  0.94  0.93  0.92  0.93  CHEBOYGAN  0.94  0.93  0.93  0.91  0.93  CHIPPEWA  0.93  0.93  0.92  0.91  0.93  CLARE  0.96  0.96  0.96  0.95  0.94  0.96  CLINTON  1.00  1.00  1.00  1.00  CRAWFORD  0.95  0.94  0.93  0.92  0.94  DELTA  0.94  0.94  0.94  0.93  0.92  0.94  DICKINSON  0.96  0.97  0.93  GENESEE  1.04  1.04  1.04  1.03  1.03  1.03  1.03  GLADWIN  0.96  0.96  0.96  0.95  0.94  0.94  0.94  0.93  0.92  0.94  GRAND TRAVERSE  0.95  0.94  0.94  0.93  0.92  0.94  GRAND TRAVERSE  0.95  0.95  0.94  0.93  0.92  0.94  HILLSDALE  1.00  1.00  1.00  1.00  1.00  HOUGHTON  0.94  0.94  0.94  0.93  0.92  0.94  HURON  0.99  0.99  0.98  0.97  0.97  0.97  1.03  IRON  0.98  0.97  0.97  0.97  JACKSON  1.02  1.01	CALHOUN	1.01	1.01	1.01	1.01	1.01
CHEBOYGAN  O.94  O.93  O.93  O.93  O.92  O.91  O.93  CLARE  O.96  O.96  O.96  O.95  O.94  O.96  CLINTON  1.00  1.00  1.00  1.00  CRAWFORD  O.95  O.94  O.93  O.92  O.94  O.94  O.93  O.92  O.94  DELTA  O.94  O.94  O.96  O.93  O.92  O.94  DICKINSON  O.96  O.96  O.96  O.96  O.96  O.96  O.93  O.92  O.93  GENESEE  1.04  1.04  1.03  1.03  1.03  I.03  I.03  GLADWIN  O.96  O.96  O.96  O.96  O.96  O.95  O.94  O.94  GRAND TRAVERSE  O.95  O.94  O.94  O.94  O.94  O.93  O.92  O.94  GRAND TRAVERSE  O.95  O.94  O.94  O.94  O.94  O.93  O.92  O.94  GRAND TRAVERSE  O.95  O.94  O.94  O.94  O.93  O.92  O.94  HILLSDALE  1.00  1.00  1.00  1.00  1.00  1.01  1.00  HOUGHTON  O.94  O.94  O.94  O.94  O.94  O.93  O.92  O.94  HURON  O.99  O.99  O.98  O.97  O.97  O.97  O.98  INGHAM  1.03  1.03  1.03  1.03  1.03  1.03  I.03  I.04  ISABELLA  O.98  O.98  O.97  O.97  O.97  J.ACKSON  1.02  I.01	CASS	0.98	0.98	0.97	0.97	0.98
CHIPPEWA CLARE O.96 O.96 O.96 O.95 O.94 O.96 CLINTON 1.00 1.00 1.00 1.00 CRAWFORD O.95 O.94 O.93 O.92 O.94 O.96 CLINTON O.95 O.94 O.93 O.92 O.94 O.96 CLINTON O.95 O.94 O.93 O.92 O.94  DELTA O.94 O.96 O.96 O.96 O.96 O.96 O.96 O.96 O.96	CHARLEVOIX	0.94	0.94	0.93	0.92	0.93
CHIPPEWA CLARE O.96 O.96 O.96 O.95 O.94 O.96 CLINTON 1.00 1.00 1.00 1.00 CRAWFORD O.95 O.94 O.93 O.92 O.94 O.96 CLINTON O.95 O.94 O.93 O.92 O.94 O.96 CLINTON O.95 O.94 O.93 O.92 O.94  DELTA O.94 O.96 O.96 O.96 O.96 O.96 O.96 O.96 O.96	CHEBOYGAN	0.94	0.93	0.93	0.91	0.93
CLARE         0.96         0.96         0.95         0.94         0.96           CLINTON         1.00         1.00         1.00         1.00         1.00           CRAWFORD         0.95         0.94         0.93         0.92         0.94           DELTA         0.94         0.94         0.93         0.93         0.94           DICKINSON         0.96         0.96         0.96         0.95         0.96           EATON         1.01         1.01         1.00         1.00         1.01           EMMET         0.94         0.94         0.93         0.92         0.93           GENESEE         1.04         1.04         1.03         1.03         1.03           GLADWIN         0.96         0.96         0.95         0.94         0.96           GOGEBIC         0.94         0.94         0.93         0.92         0.94           GRAND TRAVERSE         0.95         0.95         0.94         0.93         0.94           GRATIOT         0.98         0.98         0.97         0.97         0.97           HULLSDALE         1.00         1.00         1.00         1.01         1.00           HOUGHTON						
CLINTON 1.00 1.00 1.00 1.00 1.00 1.00 1.00 CRAWFORD 0.95 0.94 0.93 0.92 0.94  DELTA 0.94 0.94 0.93 0.93 0.94  DICKINSON 0.96 0.96 0.96 0.95 0.96  EATON 1.01 1.01 1.00 1.00 1.00 1.01  EMMET 0.94 0.94 0.93 0.92 0.93  GENESEE 1.04 1.04 1.03 1.03 1.03  GLADWIN 0.96 0.96 0.95 0.94 0.96  GOGEBIC 0.94 0.94 0.93 0.92 0.94  GRAND TRAVERSE 0.95 0.95 0.94 0.93 0.94  GRATIOT 0.98 0.98 0.97 0.97 0.97  HILLSDALE 1.00 1.00 1.00 1.01 1.00  HOUGHTON 0.94 0.94 0.93 0.92 0.94  HURON 0.99 0.99 0.98 0.97 0.97  HURON 0.99 0.99 0.98 0.97 0.97  INGHAM 1.03 1.03 1.03 1.03 1.03  IONIA 0.98 0.98 0.98 0.98 0.99  IRON 0.95 0.94 0.94 0.95 0.95  IRON 0.95 0.94 0.94 0.94 0.93 0.95  ISABELLA 0.98 0.98 0.97 0.97 0.97  JACKSON 1.02 1.02 1.01 1.02 1.01						
CRAWFORD         0.95         0.94         0.93         0.92         0.94           DELTA         0.94         0.94         0.93         0.93         0.94           DICKINSON         0.96         0.96         0.96         0.95         0.96           EATON         1.01         1.01         1.00         1.00         1.01           EMMET         0.94         0.94         0.93         0.92         0.93           GENESEE         1.04         1.04         1.03         1.03         1.03           GLADWIN         0.96         0.96         0.95         0.94         0.96           GOGEBIC         0.94         0.94         0.93         0.92         0.94           GRAND TRAVERSE         0.95         0.94         0.93         0.92         0.94           GRATIOT         0.98         0.98         0.97         0.97         0.97           HILLSDALE         1.00         1.00         1.00         1.01         1.00           HOUGHTON         0.94         0.94         0.93         0.92         0.94           HURON         0.99         0.99         0.98         0.97         0.98           INGHAM						
DICKINSON         0.96         0.96         0.96         0.95         0.96           EATON         1.01         1.01         1.00         1.00         1.01           EMMET         0.94         0.94         0.93         0.92         0.93           GENESEE         1.04         1.04         1.03         1.03         1.03           GLADWIN         0.96         0.96         0.95         0.94         0.96           GOGEBIC         0.94         0.94         0.93         0.92         0.94           GRAND TRAVERSE         0.95         0.95         0.94         0.93         0.94           GRATIOT         0.98         0.98         0.97         0.97         0.97           HILLSDALE         1.00         1.00         1.00         1.01         1.00           HOUGHTON         0.94         0.94         0.93         0.92         0.94           HURON         0.99         0.99         0.98         0.97         0.98           INGHAM         1.03         1.03         1.03         1.03           IONIA         0.98         0.98         0.98         0.98           IOSCO         0.96         0.96	CRAWFORD					
DICKINSON         0.96         0.96         0.96         0.95         0.96           EATON         1.01         1.01         1.00         1.00         1.01           EMMET         0.94         0.94         0.93         0.92         0.93           GENESEE         1.04         1.04         1.03         1.03         1.03           GLADWIN         0.96         0.96         0.95         0.94         0.96           GOGEBIC         0.94         0.94         0.93         0.92         0.94           GRAND TRAVERSE         0.95         0.95         0.94         0.93         0.94           GRATIOT         0.98         0.98         0.97         0.97         0.97           HILLSDALE         1.00         1.00         1.00         1.01         1.00           HOUGHTON         0.94         0.94         0.93         0.92         0.94           HURON         0.99         0.99         0.98         0.97         0.98           INGHAM         1.03         1.03         1.03         1.03           IONIA         0.98         0.98         0.98         0.98           IOSCO         0.96         0.96	DELTA	0.94	0.94	0.03	0.93	0.94
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EMMET       0.94       0.94       0.93       0.92       0.93         GENESEE       1.04       1.04       1.03       1.03       1.03         GLADWIN       0.96       0.96       0.95       0.94       0.96         GOGEBIC       0.94       0.94       0.93       0.92       0.94         GRAND TRAVERSE       0.95       0.95       0.94       0.93       0.94         GRATIOT       0.98       0.98       0.97       0.97       0.97         HILLSDALE       1.00       1.00       1.00       1.01       1.00         HOUGHTON       0.94       0.94       0.93       0.92       0.94         HURON       0.99       0.99       0.98       0.97       0.98         INGHAM       1.03       1.03       1.03       1.03         IONIA       0.98       0.98       0.98       0.98       0.98         IOSCO       0.96       0.96       0.95       0.95       0.95         IRON       0.95       0.94       0.94       0.93       0.95         ISABELLA       0.98       0.98       0.97       0.97       0.97         JACKSON       1.02       1.02<						
GENESEE 1.04 1.04 1.03 1.03 1.03 1.03  GLADWIN 0.96 0.96 0.95 0.94 0.96  GOGEBIC 0.94 0.94 0.93 0.92 0.94  GRAND TRAVERSE 0.95 0.95 0.94 0.93 0.94  GRATIOT 0.98 0.98 0.97 0.97 0.97  HILLSDALE 1.00 1.00 1.00 1.01 1.00  HOUGHTON 0.94 0.94 0.93 0.92 0.94  HURON 0.99 0.99 0.98 0.97 0.98  INGHAM 1.03 1.03 1.03 1.03 1.03  IONIA 0.98 0.98 0.98 0.98  IOSCO 0.96 0.96 0.95 0.95  IRON 0.95 0.94 0.94 0.93 0.95  IRON 0.95 0.94 0.94 0.95 0.95  IRON 0.95 0.94 0.94 0.93 0.95  IRON 0.95 0.94 0.94 0.93 0.95  IRON 0.95 0.94 0.94 0.93 0.95  IRON 0.95 0.96 0.96 0.97 0.97  JACKSON 1.02 1.02 1.01 1.02 1.01						
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GOGEBIC         0.94         0.94         0.93         0.92         0.94           GRAND TRAVERSE         0.95         0.95         0.94         0.93         0.94           GRATIOT         0.98         0.98         0.97         0.97         0.97           HILLSDALE         1.00         1.00         1.00         1.01         1.00           HOUGHTON         0.94         0.94         0.93         0.92         0.94           HURON         0.99         0.99         0.98         0.97         0.98           INGHAM         1.03         1.03         1.03         1.03         1.03           IONIA         0.98         0.98         0.98         0.98         0.98           IOSCO         0.96         0.96         0.95         0.95         0.95           IRON         0.95         0.94         0.94         0.93         0.95           ISABELLA         0.98         0.98         0.97         0.97         0.97           JACKSON         1.02         1.02         1.01         1.02         1.01	GENESEE	1.04	1.04	1.03	1.03	1.03
GRAND TRAVERSE         0.95         0.95         0.94         0.93         0.94           GRATIOT         0.98         0.98         0.97         0.97         0.97           HILLSDALE         1.00         1.00         1.00         1.01         1.00           HOUGHTON         0.94         0.94         0.93         0.92         0.94           HURON         0.99         0.99         0.98         0.97         0.98           INGHAM         1.03         1.03         1.03         1.03         1.03           IONIA         0.98         0.98         0.98         0.98         0.98         0.98           IOSCO         0.96         0.96         0.95         0.95         0.95         0.95           IRON         0.95         0.98         0.94         0.94         0.93         0.95           JACKSON         1.02         1.02         1.01         1.02         1.01	GLADWIN					
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HILLSDALE       1.00       1.00       1.00       1.01       1.00         HOUGHTON       0.94       0.94       0.93       0.92       0.94         HURON       0.99       0.99       0.98       0.97       0.98         INGHAM       1.03       1.03       1.03       1.03       1.03         IONIA       0.98       0.98       0.98       0.98       0.98         IOSCO       0.96       0.96       0.95       0.95       0.95         IRON       0.95       0.94       0.94       0.93       0.95         ISABELLA       0.98       0.98       0.97       0.97       0.97         JACKSON       1.02       1.02       1.01       1.02       1.01					0.93	0.94
HOUGHTON         0.94         0.94         0.93         0.92         0.94           HURON         0.99         0.99         0.98         0.97         0.98           INGHAM         1.03         1.03         1.03         1.03         1.03           IONIA         0.98         0.98         0.98         0.98         0.98           IOSCO         0.96         0.96         0.95         0.95         0.95           IRON         0.95         0.94         0.94         0.93         0.95           ISABELLA         0.98         0.98         0.97         0.97         0.97           JACKSON         1.02         1.02         1.01         1.02         1.01	GRATIOT	0.98	0.98	0.97	0.97	0.97
HURON       0.99       0.99       0.98       0.97       0.98         INGHAM       1.03       1.03       1.03       1.03       1.03         IONIA       0.98       0.98       0.98       0.98       0.98         IOSCO       0.96       0.96       0.95       0.95       0.95         IRON       0.95       0.94       0.94       0.93       0.95         ISABELLA       0.98       0.98       0.97       0.97       0.97         JACKSON       1.02       1.02       1.01       1.02       1.01	HILLSDALE	1.00	1.00	1.00	1.01	1.00
HURON       0.99       0.99       0.98       0.97       0.98         INGHAM       1.03       1.03       1.03       1.03       1.03         IONIA       0.98       0.98       0.98       0.98       0.98         IOSCO       0.96       0.96       0.95       0.95       0.95         IRON       0.95       0.94       0.94       0.93       0.95         ISABELLA       0.98       0.98       0.97       0.97       0.97         JACKSON       1.02       1.02       1.01       1.02       1.01	HOUGHTON	0.94	0.94	0.93	0.92	0.94
INGHAM       1.03       1.03       1.03       1.03       1.03         IONIA       0.98       0.98       0.98       0.98       0.98         IOSCO       0.96       0.96       0.95       0.95       0.95         IRON       0.95       0.94       0.94       0.93       0.95         ISABELLA       0.98       0.98       0.97       0.97       0.97         JACKSON       1.02       1.02       1.01       1.02       1.01	HURON	0.99				
IONIA       0.98       0.98       0.98       0.98       0.98         IOSCO       0.96       0.96       0.95       0.95       0.95         IRON       0.95       0.94       0.94       0.93       0.95         ISABELLA       0.98       0.98       0.97       0.97       0.97         JACKSON       1.02       1.02       1.01       1.02       1.01	INGHAM					
IOSCO       0.96       0.96       0.95       0.95       0.95         IRON       0.95       0.94       0.94       0.93       0.95         ISABELLA       0.98       0.98       0.97       0.97       0.97         JACKSON       1.02       1.02       1.01       1.02       1.01	IONIA					
ISABELLA         0.98         0.98         0.97         0.97         0.97           JACKSON         1.02         1.02         1.01         1.02         1.01	IOSCO					
ISABELLA         0.98         0.98         0.97         0.97         0.97           JACKSON         1.02         1.02         1.01         1.02         1.01	IRON	0.95	0.94	0.94	0.93	0.95
JACKSON 1.02 1.02 1.01 1.02 1.01	ISABELLA					
1.01	JACKSON					
	KALAMAZOO	0.99	0.99	0.99	0.99	0.99
	KALKASKA					

Counties

### **Commerical and Industrial**

Class	Α	В	С	D	S
KENT	0.98	0.98	0.97	0.97	0.97
KEWEENAW	0.94	0.93	0.92	0.91	0.93
LAKE	0.93	0.93	0.93	0.92	0.93
LAPEER	1.02	1.02	1.00	1.00	1.01
LEELANAU	0.94	0.94	0.93	0.92	0.93
ELLBARAO	0.0 .				
LENAWEE	1.02	1.02	1.02	1.03	1.02
LIVINGSTON	1.03	1.04	1.03	1.04	1.04
LUCE	0.94	0.94	0.93	0.92	0.94
MACKINAC	0.93	0.93	0.92	0.91	0.93
MACOMB	1.06	1.06	1.06	1.06	1.05
		0.04	0.94	0.92	0.93
MANISTEE	0.94	0.94	0.96	0.96	0.97
MARQUETTE	0.97	0.97 0.95	0.94	0.94	0.94
MASON	0.95	0.96	0.95	0.94	0.95
MECOSTA	0.95	0.94	0.93	0.93	0.94
MENOMINEE	0.94	0.94	0.93	0.55	0.04
MIDLAND	0.99	0.98	0.97	0.97	0.98
MISSAUKEE	0.94	0.94	0.94	0.92	0.93
MONROE	1.05	1.05	1.05	1.06	1.05
MONTCALM	0.96	0.96	0.96	0.95	0.96
MONTMORENCY	0.93	0.93	0.92	0.91	0.93
MUSKEGON	0.98	0.98	0.97	0.98	0.97
NEWAYGO	0.96	0.96	0.96	0.95	0.96
OAKLAND	1.06	1.06	1.06	1.07	1.06
OCEANA	0.96	0.96	0.96	0.95	0.96
OGEMAW	0.95	0.94	0.93	0.92	0.94
ONTONAGON	0.94	0.94	0.93	0.91	0.93
OSCEOLA	0.95	0.95	0.94	0.94	0.94
OSCODA	0.93	0.93	0.92	0.91	0.93
OTSEGO	0.94	0.93	0.93	0.91	0.93
OTTAWA	0.97	0.97	0.97	0.96	0.97
PRESQUE ISLE	0.94	0.94	0.93	0.92	0.93
ROSCOMMON	0.95	0.94	0.93	0.92	0.95
SAGINAW	1.01	1.00	0.99	0.99	1.00
ST. CLAIR	1.03	1.03	1.02	1.02	1.03
ST. JOSEPH	0.98	0.98	0.97	0.97	0.97
@ 8 5 111 A @	1.00	1.00	0.99	0.99	1.00
SANILAC	1.00	1.00 0.94	0.93	0.92	0.94
SCHOOLCRAFT	0.94 1.02	1.02	1.01	1.01	1.01
SHIAWASSEE TUSCOLA	0.99	0.99	0.98	0.97	0.98
VAN BUREN	0.98	0.98	0.97	0.97	0.97
· AU DOUFIA	<b>V.30</b>	0.00	0.07	J.J.	3.0.
WASHTENAW	1.05	1.05	1.05	1.05	1.05
WAYNE	1.06	1.06	1.06	1.07	1.06
WEXFORD	0.95	0.95	0.94	0.92	0.94

# ERRORS AND OMISSIONS IN THE 1986 ASSESSOR'S MANUAL

#### VOLUME I:

- 1) Page 115, wood basement rate for 1400 sq. ft. size should be .77, not .07.
- 2) Page 115, siding rate for 3300 sq. ft. size should be \$84.44, not \$84.86.
- 3) Page 192, the additional costs for chain link fences for rails and 3-strand barbed wire should be costs per lineal foot, not costs per square foot.
- 4) Page 201, the instructions for calculating effective wall height apply only to high-pitched roofs such as gambrel or gothic roofs on barns. They do not apply to pole buildings.
- 5) Page 230, the note concerning utility bins with less capacity should read "page 229", not "page 219".

#### **VOLUME II:**

1) Page CAL 69, the floor areas on the right hand side of the Floor Area/Perimeter Table are the correct ones.

*	Average Floor Are SF per Sto	a					AVE	RAGE	PERIME	TER						Average Floor Area F per Story
1	or per ord	75	100	125	150	175	200	225	250	275	300	350	400	450	500	
- 1	500	1.43	1.66	1.89											• • • • •	500
	1,000		1.20	1.31	1.43	1.55	1.66	1.78							• • • • •	1,000
	1,200			1.22	1.31	1,41	1.51	1.60								1,200
- 1	V.500/			1 15	1 23	1.31	1.40	1.48	1.56	1 64			<i>.</i>			1,400
	2000				1.17	1.24	1.31	1.39	1.46	1.53						1,600
l	2.300				<b></b> .	1.19	1.25	1.31	1.38	1,44	1.51					1,800
	3,000					1.14	1.20	1.26	1 31	1.37	1.43	1.55				2,000
7	3,500						1.04	1.08	1.12	1.16	1.20	1.28	1.35			3,060
_	4,000							1.00	1.02	1.05	1.08	1.14	1.20	1.26		4,000
ļ	5,000								.97	.99	1.01	1.06	1 11	1.15	1.20	5,000
	6.000									.95	.97	1.01	1.04	1.08	1.12	6,000
- 1	8,000										.91	.94	.97	1.00	1.02	8,600

- 2) Page CAL 101, the height refinements for the heights of 22 and 24 feet should be 1.24 and 1.28 respectively, not 1.14 and 1.18.
- 3) Seg 1, page 3, \$2.32 should be \$3.02. See below:

<b>ELECTRICAL AND LIGHTIN</b>	G - Apply to to	tal floor	area.	
Few outlets Non-metallic	\$1.68	\$1.83	\$1.98	\$2.16
Armored cable (BX)	1.96	2.13	2.33	2.54
Flexible conduit	2.40	2.59	2.78	3.00
Rigid conduit	2.77	<u>}</u>	3.27	3.56
		3.02		

4) UIP 8, page 1, the table for "Walk In Boxes" should be corrected as shown below.

#### COST RANGE

Temperature	50 Sq. Ft.	100	150	200
32 to 60° F	\$5,100	\$7,200	\$8,800	\$10,200
5 to 31° F	6,100	8,600	10,500	12,200
-15 to 5° F	7,100	10,200	12,300	14,200
Temperature	360	400	<b>30</b>	500
32 to 60° F	\$12,400	\$14,400	\$16,200	
5 to 31° F	15,000	17,300	19,400	
-15 to 5° F	15,000	17,300	19,400	

- 5) UIP 15, page 2, throughout the table on bowling alleys, the terms "alley" and "lane" mean the same thing.
- 6) Concerning the index in Volume II:
  - A) Page Index 9, Loading Docks are found on page CAL 132 not CAL 21.
  - B) Add: Scales, truck....CAL 134 Elevator, grain...CAL 133, 134.

#### STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

### DEPARTMENT OF TREASURY

ROBERT A. BOWMAN, State Treasurer

STATE TAX COMMISSION
4th Floor Treasury Building
Lansing, Michigan 48922 Telephone 517 373-0500
September 2, 1986

COMMISSION MEMBERS
WXROXIX DEXELX
LEROY J NELSON
ROBERT O VANDERMARK
Theodore P. Mansour

TO:

Assessing Officers

Equalization Directors

FROM: State Tax Commission

RE: Ordering Volumes I and II of the Assessor's Manual

At the end of this letter is the form to be used for ordering Volumes I and/or II of the 1986 Assessor's Manual. Volume I contains cost schedules for pricing residential and agricultural structures. Volume II contains cost schedules for pricing commercial and industrial structures. These cost schedules were developed by the Marshall and Swift Company under contract with Michigan State Tax Commission. Each volume will be mailed separately. Please indicate the quantity needed for each volume separately.

The State Tax Commission's contract with Marshall and Swift includes a five year maintenance agreement which calls for annual current cost multipliers as well as new base costs in the fourth year. Any charge that may be necessary for these updates will be based on the costs of materials, printing, and mailing only.

Besides Volume I & II, additional volumes will also be available in the near future, and a separate letter will be sent to you at that time. These volumes will contain the instructive chapters dealing with various topics of concern to assessing and equalization personnel.

Section 211.721 of the Michigan Compiled Laws provides that assessing officials shall use the official manuals as prepared or approved by the State Tax Commission as a guide in preparing assessments. It is important, therefore, that all assessing officers and equalization department personnel have up-to-date Assessor's Manuals.

Account No. 110-92-206

Assessing Officers Equalization Directors Page 2

Please complete the order information below and mail it with your check to the address shown, in order to receive proper credit for your payments.

Name:	_
Address:	•
	•
Telephone: ( )	
Mailing Address:	•
Unit of Government or Employer's Name:	

	Qty.	Cost Each	Total
Volume I (Residential/Agriculture Schedules)		\$25.00	\$
Volume II(Commercial/Industrial Schedules)		\$25.00	\$
		Grand Total	\$

Make check payable to: STATE OF MICHIGAN

Return completed form with payment to: Michigan Department of Treasury Local Property Services Division 2nd Floor, Treasury Building Lansing, MI 48922

If you have any questions regarding the content of the manual, call Dennis Platte at (517)373-3554.

Allow 4 to 8 weeks for delivery.

STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

### DEPARTMENT OF TREASURY

ROBERT A. BOWMAN, State Treasurer

STATE TAX COMMISSION

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

VF ARD 6 = BENEE LEROY J. NELSON

ROBERT O. VANDERMARK
Theodore P. Mansour

DATE: February 17, 1988

TO: Assessing Officers and

Users of Assessor's Manual

FROM: State Tax Commission

Attached are the 1988 updates for the new (1986) Michigan Assessor's Manual. Page number 233 labeled "1988 County Multipliers" is to be inserted behind the "County Multipliers" tab of Volume I. The remaining sheets are to be inserted in Volume II behind the tabs labeled "Equipment Index, Comparative Cost Multipliers", and "Architect's Fee, County Multipliers."

Also enclosed is a page of errors and omissions in the 1986 Assessor's Manual. Please note these changes in your manual.

The final sheet is a copy of the September 2, 1986 letter by the State Tax Commission which includes an order blank for the new Assessor's Manual. Those assessing officers who have not yet ordered the new manual can use this blank for their order.

Attachments

1988
COUNTY MULTIPLIERS
State of Michigan

"								
		RESIDE	NTIAL	FARM		RESIDE	NTIAL	FARM
	Counties	Masonry	Frame		Counties	Masonry	Frame	
	ALCONA	0.93	0.92	0.93	KENT	0.97	0.97	0.97
	ALGER	0.94	0.93	0.94	KEWEENAW	0.92	0.91	0.92
	ALLEGAN	0.97	0.96	0.97	LAKE	0.93	0.92	0.93
	ALPENA	0.93	0.92	0.93	LAPEER	1.00	1.00	1.01
	ANTRIM	0.93	0.92	0.93	LEELANAU	0.93	0.92	0.93
	ARENAC	0.96	0.95	0.96	LENAWEE	1.02	1.03	1.03
	BARAGA	0.93	0.92	0.93	LIVINGSTON	1.03	1.04	1.04
	BARRY	0.97	0.97	0.98	LUCE	0.93	0.92	0.93
	BAY	0.98	0.98	0.99	MACKINAC	0.92	0.91	0.92
	BENZIE	0.93	0.92	0.93	MACOMB	1.06	1.06	1.06
	BERRIEN	0.97	0.97	0.98	MANISTEE	0.94	0.92	0.93
	BRANCH	0.99	0.98	0.99	MARQUETTE	0.96	0.96	0.97
	CALHOUN	1.01	1.01	1.01	MASON	0.94	0.94	0.94
		0.97	0.97	0.98	MECOSTA	0.95	0.94	0.95
	CASS CHARLEVOIX	0.97	0.92	0.98	MENOMINEE	0.93	0.93	0.94
			4			0.07	0.07	0.00
	CHEBOYGAN	0.93	0.91	0.92	MIDLAND	0.97	0.97	0.98
	CHIPPEWA	0.92	0.91	0.92	MISSAUKEE	0.94	0.92	0.93
	CLARE	0.95	0.94	0.95	MONROE	1.05	1.06	1.06
)	CLINTON	1.00	1.00	1.00	MONTCALM	0.96	0.95	0.96
	CRAWFORD	0.93	0.92	0.93	MONTMORENCY	0.92	0.91	0.92
	DELTA	0.93	0.93	0.94	MUSKEGON	0.97	0.98	0.98
	DICKINSON	0.96	0.95	0.96	NEWAYGO	0.96	0.95	0.96
	EATON	1.00	1.00	1.01	OAKLAND	1.06	1.07	1.07
	EMMET	0.93	0.92	0.93	OCEANA	0.96	0.95	0.96
	GENESEE	1.03	1.03	1.03	OGEMAW	0.93	0.92	0.93
	GLADWIN	0.95	0.94	0.95	ONTONAGON	0.93	0.91	0.92
	GOGEBIC	0.93	0.92	0.93	OSCEOLA	0.94	0.94	0.94
	GRAND TRAVERSE	0.94	0.93	0.94	OSCODA	0.92	0.91	0.92
	GRATIOT	0.97	0.97	0.97	OTSEGO	0.93	0.91	0.92
	HILLSDALE	1.00	1.01	1.01	OTTAWA	0.97	0.96	0.97
	HOUGHTON	0.00	0.00	0.93	PRESQUE ISLE	0.93	0.92	0.93
	HOUGHTON	0.93	0.92					
	HURON	0.98	0.97	0.98	ROSCOMMON	0.93	0.92	0.94
	INGHAM	1.03	1.03	1.03	SAGINAW	0.99	0.99	1.00
	IONIA	0.98	0.98	0.98	ST. CLAIR	1.02	1.02	1.03
	IOSCO	0.95	0.95	0.95	ST. JOSEPH	0.97	0.97	0.97
	IRON	0.94	0.93	0.94	SANILAC	0.99	0.99	1.00
	ISABELLA	0.97	0.97	0.97	SCHOOLCRAFT	0.93	0.92	0.93
	JACKSON	1.01	1.02	1.02	SHIAWASSEE	1.01	1.01	1.01
	KALAMAZOO	0.99	0.99	0.99	TUSCOLA	0.98	0.97	0.98
	KALKASKA	0.94	0.92	0.93	VAN BUREN	0.97	0.97	0.97
					WASHTENAW	1.05	1.05	1.05
					WAYNE	1.06	1.07	1.07
			,		WEXFORD	0.94	0.92	0.93
						J.J-1		

# COST INDEXES (1926 = 100) EQUIPMENT - NATIONAL AVERAGE

## FOR USE FOR 1988 ASSESSMENTS

These indexes can be used for analysis purposes. However, the valuation of machinery, equipment, furniture, fixtures, etc. for assessment purposes will usually be determined by applying the appropriate State Tax Commission personal property multipliers to the original cost, by year installed, of equipment as discussed in chapter 15 of the Assessor's Manual.

io ino original service,	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
			787.9	776.4	755.8	742.4	709.2	642.8	584.4	534.7	497.1
Average of all	806.9	795.4	967.0	954.6	929.3	912.0	873.8	792.9	716.0	652.6	608.1
Airplane mfg.	982.4	971.5		569.6	552.5	541.4	521.2	477.5	441.2	406.5	378.9
Apartment	594.1	584.2	578.6	716.2	699.7	689.8	658.3	595.3	538.5	491.5	457.3
Bakery	755.2	742.7	730.0		593.6	579.0	558.7	513.8	476.5	437.3	406.9
Bank	636.5	625.6	619.8	612.6	593.0	373.0	550.7	0.0.0			
				=000	700.0	757.1	725.5	658.5	595.8	545.7	506.9
Bottling	814.1	803.6	798.3	788.3	768.3			792.9	715.9	658.2	612.1
Brewery and distillery	988.8	976.4	967.9	954.0	930.9	917.8	876.8	756.1	682.3	623.4	580.0
Candy and confectionery	962.7	946.3	929.1	910.5	890.2	878.9	837.8	743.1	672.9	613.5	569.4
Cannery (fish)	942.5	926.8	911.9	894.8	873.2	860.2	820.9		677.7	617.5	571.4
Cannery (fruit)	942.8	926.4	911.2	895.5	873.9	859.3	822.6	746.4	0//./	017.5	07
Calificity (in dic)			*		_		704.0	050.7	598.7	548.2	509.7
Cement mfg.	828.4	820.4	814.8	803.2	784.2	771.6	731.8	658.7		536.9	498.3
Chemical	812.8	804.0	800.4	789.2	768.8	757.8	720.0	647.4	583.7		412.5
Church	670.4	656.9	647.0	638.5	617.0	598.5	576.1	530.2	495.5	450.4	496.0
	814.2	804.3	797.8	785.0	762.3	748.4	708.5	638.7	580.5	532.6	567.0
Clay products Contractor's equip.	939.9	927.2	919.5	908.4	890.1	871.6	824.2	739.3	669.4	610.9	567.0
Contractor's equip.	000.0	• • • • • • • • • • • • • • • • • • • •								- 44 0	504.0
مشتملا الساء	828.3	815.1	802.6	788.5	770.5	760.5	725.8	656.0	590.3	541.3	504.8
Creamery and dairy	580.0	570.4	564.9	555.7	539.6	529.5	509.5	466.3	430.7	397.1	371.2
Dwelling	810.5	802.2	798.7	788.8	767.3	755.5	730.2	666.1	596.2	542.3	508.7
Elec. equip. mfg.		759.9	755.8	748.5	729.8	721.3	698.1	638.3	568.8	517.0	487.8
Elec. power equip.	765.6		775.4	763.3	746.5	738.1	705.4	637.8	575.8	526.6	490.9
Flour, cereal and feed	794.3	784.1	773.4	700.5	7-70.0	, 00,,,					
		0040	000 4	874.6	851.4	834.0	794.7	716.8	648.6	592.9	551.0
Garage	906.5	894.0	888.4	740.2	720.9	710.9	680.0	617.0	557.3	510.6	475.7
Glass mfg.	762.0	753.4	749.6		680.0	665.7	635.0	578.1	526.3	481.2	448.5
Hospital	737.1	723.7	713.2	700.5	640.0	626.0	597.7	543.5	498.9	456.3	423.7
Hotel	697.5	683.9	671.6	658.6		637.4	609.0	553.0	503.8	462.6	431.6
Laundry and cleaning	693.2	682.9	677.0	667.1	648.3	037.4	003.0	330.0	000.0		
·		754.0	*** A A E	724 4	711.3	696.0	667.7	609.8	561.7	513.0	475.7
Library	764.4	751.9	744.5	734.4		789.7	748.6	673.6	612.7	558.7	518.0
Logging equip.	853.5		836.5	825.8	806.0	847.0	810.2	730.9	657.7	599.8	557.3
Metal working	923.6		906.0	889.9	866.4	778.0	737.3	664.1	605.2	553.1	511.4
Mining and milling	833.1	826.0	821.9	812.2	796.1	821.7	790.5	720.8	654.8	598.2	556.5
Motion picture	890.6	878.0	871.6	861.9	838.0	621.7	750.5	720.0	004.0		
•					055.4	C44 4	617.0	565.8	523.4	482.6	453.5
Office equip.	703.8		683.4	674.3	655.1	641.4	780.2	708.8	648.0	591.2	545.4
Packing (fruit)	889.2		864.3	852.0	829.8	813.3		649.6	589.3	540.4	503.6
Packing (meat)	830.8	817.3	804.2	788.4	768.7	757.0	720.1	656.5	594.3	544.8	506.8
Paint mfg.	821.3			794.9	773.0	760.6	725.3		567.2	520.7	482.4
Paper mfg.	776.9	766.6	761.7	753.0	732.5	719.8	687.5	623.2	507.2	520.7	402.4
r apor img.			-					200.1	621.0	E60 3	526.7
Petroleum	860.3	857.6	857.0	847.7	832.4	824.6			621.0	568.3	464.0
	755.9			726.5	703.3	690.3				498.9	
Printing Refrigeration	955.1			920.5	894.0	877.6					586.4
	650.5			613.4	595.9	582.6					390.1
Restaurant	878.3			842.3	817.0	800.6	758.2	681.1	618.6	565.2	523.2
Rubber	3,0.0		• • • • • • • • • • • • • • • • • • • •								450.7
Cahaal	751.2	737.3	725.0	712.0	691.1	676.7					459.7
School	934.4					879.9		754.6			
Shipbuilding	803.0										
Steam power	786.0								579.6		
Store	863.9							685.3	625.9	575.4	535.5
Textile	003.8	, 049.C	, 0-70.7	J20.7							
	671.5	659.8	651.9	642.3	621.3	607.0	581.6	530.9	489.3		
Theater	686.6									468.2	
Warehousing											482.4
Woodworking	780.2	. /05.4	, ,,,,,,,	, , , , ,	, 0						

# **COST INDEXES (1926 = 100)**

## EQUIPMENT - NATIONAL AVERAGE

## FOR USE FOR 1988 ASSESSMENTS

	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966
Average of all Airplane mfg. Apartment	472.1 577.5 361.9	444.3 543.7 340.0	398.4 487.0 316.3	344.1 415.9 286.8	332.1 400.0 277.0	321.3 385.9 270.7	303.3 364.2 259.7	285.1 340.8 248.0	273.2 326.1 237.9	262.9 315.5 229.0	252.5 303.3 220.5
Bakery Bank	433.9 389.4	407.6 367.3	364.2 332.6	316.0 289.9	306.0 278.5	296.1 270.9	279.0 256.9	262.3 240.3	251.9 230.5	243.0 221.4	233.3 211.3
Bottling Brewery and distillery	482.2 581.9	455.5 550.4	403.5 487.8	347.8 417.4	336.3 402.2	325.4 386.9	306.7 362.1	288.3 338.2	276.9 322.7	267.0 309.0	256.4 296.5
Candy and confectionery Cannery (fish)	549.9 539.3	517.7 507.7	463.8 456.2	400.3 391.5	386.2 378.7	371.5 366.4	347.6 345.3	324.7 324.6	309.8 311.8	296.6 300.6 301.1	284.6 288.7 289.1
Cannery (fruit)	540.9	509.7	457.9	392.0	379.2	366.9 317.3	345.8 298.3	325.1 280.1	312.2 268.3	258.1	248.0
Cement mfg. Chemical	482.2 473.2	454.3 447.6	398.1 400.5 339.0	340.1 341.1 301.2	328.5 329.7 288.5	319.1 281.3	300.7 269.0	282.8 254.5	271.6 243.0	261.9 233.1	251.5 222.5
Church Clay products	390.3 466.9	364.3 437.2	384.5	330.3	319.3	308.4	289.9	272.2	260.7	250.8	240.9
Contractor's equip.	537.4	504.2	435.4	375.6	363.0	350.6	330.7	312.2	297.2	283.5	273.8
Creamery and dairy Dwelling	479.5 355.3	452.1 334.3	405.1 310.7	346.7 281.7	334.8 272.3	322.1 265.5	302.3 255.1	283.4 245.3	271.1 234.9	260.9 226.2	249.8 218.5
Elec. equip. mfg. Elec. power equip.	484.3 465.1	457.9 438.5	409.5 391.7	351.8 327.2	340.4 316.4	330.8 307.5	313.9 290.3	296.5 274.8	285.8 264.9	277.6 257.3	267.0 246.6
Flour, cereal and feed	466.4	440.1	390.7	333.2	321.9	311.6	293.6	276.0	265.1	255.6	245.4
Garage Glass mfg.	524.6 451.3	496.2 425.3	443.6 375.4	385.2 321.9	373.2 311.3	358.9 301.3	338.6 283.9	319.8 266.9	307.3 256.3	297.6 247.2	289.0 237.4
Hospital Hotel	427.1 403.4	404.8 381.2	366.2 346.6	319.0 307.6	306.3 295.0	294.6 287.6	275.7 275.1	257.5 260.2	245.7 248.4	235.0 238.4	225.7 227.6
Laundry and cleaning	411.0	388.6	346.7	296.9	287.6	278.5	262.7	247.9	238.8	229.7	222.1
Library Logging equip.	452.4 490.7	427.7 459.2	388.3 397.7	334.6 346.9	320.4 335.6	312.7 324.2	298.1 304.8	279.5 286.1	267.6 274.0	256.4 263.6	244.2 253.2
Metal working	529.0	497.7 451.2	438.9 394.3	375.1 342.9	360.5 331.8	347.8 321.1	330.4 302.6	308.8 284.5	295.2 273.2	286.8 263.5	276.2 253.0
Mining and milling Motion picture	482.9 528.5	495.8	446.4	390.1	377.7	365.5	344.5	323.8	311.0	299.9	288.0
Office equip.	436.2 516.0	412.7 477.6	373.9 439.8	327.5 389.5	314.6 378.1	306.5 365.9	291.7 344.8	274.5 324.1	263.0 311.3	251.9 300.2	241.2 288.3
Packing (fruit) Packing (meat)	478.1	449.8	404.8	347.9	336.0	323.5	303.4	284.4	272.0	261.7	250.7
Paint mfg. Paper mfg.	481.2 457.6	455.0 430.1	406.1 381.7	345.9 328.4	333.3 317.7	320.7 307.5	300.1 289.7	280.3 272.4	267.4 261.6	256.0 252.2	245.7 242.2
Petroleum	497.7	470.9	419.3	356.0	343.0	330.0	308.8	288.4	275.2	263.4	252.8
Printing Refrigeration	440.1 558.4	414.5 528.1	375.8 472.4	320.1 404.6	309.2 389.5	299.3 374.7	282.0 350.6	265.1 327.5	254.7 312.5	245.6 299.2	235.8 287.1
Restaurant Rubber	370.4 497.3	348.3 468.5	314.9 415.3	273.4 357.8	263.5 344.7	257.4 331.6	246.9 310.3	235.7 289.9	226.2 276.5	217.7 264.7	209.6 254.1
School	437.2	411.6	376.5	326.1	313.0	304.4	288.7	270.0	259.0	248.8	237.6
Shipbuilding Steam power	547.0 475.7	513.1 448.2	451.7 400.8	383.9 338.9	370.0 326.3	356.5 313.9	336.5 293.8	314.9 274.4	301.3 261.8	291.5 250.6	280.2 240.5
Store Textile	465.8	436.1 478.3	402.1 431.4	348.9 372.7	335.3 360.7	326.6 349.0	310.8 328.9	292.5 309.2	280.2 297.0	268.4 286.4	257.0 275.1
Theater	509.5 396.2	373.8	339.8	293.7	282.0	274.7	261.4	246.0	235.6	225.7	216.1
Warehousing	412.0	381.1	349.8	309.6	302.3	291.3	273.5	259.0	250.3	241.6	234.4
Woodworking	456.0	424.6	387.8	341.6	330.8	320.4	302.8	284.4	273.3	264.4	254.2

## **COMPARATIVE COST MULTIPLIERS**

## FOR USE FOR 1988 ASSESSMENTS

These multipliers can be used to trend historical costs to the current level for rough estimating or checking. Example: a Class C structure which cost \$1,000,000 to build in July 1980 would cost approximately \$1,218,000 (i.e., \$1,000,000 x 1.218) for 1988 assessment purposes. The factors on this sheet do not allow for depreciation.

YEAR OF FORMER COST	CLASS A Fireproofed Steel Frame	CLASS B Reinforced Concrete Frame	CLASS C Masonry Bearing Walls	CLASS D Wood Frame	CLASS S Metal Frame and Walls	YEAR OF FORMER COST	CLASS A Fireproofed Steel Frame	CLASS B Reinforced Concrete Frame	CLASS C Masonry Bearing Walls	CLASS D Wood Frame	CLASS S Metal Frame and Walls
1987	1.000	1.000	1.000	1.000	1.000	JUL 1975	1.768	1.765	1.786	1.777	1.725
					4.000	JÀN 1975	1.820	1.823	1.848	1.829	1.770
OCT 1986	1.005	1.004	1.004	1.004	1.003 1.005	JUL 1974	1.969	1.976	1.962	1.892	1.948
JUL 1986	1.006	1.006	1.005	1.005	1.005	JAN 1974	2.083	2.099	2.070	1.966	2.093
APR 1986	1.013	1.013	1.013	1.015 1.019	1.012			0.400	0.404	0.000	2 150
JAN 1986	1.013	1.013	1.016	1.019	1.012	JUL 1973	2.151	2.169	2.134 2.240	2.020 2.137	2.158 2.258
OCT 1985	1.012	1.012	1.015	1.019	1.009	JAN 1973	2.249	2.274	2.240	2.107	2.250
JUL 1985	1.013	1.014	1.017	1.021	1.009	JUL 1972	2.324	2.349	2.325	2.230	2.323
APR 1985	1.014	1.015	1.018	1.022	1.011	JAN 1972	2.413	2.441	2.422	2.322	2.416
JAN 1985	1.017	1.018	1.021 -	1.022	1:014	JUL 1971	2.508	2.530	2.506	2.418	2.482
OOT 1004	1.022	1.025	1.026	1.025	1.017	JAN 1971	2.615	2.643	2.618	2.538	2.644
OCT 1984 JUL 1984	1.022	1.029	1.030	1.026	1.020	0/11/ 10/ /			_		
APR 1984	1.029	1.033	1.035	1.031	1.021	JUL 1970	2.733	2.771	2.746	2.655	2.783
JAN 1984	1.033	1.035	1.045	1.044	1.027	JAN 1970	2.825	2.846	2.795	2.685	2.897
G/47 1551						JUL 1969	2.918	2.939	2.877	2.718	3.028
OCT 1983	1.046	1.050	1.060	1.061	1.037	JAN 1969	3.016	3.045	2.997	2.854	3.106
JUL 1983	1.055	1.060	1.073	1.078	1.044	JUL 1968	3.159	3.181	3.130	3.018	3.272
APR 1983	1.075	1.081	1.097	1.108	1.061 1.067	JAN 1968	3.139	3.250	3.213	3.109	3.342
JAN 1983	1.081	1.088	1.105	1.117	1.007	<b>UNIT 1500</b>	0.220				
OCT 1982	1.081	1.090	1.106	1.118	1.066	JUL 1967	3.317	3.345	3.318	3.220	3.474
JUL 1982	1.085	1.094	1.111	1.125	1.068	JAN 1967	3.397	3.414	3.394	3.292	3.498
APR 1982	1.096	1.104	1.120	1.136	1.079	JUL 1966	3.432	3.439	3.432	3.304	3.570
JAN 1982	1.107	1.115	1.131	1.146	1.093	JAN 1966	3.528	3.522	3.532	3.411	3.626
OCT 1981	1.103	1.108	1.119	1.128	1.088	JUL 1965	3.607	3.597	3.597	3.492	3.723
JUL 1981	1.133	1.136	1.146	1.155	1.118	JAN 1965	3.650	3.639	3.648	3.557	3.746
APR 1981	1.149	1.151	1.160	1.170	1.136	JUL 1964	3.692	3.697	3.704	3.601	3.779
JAN 1981	1.161	1.163	1.173	1.180	1.149	JAN 1964	3.746	3.748	3.765	3.683	3.822
OCT 1980	1.193	1.193	1.202	1.208	1.181	JUL 1963	3.761	3.763	3.781	3.696	3.896
JUL 1980	1.207	1.206	1.218	1.228	1.191	JAN 1963	3.819	3.812	3.831	3.755	3.880
APR 1980	1.217	1.217	1.232	1.238	1:199 1.219		0.007	0.044	0.040	2 200	3.961
JAN 1980	1.239	1.240	1.250	1.248	1.219	JUL 1962 JAN 1962	3.837 3.888	3.841 3.882	3.848 3.913	3.802 3.842	3.907
OCT 1979	1.264	1.265	1.272	1.268	1.244	JAN 1902	3.000	3.002	3.313	0.042	0.007
JUL 1979	1.296	1.295	1.301	1.294	1.278	JUL 1961	3.906	3.900	3.937	3.866	3.920
APR 1979	1.339	1.339	1.341	1.330	1.323	JAN 1961	3.946	3.935	3.966	3.870	
JAN 1979	1.374	1.374	1.375	1.358	1.362	JUL 1960	3.938	3.932	3.963	3.866	3.924
OCT 1978	1.416	1.415	1.416	1.394	1.404	JAN 1960	3.935	3.971	4.001	3.912	
JUL 1978	1.455	1.454	1.455	1.429	1.442	JUL 1959	3.944	3.990	4.010	3.907	3.928
APR 1978	1.494	1.492	1.493	1.463	1.482	JAN 1959	4.012	4.044	4.078	3.990	
JAN 1978	1.520	1.515	1.515	1.482	1.511	JUL 1958	4.098	4.123	4.152	4.073	4.088
OCT 1977	1.552	1.549	1.559	1.529	1.535	JAN 1958	4.106	4.134	4.160	4.072	
JUL 1977	1.586	1.585	1.601	1,578	1.554	11 11 AGE =	4 404	4 107	4.040	4 100	A 170
APR 1977	1.615	1.612	1.629	1,605	1.571	JUL 1957	4.164	4.187 4.241	4.210 4.255	4.120 4.158	4.176
JAN 1977	1.628	1.628	1.645	1.621	1.585	JAN 1957 JUL 1956	4.223 4.345	4.357	4.255	4.156	4.331
JUL 1976	1.695	1.695	1.706	1.690	1.658	JAN 1956	4.407	4.424	4.473	4.330	
JAN 1976	1.726	1.728	1.748	1.748	1.679	0A14 1000					

### **ARCHITECT'S FEES**

he architect's fees listed on the next page are based on averages of es actually charged or recommended. Actual fees, since they are based on the size of the project, the technical difficulty, the artistic requirements, the reputation of the architect, and his willingness to accept the assignment, vary greatly, and the estimate of the fee is a matter for the valuator's judgment.

Architect's fees normally will include part or all of the following:

- Plans and specifications including consultations, estimates, and engineering studies.
- General administration and over-all supervision of construction, not including superintending construction.
- 3. Approving payment vouchers to the contractor.
- 4. Approval and acceptance of completed construction.

Regardless of the size and type of construction, all of these services must be performed by someone. On some projects the owner or the general contractor may do the supervision. On governmental projects, many services are performed by government employees; however, in replacing the building, the cost of these services, whether performed by the architect or others, must be included.

The architect's fee multipliers given here are only a guide. On a simple residence, stock plans and specifications may be purchased for under 200, and on a large housing development, the architect may get full es for each individual design and payments as low as \$150 per unit for additional uses of the plans, or he may work as a corporate employee.

In actual practice, the architect's fee normally is based, by contract, either at a percentage of the entire cost, on a multiplier of the technical payroll plus incidental expenses, or on a fixed sum plus listed expenses.

In the final analysis, the architect's function when fully performed is a proper cost of construction. A well considered matching of structure to land may enhance the end value by more than the fees involved. However, when poorly performed, the cost of design and drafting work may be wasted and result in functional obsolescence in a brand new structure. This determination is a matter of judgment.

The average fees listed for buildings do not include fees for design of furniture, built-in equipment, plant layout, or other detailed special items designed for a specific, trade or personal use.

#### **AVERAGE ARCHITECT'S FEES**

The table below can be used as a general guide or for greater detail see Page 2. The numbers listed below are percentages.

QUALITY AVERAGE
7.0
7.0
7.0
6.0
7.0
7.0

Architectural Fees for most UIP components are commensurate with the general SEG building types.

The following special supplemental cost section items already include architect fees:

Manufactured Housing Parks

Service Stations

**Golf Courses** 

**Drive-In Theaters** 

Ski-Lifts

Recreational Enclosures

#### APPENDIX C PAGE 2

#### **ARCHITECT'S FEES**

TABLE I

Furnishings and Interiors Special Lighting Mausoleums and Memorials .

TABLE II

Airport Terminals
Computer Centers

Laboratories

Libraries

Convention Centers
Hospitals and Mental Institutions

Museums and Galleries

Store Fronts

TABLE III

Auditoriums

Banks and Financial Institutions Communications and Broadcasting

Communications and Broadcasting Convalescent Hospitals Country Clubs and Marinas

Fire and Police Stations
Fraternal Buildings

Hotels and City Clubs

Medical Office Buildings
Major Post Office Buildings

Public Health Centers

Resort Lodges Specialty Shops

Stadiums and Sports Facilities

Theaters

Veterinary Hospitals

TABLE IV

Apartments and Dormitories Bars and Lounges Branch Post Offices Bus Stations

Clubhouses and Gymnasiums Cold Storage Buildings Day Care Centers

Department Stores Eng. & Research Industrial Buildings

Equestrian Centers

Fraternity and Sorority Houses

Health Clubs

Homes for the Elderly Laundries and Cleaners Maintenance Hangars

Mortuaries Motels

Office Buildings

Public Recreation Facilities
Racquetball and Tennis Clubs
Regional Shopping Centers
Restaurants and Clubs

**TABLE V** 

Automotive Centers

Barber and Beauty Shops Bowling Alleys

Car Washes

**Community Shopping Centers** 

Creameries
Dairies
Discount Stores
Dispensaries

Distribution Warehouses
Docks and Wharfs
Fast Food Restaurants

Loft Buildings

Manufacturing Industrial Buildings Markets and Convenience Stores Multiples, Individual Design Neighborhood Shopping Centers

**Retail Stores** 

Row Houses, Individual Design Senior Citizen Multiple Residences

Showrooms Skating Rinks

Stables and Horse Arenas

Storage Hangars

The following are the approximate percentages included in the manual costs for single and multi-family residences and

miscellaneous farm structures not listed in the above table.

TABLE VI

Garages and Parking Structures

Greenhouses

Service Stations

Shipping Docks & Transfer Points

Storage Warehouses

	LOW COST	FAIR	AVERAGE	GOOD
Multiple-Residential	1.5%	1.9%	2.4%	3.9%
Miscellaneous Farm				
Structures	1.6%	2.1%	2.8%	3.8%

**EXPLANATION** 

The tables of architect's fees are based on composite curves derived from many actual fees charged, recommendations of several architectural committees in various states, and architectural time studies. In cases where superior quality and detail are required, the fee may be higher than the average, while very low quality and standardized buildings may call for a fee which is lower.

The fee schedules contain approximately 30% (20% to 40%) for contract administration and supervision. In many cases, this function may be performed by the contractor, an employee of the owner or an outside consultant. In any case, this is a proper charge against the building and the total fee should be added to building costs computed from the Unit-in-Place or the Segregated Costs.

PROJECT COST	TABLE							
Up To	I	11	##	IV	V	VI		
\$ 50,000	10.7	9.7	8.7	7.9	7.1	6.4		
100,000	10.3	9.4	8.4	7.6	6.9	6.2		
200,000	10.0	9.1	8.2	7.4	6.7	6.0		
500,000	9.5	8.7	7.8	7.1	6.4	5.8		
1,000,000	9.2	8.4	7.6	6.9	6.2	5.6		
2,000,000	8.9	8.1	7.3	6.6	6.0	5.5		
3,000,000	8.7	7.9	7.2	6.5	5.9	5.4		
5,000,000	8.4	7.7	7.0	6.4	5.8	5.3		
10,000,000	8.1	7.5	6.8	6.2	5.6	5.1		
20,000,000	7.9	7.2	6.6	6.0	5.4	5.0		
50,000,000	7.5	6.9	6.3	5.7	5.2	4.8		
and up	7.3	6.8	6.2	5.6	5.1	4.7		

## 1988

# COUNTY MULTIPLIERS State of Michigan

## **Counties**

## Commerical and Industrial

Class	Α	В	С	D	S
ALCONA	0.94	0.94	0.93	0.92	0.94
ALGER	0.95	0.95	0.94	0.93	0.94
ALLEGAN	0.98	0.97	0.97	0.96	0.97
ALPENA	0.94	0.94	0.93	0.92	0.94
ANTRIM	0.94	0.94	0.93	0.92	0.93
			•		0.00
ARENAC	0.96	0.96	0.96	0.95	0.96
BARAGA	0.94	0.94	0.93	0.92	0.94
BARRY	0.98	0.98	0.97	0.97	0.98
BAY	1.00	0.99	0.98	0.98	0.99
BENZIE	0.94	0.94	0.93	0.92	0.93
BERRIEN	0.98	0.98	0.97	0.97	0.98
BRANCH	1.00	1.00	0.99	0.98	1.00
CALHOUN	1.01	1.01	1.01	1.01	1.01
CASS	0.98	0.98	0.97	0.97	0.98
CHARLEVOIX	0.94	0.94	0.93	0.92	0.93
CHEBOYGAN	0.94	0.93	0.93	0.91	0.93
CHIPPEWA	0.93	0.93	0.92	0.91	0.93
CLARE	0.96	0.96	0.95	0.94	0.96
CLINTON	1.00		1.00		
		1.00		1.00	1.00
CRAWFORD	0.95	0.94	0.93	0.92	0.94
DELTA	0.94	0.94	0.93	0.93	0.94
DICKINSON	0.96	0.96	0.96	0.95	0.96
EATON	1.01	1.01	1.00	1.00	1.01
EMMET	0.94	0.94	0.93	0.92	0.93
GENESEE	1.04	1.04	1.03	1.03	1.03
GLADWIN	0.96	0.96	0.95	0.94	0.96
GOGEBIC	0.94	0.94	0.93	0.92	0.94
GRAND TRAVERSE	0.95	0.95	0.94	0.93	0.94
GRATIOT	0.98	0.98	0.97	0.97	0.97
HILLSDALE	1.00	1.00	1.00	1.01	1.00
HOUGHTON	0.94	0.94	0.93	0.02	0.04
HURON	0.99	0.99	0.98	0.92	0.94
INGHAM	1.03	1.03		0.97	0.98
IONIA	0.98	0.98	1.03	1.03	1.03
IOSCO	0.96		0.98	0.98	0.98
10300	0.96	0.96	0.95	0.95	0.95
IRON	0.95	0.94	0.94	0.93	0.95
ISABELLA	0.98	0.98	0.97	0.97	0.97
JACKSON	1.02	1.02	1.01	1.02	1.01
KALAMAZOO	0.99	0.99	0.99	0.99	0.99
KALKASKA	0.95	0.95	0.94	0.92	0.94

## Counties

## **Commerical and Industrial**

Class	<b>A</b> .	В	С	D	S
	0.98	0.98	0.97	0.97	0.97
KENT	0.94	0.93	0.92	0.91	0.93
KEWEENAW	0.93	0.93	0.93	0.92	0.93
LAKE LAPEER	1.02	1.02	1.00	1.00	1.01
LEELANAU	0.94	0.94	0.93	0.92	0.93
FFFFIANO	<b>3.3</b> .		•		
LENAWEE	1.02	1.02	1.02	1.03	1.02
LIVINGSTON	1.03	1.04	1.03	1.04	1.04
LUCE	0.94	0.94	0.93	0.92	0.94
MACKINAC	0.93	0.93	0.92	0.91	0.93
MACOMB	1.06	1.06	1.06	1.06	1.05
MANISTEE	0.94	0.94	0.94	0.92	0.93
MARQUETTE	0.97	0.97	0.96	0.96	0.97
MASON	0.95	0.95	0.94	0.94	0.94
MECOSTA	0.95	0.96	0.95	0.94	0.95
MENOMINEE	0.94	0.94	0.93	0.93	0.94
MENGINITE					
MIDLAND	0.99	0.98	0.97	0.97	0.98
MISSAUKEE	0.94	0.94	0.94	0.92	0.93
MONROE	1.05	1.05	1.05	1.06	1.05
MONTCALM	0.96	0.96	0.96	0.95	0.96
MONTMORENCY	0.93	0.93	0.92	0.91	0.93
AUIOVECON	0.98	0.98	0.97	0.98	0.97
MUSKEGON NEWAYGO	0.96	0.96	0.96	0.95	0.96
OAKLAND	1.06	1.06	1.06	1.07	1.06
OCEANA	0.96	0.96	0.96	0.95	0.96
OGEMAW	0.95	0.94	0.93	0.92	0.94
OGENIAV	<b>4.4</b> 4	-			
ONTONAGON	0.94	0.94	0.93	0.91	0.93
OSCEOLA	0.95	0.95	0.94	0.94	0.94
OSCODA	0.93	0.93	0.92	0.91	0.93
OTSEGO	0.94	0.93	0.93	0.91	0.93
OTTAWA	0.97	0.97	0.97	0.96	0.97
PRESQUE ISLE	0.94	0.94	0.93	0.92	0.93
ROSCOMMON	0.95	0.94	0.93	0.92	0.95
SAGINAW	1.01	1.00	0.99	0.99	1.00
ST. CLAIR	1.03	1.03	1.02	1.02	1.03
ST. JOSEPH	0.98	0.98	0.97	0.97	0.97
					4 00
SANILAC	1.00	1.00	0.99	0.99	1.00
SCHOOLCRAFT	0.94	0.94	0.93	0.92	0.94
SHIAWASSEE	1.02	1.02	1.01	1.01	1.01 0.98
TUSCOLA	0.99	0.99	0.98	0.97	0.98 0.97
VAN BUREN	0.98	0.98	0.97	0.97	0.97
WASHTENAW	1.05	1.05	1.05	1.05	1.05
WAYNE	1.06	1.06	1.06	1.07	1.06
WEXFORD	0.95	0.95	0.94	0.92	0.94

# ERRORS AND OMISSIONS IN THE 1986 ASSESSOR'S MANUAL

#### VOLUME I:

1) Page 115, wood basement rate for 1400 sq. ft. size should be .77, not .07.

2) Page 115, siding rate for 3300 sq. ft. size should be

\$84.44, not \$84.86.

3) Page 192, the additional costs for chain link fences for rails and 3-strand barbed wire should be costs per lineal foot, not costs per square foot.

4) Page 201, the instructions for calculating effective wall height apply only to high-pitched roofs such as gambrel or gothic roofs on barns. They do not apply to pole buildings.

5) Page 230, the note concerning utility bins with less capacity should read "page 229", not "page 219".

#### VOLUME II:

1) Page CAL 69, the floor areas on the right hand side of the Floor Area/Perimeter Table are the correct ones.

4	Average Floor Area						AVE	RAGE	PERIME	TER					Flo	verage oor Area per Story
i	SF per Sto	ry 75	100	125	150	175	200	225	250	275	300	350	400	450	500	
į	500	1.43	1.66	1.89	130											500
1	1,000		1.20	1.31	1.43	1.55	1.66	1.78								1,000
	1,200	.,		1.22	1.31	1.41	1.51	1.60	·					<b></b>		1,200
	N.500/			1 15	1 23	1.31	1 40	1.48	1.56	1 64						1,400
	2000				1.17	1.24	1.31	1.39	1.46	1.53			<b></b>			1,600
1	2,300					1.19	1.25	1.31	1.38	1.44	1,51					1,800
- 1	3.000				. <b></b>	1.14	1.20	1.26	1.31	1.37	1,43	1.55				2,000
7	3.500	1					1.04	1 08	1.12	1.16	1.20	1.28	1.35			3,000
/	4,000						<b></b>	1.00	1.02	1.05	1.08	1,14	1.20	1.26		4,000
	5,000								.97	.99	1.01	1.06	1.11	1.15	1.20	5,000
i	6,000									.95	.97	1.01	1.04	1.08	1.12	6,000
1	8,000										.91	.94	.97	1.00	1.02	8,000

2) Page CAL 101, the height refinements for the heights of 22 and 24 feet should be 1.24 and 1.28 respectively, not 1.14 and 1.18.

3) Seg 1, page 3, \$2.32 should be \$3.02. See below:

<b>ELECTRICAL AND LIGHTING</b>	- Apply to to	tal floor	area.	
Few outlets Non-metallic	\$1.68	\$1.83	\$1.98	\$2.16
Armored cable (BX)	1.96	2.13	2.33	2.54
Flexible conduit	2.40	2.59	2.78	3.00
Rigid conduit	2.77	<b>2</b> 82	3.27	3.56
		3.02		

4) UIP 8, page 1, the table for "Walk In Boxes" should be corrected as shown below.

#### COST RANGE

Temperature	50 Sq. FL	100	150	200
32 to 60° F	\$5,100	\$7,200	\$8,800	\$10,200
5 to 31° F	6,100	8,600	10,500	12,200
-15 to 5° F	7,100	10,200	12,300	14,200
Temperature	300	400	<b>X</b> 5	500
32 to 60° F	\$12,400	\$14,400	\$16,200	
5 to 31° F	15,000	17,300	19,400	
-15 to 5° F	15,000	17,300	19,400	

- 5) UIP 15, page 2, throughout the table on bowling alleys, the terms "alley" and "lane" mean the same thing.
- 6) Concerning the index in Volume II:
  - A) Page Index 9, Loading Docks are found on page CAL 132 not CAL 21.
  - B) Add: Scales, truck....CAL 134
    Elevator, grain...CAL 133, 134.

#### STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

#### DEPARTMENT OF TREASURY

ROBERT A. BOWMAN, State Treasurer

STATE TAX COMMISSION
4th Floor Treasury Building
Lansing, Michigan 48922 Telephone 517 373-0500
September 2, 1986

COMMISSION MEMBERS
WARDXX DEXXIX
LEROY J. NELSON
ROBERT O. VANDERMARK
Theodore P. Mansour

TO:

Assessing Officers

Equalization Directors

FROM: State Tax Commission

RE: Ordering Volumes I and II of the Assessor's Manual

At the end of this letter is the form to be used for ordering Volumes I and/or II of the 1986 Assessor's Manual. Volume I contains cost schedules for pricing residential and agricultural structures. Volume II contains cost schedules for pricing commercial and industrial structures. These cost schedules were developed by the Marshall and Swift Company under contract with Michigan State Tax Commission. Each volume will be mailed separately. Please indicate the quantity needed for each volume separately.

The State Tax Commission's contract with Marshall and Swift includes a five year maintenance agreement which calls for annual current cost multipliers as well as new base costs in the fourth year. Any charge that may be necessary for these updates will be based on the costs of materials, printing, and mailing only.

Besides Volume I & II, additional volumes will also be available in the near future, and a separate letter will be sent to you at that time. These volumes will contain the instructive chapters dealing with various topics of concern to assessing and equalization personnel.

Section 211.721 of the Michigan Compiled Laws provides that assessing officials shall use the official manuals as prepared or approved by the State Tax Commission as a guide in preparing assessments. It is important, therefore, that all assessing officers and equalization department personnel have up-to-date Assessor's Manuals.

Assessing Officers Equalization Directors Page 2

Please complete the order information below and mail it with your check to the address shown, in order to receive proper credit for your payments.

Name:	_
Address:	_
•	
Telephone: ( )	•
Mailing Address:	•
Unit of Government or Employer's Name:	

	Qty.	Cost Each	Total	
Volume I (Residential/Agriculture Schedules)		\$25.00	\$	٦.
Volume II(Commercial/Industrial Schedules)		\$25.00	\$	
-		Grand Total	\$	

Make check payable to: STATE OF MICHIGAN

Return completed form with payment to:

Michigan Department of Treasury Local Property Services Division 2nd Floor, Treasury Building Lansing, MI 48922

If you have any questions regarding the content of the manual, call Dennis Platte at (517)373-3554.

Allow 4 to 8 weeks for delivery.

#### STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

## DEPARTMENT OF TREASURY

ROBERT A. BOWMAN, State Treasurer

#### STATE TAX COMMISSION

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

THEODORE P. MANSOUR LEROY J. NELSON ROBERT O. VANDERMARK

No. 4, FEBRUARY 14, 1989 IFT CERTIFICATES CFT CERTIFICATES

TO:

Assessing Officers

FROM:

State Tax Commission

RE:

Industrial Facilities and Commercial Facilities

Tax Abatement Certificates

Act 198, P.A. of 1974 became effective on July 9, 1974. This means that the first certificates issued provided abatements beginning with the 1975 tax year.

Many of the certificates issued in the earlier years have now expired. Please check the expiration date on each of the certificates for facilities in your assessment jurisdiction. The property covered by exemption certificates having an expiration date of December 31, 1988 or prior should be on the 1989 ad valorem assessment roll.

This reminder is sent so that corrective action may be taken prior to delivering the roll to the Board of Review.

The same applies to Act 255, P.A. of 1978 certificates.

If you do not have, or cannot locate the Industrial Facilities or Commercial Facilities Certificates in your files, we can furnish a copy upon request.

Very truly yours,

Emil E. Tahvonen Administrator

Addition to Bulletin No. 5 August 22, 1989 Public Records Inspection and Copies

#### STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

#### **DEPARTMENT OF TREASURY**

ROBERT A. BOWMAN, State Treasurer

STATE TAX COMMISSION

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

THEODORE P. MANSOUR LEROY J. NELSON ROBERT O. VANDERMARK

T0:

Assessing Officers

FROM:

State Tax Commission

RE:

Public Records: Inspection and Furnishing Copies

As the result of questions from local governmental units it is necessary to further clarify two comments in the original Bulletin No. 5, dated March 1, 1989 regarding Public Records.

First, any property statement, either for real or for personal property, shall be confidential. It shall be used only for the administration of the property tax at the local level, the county level, or at the state level. The board of review is an integral part of assessment administration and may see the statements or working papers equivalent to the filed, confidential property statements.

The assessing officer, board of review members, county equalization director, State Tax Commissioners or Property Tax Division staff would be subject to the penalties prescribed in section 23 of the General Property Tax Act, being MCL 211.23, for damages resulting from the use of the confidential information for any other purpose. The confidential statements are exempt from the provisions of the Freedom of Information Act.

Under a <u>Court Order</u> working papers concerning another taxpayer were made available to another taxpayer who had filed suit. (See Xerox v. City of Detroit (1971) 184 N.W. 2d 919, 384 Mich. 574 Michigan Supreme Court decision.)

The second clarification concerns examination of public records, other than confidential property statements. Bulletin No. 5 refers to a resident's right to inspect public records at no charge. This was not intended to limit free inspection to residents. The public may have access to inspect public records whether they are residents or nonresidents. The townships, cities and villages have no statutory authority to impose any fee for such inspection.

#### STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

#### DEPARTMENT OF TREASURY

ROBERT A. BOWMAN, State Treasurer

#### STATE TAX COMMISSION

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

THEODORE P. MANSOUR LEROY J. NELSON ROBERT O. VANDERMARK

To: Assessing Officers and Equalization Directors

From: Danny Hulbert

#### REMINDER!!!

#### THE MAED SALE LEAD PROGRAM NEEDS YOUR HELP!

The MAED Sale Lead Program has been of help to many assessors and will continue to do so but we need  $\underline{YOU}$  to help the Program. The current sales in the Program are getting out of date and some requests must go unanswered due to age of sales or the lack of sales for the type of property requested.

The August 1989 issue of "The Michigan Assessor" contains an article explaining the MAED Sale Lead Program, complete with forms to use to request or submit sale leads.

Currently, we need all types of property sales but critical requests would include: bowling alleys, recreational campgrounds, large apartment complexes of 100 or more units, marinas, islands, land fill sales and mobile home parks. We will appreciate any sales which are appropriate for the Program and will be  $\underline{\text{VERY}}$  appreciative of the above listed types.

If you have any questions about the Program, call Danny Hulbert of the Property Tax Division at (517) 373-3553.

Bulletin No. 5, March 1, 1989 Public Records Inspection and Copies

#### STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

#### DEPARTMENT OF TREASURY

ROBERT A. BOWMAN, State Treasurer

#### STATE TAX COMMISSION

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

THEODORE P. MANSOUR LEROY J. NELSON ROBERT O. VANDERMARK

Assessing Officers

FROM: State Tax Commission

RE:

Public Records; Inspection and Furnishing Copies.

We are receiving an increasing number of complaints regarding the failure of assessing officers to provide, without charge, an opportunity for residents to inspect assessment records. We also receive complaints regarding exorbitant amounts being charged for copies of public records.

Section 399.5, M.C.L. provides, in part, as follows:

"Any record that is required to be kept by a public officer in the discharge of the duties imposed on him by law, or that is a writing required to be filed in a public office, or is a written memorial of a transaction of a public officer made in the discharge of his duty, shall be the property of the people of the state . . .

Personal property statements are confidential pursuant to specific statutory restrictions.

Section 492 of the Criminal Code (M.C.L. 750.492) provides, in its entirety, as follows:

"Sec. 492. \* \* \* Any officer having the custody of any county, city or township records in this state who shall when requested fail or neglect to furnish proper and reasonable facilities for the inspection and examination of the records and files in his office and for making memoranda of transcripts therefrom during the usual business hours, which shall not be less than 4 hours per day, to any person having occasion to make examination of them for any lawful purpose shall be guilty of a misdemeanor, punishable by imprisonment in the county jail not more than 1 year, or by a fine of not more than \$500.00. The custodian of said records and files may make such reasonable rules with reference to the inspection and examination of them as shall

be necessary for the protection of said records and files, and to prevent interference with the regular discharge of the duties of such officer. The officer shall prohibit the use of pen and ink in making copies or notes of records and files in his office. No books, records and files shall be removed from the office of the custodian thereof, \* \* \* except by the order of the judge of any court of competent jurisdiction, or in response to a subpoena duces tecum issued therefrom, or for audit purposes conducted pursuant to Act No. 71 of the Public Acts of 1919, as amended, being sections 21.41 to 21.53 of the Compiled Laws of 1948, Act No. 52 of the Public Acts of 1929, being sections 14.141 to 14.145 of the Compiled Laws of 1948 or Act No. 2 of the Public Acts of 1968, being sections 141.421 to 141.433 of the Compiled Laws of 1948 with the permission of the official having custody of the records if the official is given a receipt listing the records being removed."

Note: It appears that the inspection period of 4 hours per day could not be required if the officer is employed only on a part time basis or if the office involved is open for fewer than 4 hours per day. Act 71. P.A. 1919 is the county accounting and audit statute. Act 52, P.A. of 1929 deals with the audit of township and school district records and Act 2, P.A. of 1968 is the Uniform Accounting and Budgeting Act for municipalities.

Section 10a, of the General Property Tax Act, (Section 211.10a, M.C.L.) provides, in its entirety, as follows:

"Sec. 10a. All property assessment rolls and property appraisal cards shall be available for inspection and copying during the customary business hours."

Section 15.234, M.C.L., provides, in part, as follows:

"Sec. 4. (1) A public body may charge a fee for providing a copy of a public record. Subject to subsection (3), the fee shall be limited to actual mailing costs, and to the actual incremental cost of duplication or publication including labor, the cost of search, examination, review, and the deletion and separation of exempt from nonexempt information as provided in section 14. Copies of public records may be furnished without charge or at a reduced charge if the public body determines that a waiver or reduction of the fee is in the public interest because furnishing copies of the public record can be considered as primarily benefiting the general public. A copy of a public record shall be furnished without charge for the first \$20.00 of the fee for each request, to an individual who submits an affidavit stating that the individual is then receiving public assistance, or if not receiving public assistance, stating facts showing inability to pay the cost because of indigency.

(2) At the time the request is made, a public body may request a good faith deposit from the person requesting the public record or series of public records, if the fee provided in subsection (1) exceeds \$50.00. The deposit shall not exceed 1/2 of the total fee.

- (3) In calculating the costs under subsection (1), a public body may not attribute more than the hourly wage of the lowest paid, full-time, permanent clerical employee of the employing public body to the cost of labor incurred in duplication and mailing and to the cost of examination, review, separation, and deletion. A public body shall utilize the most economical means available for providing copies of public records. A fee shall not be charged for the cost of search, examination, review, and the deletion and separation of exempt from nonexempt information as provided in section 14 unless failure to charge a fee would result in unreasonably high costs to the public body because of the nature of the request in the particular instance, and the public body specifically identifies the nature of these unreasonably high costs. A public body shall establish and publish procedures, and guidelines to implement this subsection.
- (4) This section does not apply to public records prepared under an act or statute specifically authorizing the sale of those public records to the public, or where the amount of the fee for providing a copy of the public record is otherwise specifically provided by an act or statute.

Subsections (4) and (5) of Section 15.240, M.C.L. provide, in their entirety, as follows:

- "(4) If a person asserting the right to inspect or to receive a copy of a public record or a portion thereof prevails in an action commenced pursuant to this section, the court shall award reasonable attorneys' fees, costs, and disbursements. If the person prevails in part, the court may in its discretion award reasonable attorneys' fees, costs, and disbursements or an appropriate portion thereof. The award shall be assessed against the public body liable for damages under subsection (5).
- (5) In an action commenced pursuant to this section, if the circuit court finds that the public body has arbitarily and capriciously violated this act by refusal or delay in disclosing or providing copies of a public record, the court shall, in addition to any actual or compensatory damages, award punitive damages in the amount of \$500.00 to the person seeking the right to inspect or receive a copy of a public record. The damages shall not be assessed against an individual, but shall be assessed against the next succeeding public body, not an individual, pursuant to whose public function the public record was kept or maintained."

To summarize these sections, it appears clear the assessment records including property record cards, assessment and tax rolls, tax maps and miscellaneous assessment documents are public records belonging to the people of the State of Michigan. Any resident is entitled to inspect the assessors records, not including personal property statements. Reasonable rules and regulations may be made regarding such inspection. No charge can be imposed upon residents for the inspection of public records.

A charge may be made for copies of public records, but such charge must be reasonable and computed in accordance with subsection (3) of Section 15.234, M.C.L. as quoted in this informational bulletin.

Severe penalties may result from the refusal or neglect to allow inspection or to furnish copies of public records.

Bulletin No. 14 August 22, 1989 Industrial Facilities Tax Exemption Certificate Applications

#### STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

## DEPARTMENT OF TREASURY

THEODORE P. MANSOUR LEROY J. NELSON ROBERT O. VANDERMARK

COMMISSION MEMBERS

ROBERT A. BOWMAN, State Treasurer

#### STATE TAX COMMISSION

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

TO: Assessing Officers

FROM: State Tax Commission

RE: Industrial Facilities Tax Exemption Certificate Applications

Act No. 119 of the Public Acts of 1989 amended Section 9 of the Plant Rehabilitation and Industrial Development Act, 1974 P.A. 198, being Section 207.559 of the Michigan Compiled Laws.

Act No. 119 provides for a special reapplication opportunity for an owner who filed an application in August, 1987 and was denied by the State Tax Commission if the industrial development district had been created in 1986 (see Section 9(2)(c)). Otherwise for applications made after December 31, 1983, the facility shall be located in a district that was established upon a request filed or by the local governmental unit's own initiative taken before the commencement of the restoration, replacement, or construction of the facility (see Section 9(2)(b)), and the application shall be filed within 6 months of the commencement (see Section 9(2)(c)).

Act No. 119 also requires that a local unit of government shall notify each prospective applicant in writing of the name, address, and telephone number of the person on the commission staff responsible for providing procedural information concerning 1974 P.A. 198 (see Section 9(5)). person is

> Mr. Sivaswami "Nat" Amarnath State of Michigan Department of Treasury Fourth Floor Treasury Building Lansing, Michigan 48922 Telephone (517) 373-0500

important that applications for Industrial Facilities Certificates be filed on correct forms, as the law has been amended after the original Act No. 198 of the Public Acts of 1974. A copy of Form L-4380 (revised June, 1986) with instructions has been attached.

IF A DISTRICT WAS NOT ESTABLISHED PRIOR TO THE COMMENCEMENT OF CONSTRUCTION, THE LOCAL GOVERNMENTAL UNIT SHALL INCLUDE A CERTIFIED COPY OF THE FILING OF THE REQUEST TO ESTABLISH THE DISTRICT IN ADDITION TO THE RESOLUTION CITED IN INSTRUCTION 9 ON PAGE 4 OF THE APPLICATION FORM L-4380.

Act No. 119
Public Acts of 1989
Approved by the Governor
June 28, 1989
Filed with the Secretary of State
June 28, 1989

## STATE OF MICHIGAN 85TH LEGISLATURE REGULAR SESSION OF 1989

Introduced by Senators Shinkle and Carl

# ENROLLED SENATE BILL No. 120

AN ACT to amend section 9 of Act No. 198 of the Public Acts of 1974, entitled "An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties," as amended by Act No. 33 of the Public Acts of 1985, being section 207.559 of the Michigan Compiled Laws.

#### The People of the State of Michigan enact:

Section 1. Section 9 of Act No. 198 of the Public Acts of 1974, as amended by Act No. 33 of the Public Acts of 1985, being section 207.559 of the Michigan Compiled Laws, is amended to read as follows:

- Sec. 9. (1) The legislative body of the local governmental unit, in its resolution approving an application, shall set forth a finding and determination that the granting of the industrial facilities exemption certificate, considered together with the aggregate amount of industrial facilities exemption certificates previously granted and currently in force, shall not have the effect of substantially impeding the operation of the local governmental unit or impairing the financial soundness of a taxing unit that levies an ad valorem property tax in the local governmental unit in which the facility is located or to be located. If the state equalized valuation of property proposed to be exempt pursuant to an application under consideration, considered together with the aggregate state equalized valuation of property exempt under certificates previously granted and currently in force, exceeds 5% of the state equalized valuation of the local governmental unit, the commission, with the approval of the state treasurer, shall make a separate finding and shall include a statement in the order approving the industrial facilities exemption certificate that exceeding that amount shall not have the effect of substantially impeding the operation of the local governmental unit or impairing the financial soundness of any affected taxing unit.
- (2) Except for applications for a speculative building which shall be governed by subsection (4), the legislative body of the local governmental unit shall not approve an application and the commission shall not grant an industrial facilities exemption certificate unless the applicant complies with all of the following requirements:

- (a) The commencement of the restoration, replacement, or construction of the facility occurred not earlier than 12 months before the filing of the application for the industrial facilities exemption certificate. If the application is not filed within the 12-month period, the application may be filed within the succeeding 12-month period and the industrial facilities exemption certificate shall in this case expire 1 year earlier than it would have expired if the application had been timely filed. This subdivision shall not apply for applications filed with the local governmental unit after December 31, 1983.
- (b) For applications made after December 31, 1983, the proposed facility shall be located within a plant rehabilitation district or industrial development district that was duly established in a local governmental unit eligible under this act to establish a district and that was established upon a request filed or by the local governmental unit's own initiative taken before the commencement of the restoration, replacement, or construction of the facility.
- (c) For applications made after December 31, 1983, the commencement of the restoration, replacement, or construction of the facility occurred not earlier than 6 months before the filing of the application for the industrial facilities exemption certificate. However, an owner who filed an application for an industrial facilities exemption certificate with the local governmental unit in August 1987 for a facility located in an industrial development district created in 1986 and was denied by the state tax commission may reapply for an industrial facilities exemption certificate and if approved, the facility is not subject to the requirement of this subdivision.
- (d) The application relates to a construction, restoration, or replacement program that when completed constitutes a new or replacement facility within the meaning of this act and that shall be situated within a plant rehabilitation district or industrial development district duly established in a local governmental unit eligible under this act to establish the district.
- (e) Completion of the facility is calculated to, and will at the time of issuance of the certificate have the reasonable likelihood to create employment, retain employment, prevent a loss of employment, or produce energy in the community in which the facility is situated.
- (f) Completion of the facility shall not have the effect of transferring employment from 1 or more local governmental units of the state to the local governmental unit in which the facility is to be located, except that this restriction shall not prevent the granting of a certificate if the legislative body of each local governmental unit from which employment is to be transferred consents by resolution to the granting of the certificate. If the local governmental unit does not give its consent, a copy of the resolution of denial showing reasons for the denial shall be filed within 20 days after adoption with the department of commerce.
- (g) Completion of the facility does not constitute merely the addition of machinery and equipment for the purpose of increasing productive capacity but rather is primarily for the purpose and will primarily have the effect of restoration, replacement, or updating the technology of obsolete industrial property. An increase in productive capacity, even though significant, shall not constitute an impediment to the issuance of an industrial facilities exemption certificate if other criteria in this section and act are met. This subdivision does not apply to a new facility.
- (3) If the replacement facility when completed will not be located on the same premises or contiguous premises as the obsolete industrial property, then the applicant shall make provision for the obsolete industrial property by way of demolition, sale, or transfer to another person with the effect that the obsolete industrial property shall within a reasonable time again be subject to assessment and taxation under Act No. 206 of the Public Acts of 1893, as amended, being sections 211.1 to 211.157 of the Michigan Compiled Laws, or be used in a manner consistent with the general purposes of this act, subject to approval of the commission.
- (4) The legislative body of the local governmental unit shall not approve an application and the commission shall not grant an industrial facilities exemption certificate that applies to a speculative building unless the speculative building is or is to be located in a plant rehabilitation district or industrial development district duly established by a local governmental unit eligible under this act to establish a district; the speculative building was constructed less than 9 years before the filing of the application for the industrial facilities exemption certificate; the speculative building has not been occupied since completion of construction; and the speculative building otherwise qualifies under subsection (2)(e) and (f) for an industrial facilities exemption certificate. An industrial facilities exemption certificate granted under this subsection shall expire as provided in section 16(3).
- (5) Not later than September 1, 1989, the commission shall provide to all local assessing units the name, address, and telephone number of the person on the commission staff responsible for providing procedural information concerning this act. After October 1, 1989, a local unit of government shall notify each prospective applicant of this information in writing.

Section 2. This amendatory act shall take effect beginning with taxes levied under this act in 1989.

Michigan Department of Treasury L-4380 (Rev. 6-86)

## APPLICATION FOR INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE

This form is issued as provided by Act 198, P.A. 1974, as amended. Section references on this form are to specific sections of the act that explain or require the data. Filing of this form is voluntary. The application should be filed after the district is established and no later than (within) six months after the commencement of the project.

INSTRUCTIONS: Read the instructions on page 4 before completing this application. File the original and three copies of this form and the required attachments (four complete sets) with the clerk of the local government unit.

Typist Set tabs at dots	•	
TO BE COMPLETED BY CLERK OF LOCAL GOVERNMENT UNIT	THIS SECTION FO	OR USE BY THE OFFICE
Clerk must also complete sections 17, 18 and 19, page 3.	OF THE STATE	TAX COMMISSION
Signature	Application No.	
Date Received	Date Received	
Applicate do not unto abo	ve this line. Begin entries at 1 belo	
Ta Applicant (Company) Name (Applicant must be the occupant/operator of the facilities		w
b Location of Facility (No and Street) City	Township	Village) (County)
		(County)
c Company Maing Address (No. and Street, P.O. Box, City, State, ZIP)		d. School District Wherein Facility is Located
2 Type of Approval Requested		3. How Many Years of Exemption Requested?
NEW FACILITY (Sec. 2(4))	N (Sec. 3(1))	4. Standard Industrial Classification Code (Sec. 2(10))
	DEVELOPMENT (Sec. 2(9))	-
5 Explain Applicant's Principal Type of Business and Proposed Use of the Facility		
	•	
·		
b Rehabitation Applications Only: Explain Degree and Type of Obsolescence Affaction		M
Amazon	g Existing Facility	•
•		
C Describe Project for Which Exemption is Squaht (Type of Improvements to Lead Duit		
<ul> <li>Describe Project for Which Exemption is Sought (Type of Improvements to Land, Build Out-of-State, Etc.)</li> </ul>	mig; Size of Building Addition; Person	al Property Acquired — Explain New-Used, Transfered from
d Cost of land improvements EXCLUDING cost of land (Sec. 2(	6lal	ф
Cost of building improvements. (List major types on attachme		\$
Cost of machinery and equipment. (Itemize	nit. <i>)</i>	
on attachment; see instruction on page 4, item 2)		
Cost of furniture and fixtures. (Itemize on attachment; see instructions on page 4, item 2)		
TOTAL PROJECT COST ACTUAL	ESTIMATED	\$

7 List Time Schedule for Start and Finish of Construction Stages and Equipment Installation. (See Instructions, page 4, items 2 and 4.)
NOTICE AFTER DEC. 31, 1983: Section 9 (2) (c) specifies that restoration, replacement or construction commence not earlier than 6 months before this application is filed.

8a Are the Buildings Owned or Leased by the Operator				
b is Applicant Liable for Payment of Ad Valorem Taxes	LEASED	sees When Arrolicable )	•	
TYES	□ NO	page versor implification		
c Are Machinery and Equipment, Furniture and Fixtures	Owned or Leased by the Operator of	This Facility?	<del></del>	
OWNED	LEASED (ettach a copy of	the Lesse)		
9 Will the Property for Which this Application is Filed b	se included in a			
a. Downtown Development Authority District     b. Tax Increment Finance Authority District	•		YES YES	□ NO
10a. Enter total number of employees prior	to start of project			
b. How many new jobs are expected to b	e created within 2 years of p	roject completion?		
c. How many existing jobs (not counting	new jobs created) will be re	tained as a result of this pr	oject?	
11a Has the project caused or will it caus	e, a relocation of the facilitie	s from one		
or more Michigan governmental units	to the unit in which the proj	ect is or will be located?	☐ YES	□ NO
b Previous Location of Facility		c. Number of Jobs Involved in Fac	lity Relocation	····
<ul> <li>d. Attach a certified copy of the resolution transferred consenting to the granting</li> </ul>				
12 Rehabilitation applications: Complete a, Attach assessor's statement.	b and c.	a. SEV of Real Property (Exclude L	and)	
b SEV of Personal Property (Exclude Inventory)		c. Tenal SEV as of Dec	. 31, 19	· · · · · · · · · · · · · · · · · · ·
13a The Facility is Located in the Following Type of Dist	trict Established by the Local Governing			
INDUSTRIAL DEVELOPMENT DISTRICT	······································	PLANT REHABILITATIO		
b Name of Governing Unit that Established District		Attach certified copy of re and drawing of district.	solution	
c Date District was Established	NOTICE AFTER DEC. 31,		des that request to e	stablish the district
	MUST be filed prior to the	commencement of any imp	rovements or consti	ruction.
14a is This Application for a Speculative Building (Sec. 3				
NO — Go to 15 below.  b Name of Governmental Unit Which Passed Resolution	YES — Complete b.	c and o	c. Date of Resolution (Att	trob comi
D Manue of Continuential Out Asiacti Lassed Mesolition	TO ESTRUMENT & ODSCUMENTAR DOSCUMENT		c. Date of Resolution (At	sacri copy)
. *	- · · · · · · · · · · · · · · · · · · ·			
d Date Construction Commenced (See pg. 4, riem 4)	Attach a certified statement that the building has not be			mit
	that the building has not be int facility which will not be located or	en occupied since completi		init
15 Complete this section if application is for a replaceme	that the building has not be int facility which will not be located or	en occupied since completi		rnit
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15 Complete this section if application is for a replaceme or contiguous to the obsolete facility. The obsolete fit of the obs	that the building has not be int facility which will not be located or	en occupied since completi	on of construction.	init
15 Complete this section if application is for a replacement	that the building has not be int facility which will not be located or	en occupied since complete	on of construction.	init

#### APPLICANT'S CERTIFICATION

The undersigned, authorized officer of the company making this application certifies that, to his/her best knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of Act No. 198, 1974, as amended, being Sections 207.551 to 207.571, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

16a Type name of company officer	b. Signature				
c Title	d. Date				
	<u> </u>				
LOCAL GOVERNMENT ACTION		· · · · · · · · · · · · · · · · · · ·			
This section is to be completed by the clerk of the local govern Commission.	ning unit before subm	itting application to the State Tax			
17 Action Taken .					
ABATEMENT APPROVED FOR YEARS AFTER PROJECT	COMPLETION (Sec. 16)	•			
DISAPPROVED	•				
18 Name of Local Government Body		Date of Action on This Application			
Attached hereto is a copy of the resolution covering the acapplication. The resolution contains the finding required under impact on taxing units).		•			
Also attached are copies of the notices required under Section 4(3) (public hearing for district) and Section 5(2) (hearing for applicant, assessor and taxing units prior to approval of the application) of Act 198, P.A. 1974, as amended. When applicable, attached are resolutions approving the speculative building as required by Section 3(8) and certified statements that the building has not been occupied since completion of construction as required by Section 9(4) of Act 198, P.A. 1974, as amended.					
19 Signature of Clerk	Date	Phone			

#### **MAILING INSTRUCTIONS**

REMINDER: A complete filing (including documents from Page 4, Instruction) of an Application for Industrial Facilities Exemption Certificate under Act 198, P.A. 1974, as amended, should include the original and 3 copies of the following:

- 1. Notice to the public prior to hearing to establish district
- 2. Resolution establishing district
- 3. Application plus attachments
- 4. Notice to taxing authorities prior to hearing to approve application
- 5. List of taxing authorities notified.
- 6. Resolution approving application.

Mail completed application and all attachments to:

Michigan Department of Treasury State Tax Commission Treasury Building Lansing, Michigan 48922

## APPLICATION FOR INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE

(Act No. 198, P.A. 1974, as amended)

#### Instructions

The original form L-4380 and all required attachments listed below, plus three copies of all (four complete sets), is to be filed with the clerk of the local government unit where the facility is or will be located.

Complete and accurate answers to all items on the application form will eliminate delay and assist in the expeditious processing of the application. Incomplete applications may be returned. Certain items are applicable to speculative buildings or rehabilitation applications only and should be marked "N.A." if your application is for a new facility. If the space provided is insufficient, answers should be continued or given on separate attachments.

Ţ	he fo	ollowing information is required on separate documents attached to form L-4380:
	1.	Legal description of the real property on which the facility is or will be located. Also provide property identification number if available.
	2.	List of new machinery, equipment, furniture and fixtures which will be used in the facility. The list should include description, type, identification, date of acquisition by month /day /year, and cost. Pollution control facilities which you intend to apply for under Act 250, P.A. 1965, as amended (air), and Act 222, P.A. 1966 (water), are to be listed separately.
	3a b	List of existing machinery, equipment, furniture and fixtures which will be replaced or renovated.  List of existing machinery, equipment, furniture and fixtures which will continue to be used in the facility.
		The list should include description, type, identification, year of acquisition and original cost. (Not applicable to a new facility or speculative building.)
	4.	Proof of date construction started (groundbreaking) such as building permit, certified statement or affidavit from contractor. Personal property only applications should have attached a certified statement or affidavit as proof of the date personal property installation commenced.
	5.	Signed copy of lease agreement, if applicable, verifying lessee has ad valorem real and personal tax liability.
	6.	Certified copy of the resolution adopted by the local governing unit from which employment will be transferred if applicable. An Industrial Facilities Exemption Certificate can be issued only if the governing body of the unit from which employment is to be transferred consents by resolution to the granting of the certificate. If employment is to be transferred to the new or rehabilitated facility from more than one local government unit, each unit from which employment will be transferred must give its consent.
	7.	If the application is for a rehabilitation, a statement by the Assessor showing the State Equalized Valuation of the obsolete facility, separately stated for real property (EXCLUDING land) and personal property (EXCLUDING inventory) for the tax year immediately preceding the commencement of the rehabilitation.
	8.	A copy of the notice to the general public and the certified notice to the property owners, concerning the establishment of the district.
	9.	Certified copy of the resolution establishing the Industrial Development District or Plant Rehabilitation District.
	10.	Copy of the notice to the general public and the certified letters to the taxing authorities regarding the hearing to approve the application.
	11.	Certified copy of the resolution approving the application.
	12.	Drawing showing the perimeter of the Industrial Development District or the Plant Rehabilitation District and where, within the district, the facility will be located.
	13.	Resolution to establish speculative building and non-occupancy statements by the owner and governmental unit.
	Add	itional Instructions

Actual date of completion must be furnished to the State Tax Commission and the Assessor within 30 days after completion of the facility.

Final cost of the facility must be furnished by applicant to the State Tax Commission and the Assessor within 90 days after completion of the facility.

#### STATE OF MICHIGAN

Bulletin Number 6 September 10, 1992 Fast Food Restaurants

**COMMISSION MEMBERS** 

LESLEY F. HOLT

LEROY J. NELSON



JOHN ENGLER, Governor

#### **DEPARTMENT OF TREASURY**

DOUGLAS B. ROBERTS, State Treasurer

#### STATE TAX COMMISSION

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

TO: Assessors and Equalization Directors

FROM: State Tax Commission

RE: Valuation of the Personal Property of Fast Food

Restaurants.

In response to inquiries from many assessing officials and taxpayers, the Property Tax Division, in cooperation with the Michigan Association of Equalization Directors, has conducted a comprehensive study of the valuation of the personal property of fast food restaurants.

The results of that study indicate that the average lived multipliers are appropriate for the valuation of tangible personal property under the General Property Tax Act for the category of fast food restaurants:

For the purposes of this bulletin, fast food restaurants are defined as those restaurants which have a limited menu and do not have waiters or waitresses taking orders at the table or serving food to persons at the table.

The State Tax Commission strongly recommends that the averagelived multiplier table be used in the valuation of the personal property of fast food restaurants as a group. The proper and uniform application of the average lived table to this type of property will result in accurate true cash values and uniformity among similar properties.

The State Tax Commission believes that assessors should apply one schedule of original cost multipliers to all of the acquisition costs of a company rather than to break a company's assets down into several categories of varying lives. An exception to this guideline is the practice of allowing computer equipment and assessable software to be separately reported for the application of short-lived multipliers.

Fast food restaurants generally do not have computers as part of their equipment though their point of sale equipment (i.e., cash registers) may well be computerized. Generally, cash registers are not given short-lived multipliers; though if an owner can provably identify the computer costs, the short-lived schedule could be applied to those costs only. The burden of such a breakout must be on the owner and not the assessor.



STATE OF MICHIGAN

GENESEE COUNTY EQUALIZATION DEFT.

Jan 21 1 20 PM 193



Bulletin No. 9
December 30, 1992
Computer Equipment
& Assessable Software

JOHN ENGLER, Governor

## DEPARTMENT OF TREASURY

TREASURY BUILDING, P.O. BOX 15128, LANSING, MICHIGAN 48901 DOUGLAS B. ROBERTS, State Treasurer

STATE TAX COMMISSION

4th Floor Treasury Building Lansing, Michigan 48922 - Telephone (517) 373-0500 COMMISSION MEMBERS Lesley F. Holt LeRoy J. Nelson

TO:

Assessors and Equalization Directors

FROM:

State Tax Commission

RE:

Valuation of Computer Equipment and Assessable Software

In response to inquiries from assessing officials and taxpayers, the State Tax Commission (STC) directed the Property Tax Division (PTD), in cooperation with the Michigan Association of Equalization Directors, to conduct a study of the valuation of computer equipment and assessable software.

The STC has reviewed and approved that study. All assessors and equalization directors shall use the following schedule of original cost multipliers for the valuation of computer equipment and assessable software starting with the 1993 assessments. Tax day for 1993 assessments is December 31, 1992.

## COMPUTER EQUIPMENT AND ASSESSABLE SOFTWARE

<u>Age</u>	Multiplier
1	80%
2	60%
3.	50%
4 4	4.0%
5	30%
6	20% .
7 and older	10%.

The State Tax Commission believes that assessors should apply one schedule of original cost multipliers to all of the acquisition costs of a company rather than to break a company's assets down into several categories of varying lives. An exception to this guideline is the practice of allowing computer equipment and assessable software to be separately reported for the application of the multipliers named above.



Computer equipment includes both data processing systems and computer peripheral equipment. Data processing systems include large central processing mainframes, mid-size central processing units and mini and micro central processing units such as personal computers. Computer peripheral equipment includes monitors and display stations, printers, control units, disk storage devices, and tape storage devices. For more information about assessable software, please refer to State Tax Commission Bulletin No. 14 of 1990.

Sometimes certain machinery and equipment, which is not obviously computer equipment, has computer equipment components. If an owner can provably identify such computer costs, the above schedule could be applied to those costs, also. The burden of such a breakout shall be on the owner and not the assessor.

The above-named schedule may be used in conjunction with either the idle equipment allowance or the economic residual multipliers when the personal property qualifies. This has the practical effect of further reducing the schedule for computer equipment. Please refer to Chapter 15 of Volume III of the Assessor's Manual for more information about the idle equipment allowance and the economic residual multipliers.

This bulletin does not eliminate the short-lived schedule which will still be used for businesses whose assets as a whole (excluding computer equipment and assessable software) qualify for the short-lived schedule.

L-4209 (Rev. 6-93)

Bulletin No. 11 May 31, 1994 PA 80 of 1994

#### STATE OF MICHIGAN



COMMISSION MEMBERS

ROLAND C. ANDERSEN, Acting Chair LESLEY F. HOLT LEROY J. NELSON

JOHN ENGLER, Governor

#### DEPARTMENT OF TREASURY

DOUGLAS B. ROBERTS, State Treasurer

#### STATE TAX COMMISSION

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

TO:

All Assessing Officers and Equalization Directors

FROM:

Michigan State Tax Commission

RE:

PUBLIC ACT 80 OF 1994

Please find attached a copy of Public Act 80 of 1994 which amends the General Property Tax Law. This act changes the lien date for real and personal property taxes for state, county, village, or township taxes from December 1 of the current year to tax day (December 31 of the previous year). Lien date may be a different day when provided for by the charter of a city or village.

Act No. 80
Public Acts of 1994
Approved by the Governor
April 10, 1994
Filed with the Secretary of State
April 11, 1994

## STATE OF MICHIGAN 87TH LEGISLATURE REGULAR SESSION OF 1994

Introduced by Rep. Bullard

# ENROLLED HOUSE BILL No. 4935

AN ACT to amend section 40 of Act No. 206 of the Public Acts of 1893, entitled as amended "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes thereon, and for the collection of taxes levied; making such taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale 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 therewith; 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 certain acts and parts of acts in anywise contravening any of the provisions of this act," being section 211.40 of the Michigan Compiled Laws.

#### The People of the State of Michigan enact:

Section 1. Section 40 of Act No. 206 of the Public Acts of 1893, being section 211.40 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 40. Notwithstanding any provisions in the charter of any city or village to the contrary, all taxes become a debt due to the township, city, village, or county from the owner or person otherwise to be assessed on the tax day provided for in sections 2 and 13, and the amounts assessed on any interest in real property shall become a lien on the real property on the tax day provided for in section 2 for state, county, village, or township taxes or upon a day provided for by the charter of a city or village. The lien for those amounts, and for all interest and charges on those amounts, shall continue until paid. Each tax statement and receipt for taxes on real estate sent or given by any county, township, city, or village treasurer shall contain a printed, stamped, or written statement setting forth the date of the commencement and ending of the fiscal year of each taxing unit of government during which general taxes included on the tax statement or receipt will defray the costs of governmental services rendered by that local governmental unit. All personal taxes levied or assessed shall also be a first lien, prior, superior, and paramount, on all personal property of the persons so assessed from and after the tax day provided for in section 2 in each year for state, county, village, or township taxes or upon a day provided for by the charter of a city or village, and shall remain until paid. The tax liens shall take precedence over all other claims, encumbrances, and liens upon that personal property, whether created by chattel mortgage, title retaining contract, execution, upon any final process of a court, attachment, replevin, judgment, or otherwise. A transfer of personal property assessed for taxes shall not operate to divest or destroy the lien, except where the personal property is actually sold in the regular course of retail trade. The personal property taxes hereafter levied or assessed by any city or village shall be a first lien, prior, superior, and paramount to any other claims, liens, or encumbrances of any kind upon the personal property assessed as provided in this act, any provisions in the charter of cities or villages to the contrary notwithstanding.

This act is ordered to take immediate effect.

Co-Clerk of the House of Representatives.

Secretary of the Senate.

Governor.

885 (6/97) Formerly L-4209

#### STATE OF MICHIGAN

BULLETIN NO. 15
SEPTEMBER 19, 1997
PROPERTY TRANSFER AFFIDAVIT
LAND DIVISION FORM



JOHN ENGLER, Governor

#### **DEPARTMENT OF TREASURY**

DOUGLAS B. ROBERTS, State Treasurer

#### STATE TAX COMMISSION

P.O. Box 30471 Lansing, Michigan 48909-7971 Telephone (517) 373-0500 - FAX (517) 373-3553 COMMISSION MEMBERS

Mark A. Hilpert, Chairperson Lesley F. Holt Robert R. Lupi Dennis W. Platte, Secretary

TO:

Assessors

**Equalization Directors** 

FROM:

State Tax Commission (STC)

RE:

CHANGES TO THE PROPERTY TRANSFER AFFIDAVIT (STC FORM

L-4260) INCLUDING THE ADDITION OF STC FORM L-4260a REQUIRED BY THE LAND DIVISION ACT (PA 288 OF 1967 AS

**AMENDED BY PA 87 OF 1997)** 

Attached are revised STC Form L-4260 and new STC Form L-4260a.

#### 1. STC Form L-4260, PROPERTY TRANSFER AFFIDAVIT

STC Form L-4260 is the **Property Transfer Affidavit** required by Michigan Compiled Law (MCL) 211.27a(8) which must be filed by the BUYER (transferee) of property with the township or city assessor when a "Transfer of Ownership" has occurred.

Several changes have been made to the Property Transfer Affidavit (STC Form L-4260). Most of the changes are the result of amendments to MCL 211.27a contained in Public Act (PA) 476 of 1996. These changes are detailed in STC Bulletin No. 3 of 1997.

#### 2. STC Form L-4260a, LAND DIVISION FORM

PA 87 of 1997, which amended the Land Division Act, requires the State Tax Commission to add certain questions to the Property Transfer Affidavit. The Property Transfer Affidavit is discussed in paragraph #1 above.

Those questions must be answered by the proprietor (OWNER) of property who is transferring the right to make a division which is exempt from the platting requirements of the Land Division Act.

Since these questions must be answered by the SELLER of property (where a sale is involved), it is necessary to put the required questions on a separate sheet which is labeled form L-4260a and will be referred to in this bulletin as the Land Division Form.

Having the questions on a separate sheet allows the filing of the Land Division Form in those instances when the Property Transfer Affidavit is not required to be filed. It also allows the separate filing of the Land Division Form by the SELLER of property. Please recall that the BUYER of property files the Property Transfer Affidavit.

Important Note: There will be situations in which the Land Division Form (L-4260a) will be required to be filed and the Property Transfer Affidavit (L-4260) will not and viceversa.

The Land Division Form (STC Form L-4260a) contains instructions about when the form is required by law to be filed. Your questions about the provisions of the Land Division Act should be addressed to the Subdivision Control Section of the Department of Consumer and Industry Services at (517) 334-7750.

**Owner's Signature** 

This form is issued under authority of P.A. 415 of 1994. Filing is mandatory.

#### **PROPERTY TRANSFER AFFIDAVIT**

This form must be filed whenever real estate or some types of personal property are transferred (even if you are not recording a deed). It is used by the assessor to ensure the property is assessed properly and receives the correct *taxable value*. It must be filed by the new owner with the *assessor for the city or township* where the property is located within 45 days of the transfer. If it is not filed timely, a penalty of \$5/day (maximum \$200) applies. The information on this form is NOT CONFIDENTIAL.

3. City / Township\//liage of Real Estate	Street Address of Property		2. Count	2. County		Date of Transfer (or land contract was signed)	
It usually includes hypens and sometimes includes letter is on the property tax bill and on the assessment notice.  7. Seller's (Transferor) Name    8. Buyer's (Transferee) Name and Mailing Address	3. City/To	ownship/Village of Real Estate		Township		5. Purchase Price of Real Estate	
them you may avoid further correspondence.  Transfers include deeds, land contracts, transfers involving trusts or wills, certain long-term leases and interest in a business. See the back for a complete list.  10. Is the transfer between related persons?  12. If you financed the purchase, did you pay market rate of interest?  13. Amount Financed (Borrowed)  14. If you financed the purchase, did you pay market rate of interest?  15. If you financed the purchase, did you pay market rate of interest?  16. If you financed the purchase, did you pay market rate of interest?  17. If you financed the purchase, did you pay market rate of interest?  18. Amount Financed (Borrowed)  19. Type of Iransfer  10. Lease  11. Amount of Down Payment  12. If you financed the purchase, did you pay market rate of interest?  13. Amount Financed (Borrowed)  14. Amount Financed (Borrowed)  15. Amount Financed (Borrowed)  16. Amount Financed (Borrowed)  17. Amount Financed (Borrowed)  18. Amount Financed (Borrowed)  19. Type of Iransfer  10. Lease  11. Amount of Down Payment  11. Amount Financed (Borrowed)  12. If you financed the purchase, did you pay market rate of interest?  12. If you financed the purchase, did you pay market rate of the property of transfers are exempt from adjustment. Below are brief descriptions of the types of exempt transfer from one spouse to the other spouse exemption, you are claiming. If you claim an exemption, your assessor may request more information to support your claim.  15. Transfer from one spouse to the other spouse change in ownership solely to exclude or include a spouse transfer of that portion of a property subject to a life lease or life estate (until the the life lease or life estate expires) transfer to effect the foreclosure or forfeiture of real property transfer into a trust where the settlor or the settlor's spouse conveys property to the trust and is also the sole beneficiary or the trust transfer resulting from a court order unless the order specifies a monetary payment transfer or eati	6. Propert	y Identification Number ( <i>PIN</i> ). If you don't have a PIN	, attach le	gal description.		It usually includes hypens and sometimes includes letters. It is on the property tax bill	
them you may avoid further correspondence.  Transfers include deeds, land contracts, transfers involving trusts or wills, certain long-term leases and interest in a business. See the back for a complete list.  10.	***			8. Buyer's (Transfe	eree	) Name and Mailing Address	
Is the transfer between related persons?		u may avoid further correspondence.  Transfers include deeds, land contracts, transfers in trusts or wills, certain long-term leases and interest in the contracts of the contract of the co	volving	Land Cont			
Exemptions  The Michigan Constitution limits how much a property's taxable value can increase while it is owned by the same person. Once the property is transferred, the taxable value must be adjusted by the assessor in the following year to 50 percent of the property usual selling price. Certain types of transfers are exempt from adjustment. Below are brief descriptions of the types of exempt transfers; full descriptions are in MCL Section 211.27a(7)(a-m). If you believe this transfer is exempt, indicate below the type of exemption you are claiming. If you claim an exemption, your assessor may request more information to support your claim.    transfer from one spouse to the other spouse   transfer of that portion of a property subject to a life lease or life estate (until the the life lease or life estate expires)   transfer to effect the foreclosure or forfeiture of real property transfer by redemption from a tax sale   transfer into a trust where the settlor or the settlor's spouse conveys property to the trust and is also the sole beneficiary of the trust transfer resulting from a court order unless the order specifies a monetary payment   transfer creating or ending a joint ownership if at least one person is an original owner of the property (or his/her spouse)   transfer to establish or release a security interest (collateral)   transfer of real estate through normal public trading of stocks   transfer resulting from transactions that qualify as a tax-free reorganization						11. Amount of Down Payment	
The Michigan Constitution limits how much a property's taxable value can increase while it is owned by the same person. Once the property is transferred, the taxable value must be adjusted by the assessor in the following year to 50 percent of the property usual selling price. Certain types of transfers are exempt from adjustment. Below are brief descriptions of the types of exempt transfers; full descriptions are in MCL Section 211.27a(7)(a-m). If you believe this transfer is exempt, indicate below the type of exemption you are claiming. If you claim an exemption, your assessor may request more information to support your claim.    transfer from one spouse to the other spouse   transfer from one spouse to the other spouse   transfer of that portion of a property subject to a life lease or life estate (until the the life lease or life estate expires)   transfer to effect the foreclosure or forfeiture of real property   transfer by redemption from a tax sale   transfer into a trust where the settlor or the settlor's spouse conveys property to the trust and is also the sole beneficiary or the trust   transfer resulting from a court order unless the order specifies a monetary payment   transfer creating or ending a joint ownership if at least one person is an original owner of the property (or his/her spouse)   transfer to establish or release a security interest (collateral)   transfer of real estate through normal public trading of stocks   transfer between entities under common control or among members of an affiliated group transfer resulting from transactions that qualify as a tax-free reorganization				<b>—</b>		13. Amount Financed (Borrowed)	
	The Mich property usual seli transfers;	nigan Constitution limits how much a property's is transferred, the <i>taxable value</i> must be adjuling price. Certain types of transfers are exempled full descriptions are in MCL Section 211.27a on you are claiming. If you claim an exemption transfer from one spouse to the other spouse change in ownership solely to exclude or inclutantsfer of that portion of a property subject to transfer to effect the foreclosure or forfeiture of transfer into a trust where the settlor or the sett the trust transfer resulting from a court order unless the transfer to establish or release a security interest transfer of real estate through normal public transfer between entities under common contratransfer resulting from transactions that qualify	sted by the sted by the sted by the sted by the sted spoor a life lead of real protections of at least est (collar ading of ollor amounts).	the assessor in the adjustment. Belo adjustment. Belo If you believe the sessor may request use ase or life estate (apperty use conveys property one person is an orderal) stocks ong members of ar	e fo w a is t t m unti unti y pa rigi	llowing year to 50 percent of the property are brief descriptions of the types of exemptransfer is exempt, indicate below the type of ore information to support your claim.  If the the life lease or life estate expires to the trust and is also the sole beneficiary of the trust and is also the sole beneficiary of the trust and is also the sole beneficiary of the property (or his/her spouse)	

Date

If signer is other than the owner, print name and title.

## **Instructions**

This form must be filed when there is a transfer of real property or one of the following types of personal property:

- buildings on leased land.
- leasehold improvements (as defined in MCL Section 211.8(h)).
- leasehold estates (as defined in MCL Section 211.8(i) and (i)).

Transfer of ownership means the conveyance of title to or a present interest in property, including the beneficial use of the property. It includes, but is not limited to, the following conveyances:

- · deed.
- land contract.
- transfer into a trust, unless the sole beneficiary is the settlor (creator of the trust), the settlor's spouse, or both.
- transfer from a trust, *unless* the distributee is the sole present beneficiary, the spouse of the sole present beneficiary, or both.
- changes in the sole present beneficiary of a trust, *unless* the change only adds or substitutes the spouse of the sole present beneficiary.
- distributions by a will or intestate succession, unless to the decedent's spouse.
- leases, if the total duration of the lease is more than 35 years, including the initial term and all options for renewal, or if the lease grants the lessee the right to purchase the property at the end of the lease for not more than 80 percent of the property's projected true cash value at the end of the lease. This only applies to the portion of the property subject to the lease described above.
- transfers of more than a 50 percent interest in the ownership of a business, unless the ownership is gained through the normal public trading of shares of stock.
- transfers of property held as a tenancy in common, except the portion of the property not subject to the ownership interest conveyed.
- a conveyance of an ownership interest in a cooperative housing corporation, except that portion of the property not subject to the ownership interest conveyed.

For complete descriptions of qualifying transfers, please refer to MCL Section 211.27a(6)(a - j).

## Excerpts from Michigan Compiled Laws (MCL), Chapter 211

#### Section 211.27a(8)

"... the buyer, grantee, or other transferee of the property shall notify the appropriate assessing office in the local unit of government in which the property is located of the transfer of ownership of the property within 45 days of the transfer of ownership, on a form prescribed by the state tax commission that states the parties to the transfer, the date of the transfer, the actual consideration for the transfer, and the property's parcel identification number or legal description."

#### **Section 211.27(5)**

"Beginning December 31, 1994, the purchase price paid in a transfer of property is not the presumptive true cash value of the property transferred. In determining the true cash value of transferred property, an assessing officer shall assess that property using the same valuation method used to value all other property of that same classification in the assessing jurisdiction."

# NOTICE TO ASSESSOR OF TRANSFER OF THE RIGHT TO MAKE A DIVISION OF LAND

issued under authority of Land Division Act (P.A. 288 of 1967 as amended by P.A. 87 of 1997) . Filing is mandatory.

This form must be filed by an owner of a parent parcel or parent tract of land when the owner creates a parcel from the parent parcel or parent tract and transfers the right to make a further division to the owner of the created parcel. This form must be filed within 45 days of the transfer of the right to make a division. This form must be filed with the assessor of the city or township where the property is located.

city or township where the property is located.			
Street Address of Parent Parcel or Parent Tract	2. County		4. Date of Transfer of Right to Make a Division
3. City/Township/Village Where Real Estate is Located			
	<u>[</u>	City Township Village	
5. Property Identification Number (PIN) of Parent Parcel or Pa	נ erent Tract. If you don't h		PIN, this number ranges from 10 to 25 digits. It usually includes hyphens and
attach legal description.			sometimes includes letters. It is on the property tax bill and on the assessment notice.
6. Name of Owner of Parent Parcel or Parent Tract	.	Address of Owner of	of Parent Parcel or Parent Tract
7. Property Identification Number (PIN) of Created Parcel if P	'IN has aiready been ass	igned.	
8. Name of Owner of Created Parcel		Address of Owner	of Created Parcel
THE FOLLOWING QUESTIONS MUST BE AN	SWERED.		
Did the parent parcel or parent tract have ar     560.101 to 560.293? Check appropriate bo		ions under the l	Land Division Act, P.A. 288 of 1967, MCL
YES			
NO If the YES box was checked, go to question	2. If the NO box w	as checked, go	to question 3.
How many unallocated divisions did the pare Enter number here	ent parcel or parent	tract have prior	to this transfer?
3. Were there any unallocated divisions transfe	erred to the newly o	created parcel?	
YES			
NO If the YES box was checked, go to question	4. If the NO box w	as checked, go	to the signature area of the form.
4. How many unallocated divisions were trans	ferred to the newly	created parcel	? Enter number here
CERTIFICATION			
I certify that the information above is true and o	complete to the bes	t of my knowled	lge.
Signature of Owner of Perent Percel or Perent Tract	Date	If Sign	ner is other than the owner print name and title

#### INSTRUCTIONS

This form must be filed by an owner of a parent parcel or parent tract of land when the owner creates a parcel from the parent parcel or parent tract and transfers the right to make a further division(s) to the owner of the created parcel.

Example: The owner of a parent parcel 10 acres in size is selling off a created parcel 2 1/2 acres in size. In this example the 10 acre parent parcel qualifies under the Land Division Act to make four (4) divisions before platting is required. Therefore, two (2) more divisions may be made before platting is required.

Parent Parcel Before Sale	After Sale		
10 Acres	7.5 Acres		
	2.5 Acres		

The owner of the parent parcel who sold the 2 1/2 acre parcel can keep the authority to make two (2) additional divisions or may convey the authority to make one or both of the additional divisions to the owner of the created parcel.

If the owner of the parent parcel conveys the authority to make one or both additional divisions to the owner of the 2 1/2 acre created parcel, this form (L-4260a) must be filed with the local assessor within 45 days of that action.

This form must also be filed when the owner of a parent parcel or parent tract conveys the parent parcel or parent tract, and also transfers the right to make further divisions to the new owner of the parent parcel or parent tract.

For more Information about the Land Division Act, you may contact the Subdivision Control Section of the Department of Consumer and Industry Services at (517) 334-7750.

#### Excerpt form P.A. 87 of 1997

Sec. 109(2) The right to make divisions exempt from the platting requirements of the act under section 108 and this section can be transferred, but only from a parent parcel or parent tract to a parcel created from that parent parcel or parent tract. A proprietor transferring the right to make a division pursuant to this subsection shall within 45 days give written notice of the transfer to the assessor of the city or township where the property is located on the form prescribed by the state tax commission under section 27a of the general property tax act, P.A. 206 of 1893, MCL, 211.27a. The state tax commission shall revise the form to include substantially the following questions in the mandatory information portion of the form:

- (a) "Did the parent parcel or parent tract have any unallocated divisions under the land division act, P.A. 288 of 1967, MCL 560.101 tp 560.293? If so, how many?"
- (b) "Were any unallocated divisions transferred to the newly created parcel? If so, how many?"



JENNIFER M. GRANHOLM
GOVERNOR

ROBERT J. KLEINE STATE TREASURER

BULLETIN NO. 13 CHANGES IN THE 2007 PERSONAL PROPERTY STMT. NOVEMBER 29, 2006

TO: Assessors

**Equalization Directors** 

FROM: State Tax Commission (STC)

RE: CHANGES IN THE 2007 PERSONAL PROPERTY STATEMENT

There are several changes that have been made in the 2007 Personal Property Statement. The purpose of this bulletin is to provide information on those changes:

- A) New Table for Cellular Equipment.
- B) Classification of Copiers/Multi-Function Devices.
- C) Sales Tax, Freight and Installation Clarification.
- **D)** Other Minor Instructional Changes.

# A. New Table for Cellular Equipment.

The State Tax Commission has adopted a new table for cellular (wireless) site equipment. The new table does not include items that are appropriately valued in Table A, such as furniture and fixtures located at the cell site, or items that are appropriately valued in Table F, such as computer equipment, including personal computers, printers, etc. Cellular Site Equipment is not considered to be Computer Equipment. There are other items that may be considered assessable fixed assets for cellular equipment owners that should be valued using Tables A, B or D, including: Generators - Table B, Propane Tanks under 2000 gallons- Table B, and Batteries - Table D.

Freestanding communications towers, including the tower itself and other site improvements such as fences, lights, basic utility connections, and buildings (including normal building mechanical equipment) are considered to be real property. See STC Bulletins 3 of 2000, 8 of 2002 and 1 of 2003 for the correct treatment of these properties.

The costs of antennas, frames, signal transmission and reception equipment, cabling and conduits, filter and amplification electronics, voice activated radios, multiplexers, repeaters, power supply and distribution equipment, power bays, analog cellular equipment, switching equipment, and cable and wiring connections, are to be valued utilizing the New Table for Cellular Equipment, provided below:

Age 1	84
Age 2	55
Age 3	44
Age 4	38
Age 5	33
Age 6	29
Age 7	26
Prior	17

The costs of any structural framework used to attach cellular equipment to buildings or to other structures not owned by the cellular service provider are reported at Section B of form L-4175. These facilities could include small towers erected on buildings or on other structures. The reported cost of such structural equipment must include necessary expenditures for site preparation, design engineering, construction supervision and administrative overhead. See STC Bulletin 1 of 1999 for guidance regarding self-constructed assets.

This table is for use in the 2007 assessment year only. The Commission will review cellular equipment again during 2007 and revise the table as needed. The Commission has received, and is continuing to study, information showing that electronic equipment used for cellular communications has undergone significant technological changes resulting in extraordinary obsolescence. Therefore Assessors should consider evidence that the true cash value of electronic equipment used for cellular communications is different than that determined using the new Cellular Equipment Table. Such information includes, but is not necessarily limited to: independent studies, technology forecasts, minutes of use and revenues, replacement cost, capacity measures and other advantages and disadvantages of equipment with differing technologies. Assessors also should exercise their judgment and depart from the New Cellular Equipment Table in order to value electronic equipment used for cellular communications at what the Assessor believes is the property's true cash value.

# **B.** Classification of Copiers/Multifunction Devices:

The Commission has reviewed in detail the issue of classification of copiers and multifunction devices. They have adopted the following methodology:

- If the machine copies only then use Table D
- If the machine faxes only then use Table D
- If the machine scans only then use Table F

- If the machine prints only then use Table F
- If it is multi-function but does not print then use Table D
- If it is multi-function including printing then use Table F
- Machines that hook up to a network are peripherals and should be in Table F
- Machines that do not hook up to a network are office equipment and belong in Table

A copier is a freestanding or desk-top piece of office equipment, which is most commonly used in an office setting and which is designed to print, or to made copies of, text material produced in that office. Copiers generally use commercially available 8 ½" by 11" bond or copier paper and produce duplicate originals of a 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 by a computer or is automated. A printing press is a device designed to primarily produce commercial runs of printed material, such as books, pamphlets, magazines, newspapers, or advertising circulars, for commercial sale, regardless of the technology employed in such production and regardless of the type of paper that is used. The definition of printing press specifically includes any machine that employs an offset or other non-impact printing process if the machine otherwise meets the definition of printing press.

# C. Sales Tax, Freight and Installation Clarification

The Commission has added the following language to the instructions on page 2 – General Instructions:

All costs reported must include freight, sales tax and installation costs even in cases where the cost was actually 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 tax cost 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 that would be capitalized by an end-user/owner of the property under generally accepted accounting principles, including capitalized interest, overheads and "indirect costs" associated with the process of constructing, acquiring or making the property available for use.

# D. Other Instructional Changes.

• The Commission added the following to clarify idle/obsolete and surplus equipment:

Property that is a 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 L-4175 qualifies to be reported as idle or obsolete and surplus equipment.

• The Commission added the following clarification to Section F related to cable television converters:

Assets to be reported in the section include...... cable television converters and receivers for home satellite dish television systems.

• The Commission added the following clarification to the general instructions:

Special mobile equipment, as defined by MCL 257.62, ......





RICK SNYDER GOVERNOR

# STATE OF MICHIGAN DEPARTMENT OF TREASURY LANSING

NICK A. KHOURI STATE TREASURER

**DATE:** May 24, 2017

**TO:** Heather S. Frick, Executive Director

**State Tax Commission** 

**FROM:** Patrick G. Huber, Manager

**Property Tax Exemption Section** 

**SUBJECT:** OPRA Qualified Local Governmental Units

The Property Tax Exemption Section has reviewed the list of Qualified Local Governmental Units as defined in Section 2(k) of the Obsolete Property Rehabilitation Act (Public Act 146 of 2000, as amended). This list was last updated on August 23, 2016, and there are no new local units being added to the list at this time.

Attached is a copy of the list of qualifying communities for approval at the June 6, 2017 meeting of the State Tax Commission.

If you have any questions, please feel free to contact me.

#### Obsolete Property Rehabilitation Act (OPRA) PA 146 of 2000, as amended **Qualified Local Governmental Units**

Section 2(k) of the act gives the qualifications that must be met in order for a local unit to be a qualified local governmental unit. There are separate qualifications for cities, townships and villages.

Cities:

Adrian **Ecorse** Albion Escanaba Ferndale Allegan Alma Flint Alpena Frankfort Ann Arbor Gaastra **Bad Axe** Gaylord Bangor Gibraltar **Battle Creek** Gladstone **Bay City** Gladwin Benton Harbor Grand Haven **Grand Rapids** Bessemer Big Rapids Grayling **Bronson** Hamtramck Buchanan Harbor Beach Harper Woods Burton Cadillac Harrison Caro Harrisville Carson City Hart Caspian Hartford Center Line Hastings Charlevoix Hazel Park **Highland Park** Charlotte Hillsdale Cheboygan Coldwater Holland Coleman Houghton Corunna Howell Crystal Falls Inkster Dearborn Ionia Dearborn Heights Iron Mountain Detroit Iron River Dowagiac Ironwood Durand Ishpeming East Lansing Ithaca

Kalamazoo Lake City Lansing Lapeer Lincoln Park Livonia Ludington Madison Heights Manistee Manistique Marine City Marquette Marshall Mason Melvindale Menominee Midland Monroe Montrose Mt. Clemens Mt. Morris Mt. Pleasant Munising Muskegon Muskegon Hts. Niles Norton Shores Norway Oak Park Olivet

Omer

Onaway

Owosso

Petoskey

Pinconning

Port Huron Portage Reading Reed City River Rouge Rogers City Saginaw St. Ignace St. Johns St. Joseph St. Louis Sandusky Sault Ste. Marie Southfield Standish Stanton Sturgis Tawas City **Taylor** Three Rivers Trenton Traverse City Vassar Wakefield Warren Wayne West Branch White Cloud Whittemore Wyandotte Wyoming Ypsilanti

**Pontiac** 

#### **Townships:**

Eastpointe

Benton Charter Twp. Berrien County Bridgeport Twp. Saginaw County Buena Vista Charter Twp. Saginaw County Genesee Twp. Genesee County Leoni Twp. **Jackson County** Mt. Morris Charter Twp. Genesee County Redford Charter Twp. Wayne County Royal Oak Charter Twp. **Oakland County** 

Jackson

Villages:

Baldwin Lake County

(147 Total Qualifying Communities)



RICK SNYDER GOVERNOR NICK A. KHOURI STATE TREASURER

**DATE:** June 6, 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 June 6, 2017 Meeting

<b>Application Number</b>	Name of Charitable Organization	Unit	Unit Type	County	Parcel Number	Years Approved
17-016	Habitat for Humanity of Monroe County	Monroe	City	Monroe	19-00274-097	5 years
17-018	Habitat for Humanity of Huron Valley	Ypsilanti	Twp	Washtenaw	K-11-11-480-018	3 years
17-019	Habitat for Humanity of Huron Valley	Ypsilanti	Twp	Washtenaw	K-11-03-161-128	3 years
17-020	Habitat for Humanity of Monroe County	Monroe	Twp	Monroe	58-12-020-042-02	5 years
17-021	Habitat for Humanity of Monroe County	Monroe	Twp	Monroe	58-12-020-042-01	5 years
17-022	Habitat for Humanity HiawathaLand	Escanaba	City	Delta	051-010-2929-312-009	3 years



Date printed: May 30, 2017



# STATE OF MICHIGAN DEPARTMENT OF TREASURY LANSING

RICK SNYDER GOVERNOR NICK A. KHOURI STATE TREASURER

**DATE:** June 6, 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, 2020.

#### **New Certifications:**

### **Allegan County**

Leighton Township

#### **Berrien County**

Galien Township City of New Buffalo Three Oaks Township

#### **Branch County**

Kinderhook Township

#### **Cass County**

Calvin Township Howard Township Volinia Township

#### **Cheboygan County**

City of Cheboygan

#### **Crawford County**

Beaver Creek Township

### **Genesee County**

City of Flint Houghton County Osceola Township

## **Iosco County**

Grant Township Whittemore Township

#### **Iron County**

Bates Township

#### **Kent County**

City of Lowell Vergennes Township

# **Monroe County**

Bedford Township

## **Osceola County**

Burdell Township LeRoy Township Lincoln Township Richmond Township

## **Ottawa County**

Spring Lake Township

#### **VanBuren County**

Columbia Township
Decatur Township

## **Washtenaw County**

City of Ann Arbor



# STATE OF MICHIGAN DEPARTMENT OF TREASURY LANSING

NICK A. KHOURI STATE TREASURER

Date printed: May 30, 2017

RICK SNYDER GOVERNOR

**DATE:** June 6, 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, 2020.

**New Certifications:** 

**Genesee County** 

Village of Otter Lake

**Lapeer County** 

Village of Otter Lake

**Livingston County** 

Unadilla Township

**Mason County** 

**Grant Township** 

**New Certification Denials: None** 

Recertification's:

**Alcona County** 

Caledonia Township

**Genesee County** 

Montrose Township

**Jackson County** 

Liberty Township

# **Kent County**

Alpine Township

Monroe County
LaSalle Township

Montcalm County
City of Carson City City of Stanton Crystal Township Fairplain Township

**Recertification Denials:** None

