

Week of October 12, 2009

Topic: Handling of Taxable Values Following an MTT Judgment



Dear SABby,

I am the assessor of record for four townships and I have had several valuation appeals that were filed by taxpayers in 2007 heard before the Michigan Tax Tribunal (MTT) this year. The MTT issued Final Judgments for these appeals which included changes to the 2007 and 2008 year's Assessed and Taxable Values. Some of the appeals and judgments did not include the 2009 year. I am receiving conflicting opinions as to how to properly handle the 2009 Assessed and Taxable Values of a property when it was not included in an MTT appeal or judgment. I want to work hard to maintain the core nucleus values of assessing and work daily to avoid appearing to be disingenuous; can you please inform me what the proper procedures are for this situation?

Sincerely,
Missy T. Value

Dear Ms. Value:

Seriously! This is an excellent topic to address. Proper handling of a property's Assessed and Taxable Values when changes are made due to an MTT Judgment is crucial to maintaining accurate tax rolls. To help clarify the issue I will briefly outline past procedures.

In the past, MTT orders included language which directed assessors to recalculate Taxable Values for the year(s) following the year(s) specifically included in the order. A change to this procedure occurred due to a ruling by the Michigan Court of Appeals (COA) in the *Great Lakes Division of National Steel Corporation v City of Ecorse* Case. The COA decision stated that the MTT does not have the authority to order an "update" in Taxable Value for a year not on appeal to them.

After the COA issued its decision, it became necessary for the State Tax Commission (STC) to issue an order of its own under their authority contained in Section 150 of the General Property Tax Act. The STC order directs assessors to recalculate Taxable Values for the year(s) following year(s) that are specifically included in an MTT order. The recalculation is to be based on the Taxable Value ordered by the MTT for the most recent year of the order. It is also important to note, the process of recalculating Taxable Values after an MTT order is issued does not apply to Assessed Value. This point is more thoroughly explained in the Bulletin.

Please visit the Commission's Website at www.michigan.gov/statetaxcommission (not a live link) to obtain a copy of the archived Bulletin 6 of 1999 for additional information. If you have additional questions regarding this matter please feel free to contact our staff expert Dianne Wright at (517) 373-0676.

Sincerely,
SABby