

STATE OF MICHIGAN
DEPARTMENT OF LICENSING & REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
MICHIGAN TAX TRIBUNAL

John M. Chase, Jr. Revocable Trust,

Petitioner,

v

MTT Docket No. 440389

City of Hillsdale,

Tribunal Judge Presiding
Paul V. McCord

Respondent.

FINAL OPINION AND JUDGMENT

Karlye A. Horton (P71338), for Petitioner.

No appearance for Respondent.

I. INTRODUCTION

This property tax assessment dispute comes before the Tribunal for decision after a default hearing in the Entire Tribunal Division on December 3, 2013, in Dimondale, Michigan. At issue is the market value (true cash value or “TCV”) of Petitioner’s 11 unit apartment building located at 101 Williams Court, Hillsdale, Michigan (the “Subject”). Respondent’s assessment, produced by means of mass-appraisal, indicated that the TCV of the Subject was \$347,200 for the tax year at issue. Petitioner alleged in its petition, and at hearing presented evidence, that the market value of its property likely did not exceed \$225,000. Respondent did not appear at the default hearing and has submitted no information or evidence of value. The issues for decision are: (1) the true cash, state equalized and taxable values of Petitioner’s property for the tax year at issue, and (2) whether Petitioner is entitled to costs. It is.

II. JUDGMENT

This Tribunal holds that the Subject’s TCV, state equalized value (SEV), and taxable value (TV) for the tax year at issue are as follows:

Tax Year	Parcel Number	TCV	SEV	TV
2012	006-123-151-03	\$225,000	\$112,500	\$112,500

This Tribunal further holds that Petitioner is entitled to its costs incurred in prosecuting this case.

III. FINDINGS OF FACT AND CONCLUSIONS OF LAW

After hearing and observing the witnesses who testified at the evidentiary hearing, allowing for the Tribunal to assess credibility, and having further considered the exhibits submitted by the parties, the arguments presented by counsel, and applying the governing legal principles, the Tribunal makes the following independent findings of fact and conclusions of law¹ set forth below in memorandum form. See MCL 205.751(1) (“A decision and opinion of the tribunal . . . shall be in writing or stated in the record, and shall include a concise statement of facts and conclusions of law, stated separately . . .”); see also MCL 24.285.

IV. FINDINGS OF FACT

This section presents a “concise, separate, statement of facts” within the meaning of MCL 205.751(1), and, unless stated otherwise, the matters stated or summarized are “findings of fact” within the meaning of MCL 24.285. The findings of fact are set forth in narrative form based on the Tribunal’s conclusion that it is the most expeditious manner of proceeding where there are few disputes about facts and the main focus of the controversy is the valuation of the Subject as of the tax year at issue.

1. *Assessment*

The Subject is identified on Respondent’s assessment roll by Parcel No. 006-123-151-03. For the 2012 tax year, Respondent determined that the true cash value of the Subject, by method of mass appraisal, was \$347,200. Specifically, true cash value (TCV), state equalized value (SEV), assessed value (AV), and taxable value (TV) of the Subject as appearing on Respondent’s assessment roll for the tax year at issue are as follows:

Year	TCV	SEV	AV	TV
2012	\$347,200	\$173,600	\$173,600	\$128,892

The Subject is classified as “commercial” improved real property. During the tax year at issue, the level of assessment for commercial improved real property within Respondent’s jurisdiction equaled 50 percent of true cash value as determined by method of mass appraisal.

2. *The Subject Property*

The Subject is a rectangular shaped 0.412 acre commercial lot containing 17,932 square feet, improved with a three-story multi-family residential apartment building thereon. The Subject apartment building has 11 residential units and commonly known as “Walnut Arms” and is located at 101 Williams Court, Hillsdale Michigan. The Subject is classified as a Class C multi-

¹ To the extent that a finding of fact is more properly a conclusion of law, and to the extent that a conclusion of law is more properly a finding of fact, it should be so construed.

family residential apartment building built in 1964 in a more-or-less rectangular plan. The exterior of the building reflects the design, quality and appeal of a fifty year-old apartment building of mind in 1960's vintage. The walls of the building are brick and the building has a flat roof. The windows of the building have been replaced with vinyl replacement style casement windows. On-site parking is available for the tenants on a paved lot at the back of the building. Generally, the subject has been adequately maintained.

There are three levels to the Subject apartment building more-or-less divided into quarters with a central hall and stairs. The lowest level is a so-called garden level as it is about one half below grade. The garden level includes three apartments, a mechanical room, a small secure storage area for each apartment, and single coin operated washer/dryer available for tenant use. Although partially below grade, the three apartments located on the garden level have ample natural light and emergency egress at grade.

Above the garden level, there is a first and second floor above grade. The first and second floors contain 4 apartments each for a total of 11 rental units for the entire building. Each apartment unit features one bedroom with a full bath, kitchen/dining area and a living area. The tub/shower areas have ceramic tile surrounds and are in average condition.

Each of the apartments are basic with modest interior finish, including the original kitchens and baths. Each of the eleven units rents for \$425.00 per month. Each unit has a private electrical panel and the tenant pays the electric bills for his or her unit. There are window air conditioners in each unit. Heat and hot water in each unit is supplied by a single boiler and water heater in the basement. Gas utilities are paid by the landlord. Water and sewer are municipal and are also supplied by the landlord. Garbage service is also furnished by the landlord, via a dumpster located in the parking lot. At present, a tenant serves as a part-time manager and maintains the common areas.

Hillsdale Michigan is the county seat of Hillsdale County, which is in south central Michigan about 70 miles southwest of Ann Arbor, Michigan, and a similar distance north of Fort Wayne, Indiana. As of the 2010 census, Hillsdale has a population of about 8,233 residents. Hillsdale County had a population of about 46,668 residents county wide. Hillsdale County experienced a slight decrease in population (about 1.5 percent) from the previous year. Per-capita income in Hillsdale County is about 20 percent lower than the per capita income reported for Michigan as a whole. The county's unemployment rate for January 2012 of 10.4 percent was higher than the state unemployment rate, although the general trend showed a decline in the unemployment rate.

3. Petitioner's Valuation Disclosure

Petitioner offered a summary appraisal report of the Subject prepared by Mr. David J. Pavka. Mr. Pavka is a state license real estate appraiser holding a Michigan Certified General Real Estate Appraiser's license and has been appraising properties in the market area of the Subject for over 20 years. Mr. Pavka stated that he was familiar with the Subject and its market area. Mr. Pavka conducted a physical inspection of the Subject and the Subject's neighborhood.

Mr. Pavka's analysis is premised on his conclusion that the highest and best use of the Subject, as improved, would be as an 11-unit apartment building. In his appraisal report, Mr. Pavka opined that the market value of the Subject as of December 31, 2011, was \$225,000. In rendering his opinion of value, Petitioner's expert developed all three approaches to value, *i.e.*, a sales comparison approach, an income approach and a cost approach to value. Although Mr. Pavka developed value conclusion based on all three approaches to value, he placed principal reliance on his sales comparison approach to value which yielded a result of \$230,000. The other approaches were considered in his final reconciliation of value.

a. Petitioner's sales approach

Petitioner's expert identified 5 comparable sales. Each of these file sales occurred during the period from March of 2010 to April 2012. Each of the five properties traded in the range of \$135,000 to \$250,000. The comparables were adjusted to account for such differences as location, site, quality of construction, age, gross building area, foundation, habitable below grade living space, HVAC and parking.

Petitioner's Sale 1, located at 100 Park Place, Hillsdale, Michigan, is fairly close to the Subject and sold on August 31, 2011 for \$229,000. Sale 1 is a new building, built in 2003, and was considered by Petitioner's expert to be superior in quality to the Subject, due to its concrete construction. Specifically, this building was built using insulated concrete forms that create eight inch thick concrete walls that have high density foam forming insulation material making this building extremely solid and energy efficient. Sale 2 is similar in design to the Subject with a garden level finished basement and two additional stories sold on January 14, 2011, for \$250,000. Sale 2 is located in Battle Creek, Michigan. Although slightly smaller than the subject, Petitioner's expert nevertheless considered Sale 2 a good indicator of value. While Sale 3, located in Coldwater, Michigan, sold for 164,500 4 months after the valuation date on April 20, 2012, the property went under contract in January 2012. Petitioner's appraiser considered such a transaction to be relevant in time to be included in his analysis. Sale 3 was of an apartment complex of three modular construction duplex style buildings in a residential location similar to the Subject. Sale 3 is similar in overall size, although built on a crawl space, requiring adjustments for basement size and finish. Both Sales 4 and 5 were located in Jackson Michigan. The Sales 4 and 5 are similar in style as the Subject, but in more urban locations and were considered to be inferior in terms of location to the Subject. Sales 4 and 5 were also regarded as being inferior to the Subject in terms of condition, however, Petitioner appraiser considered these sales to be supportive of sales 1, 2 and 3. After adjustments, Petitioner's Sales ranged from \$175,800 to \$253,050.

b. Petitioner's income approach

Both in his report and at hearing, Petitioner's expert testified that he looked at rental comparables and what he believed would be a market rent for the Subject. Petitioner's expert noted that the Subject's actual rents were slightly below market by \$25 per month per unit. Mr. Pavka concluded that market rent for the Subject would be \$450 per month. After applying a 10 percent vacancy rate, and an estimated of \$2,800 for other income, from the coin-operated laundry in the basement, Mr. Gilbert concluded that the effective gross income for the Subject

would be \$55,980. Expenses were estimated to be at \$38,797 for a net operating income of \$17,183. Petitioner's expert used an estimate of property tax expense in his expense estimate. Mr. Pavka utilized the band of investment technique to develop a capitalization rate of 0.102075. This resulted in a value conclusion, via the income approach of \$168,300. As a check, Mr. Pavka also developed a Gross Rent Multiplier for the Subject, based on recent sale of similar rental properties. Concluding a potential gross income of \$62,200 for the Subject and a GRM of 4, the value conclusion under this method was \$248,000. Mr. Gilbert noted, however, in his report that this method was less reliable than this band of investment analysis because of unequal allocation of expenses in the sales considered for the GRM.

c. Petitioner's cost approach

Petitioner's expert also developed a cost less depreciation approach to value utilizing cost and depreciation estimates from Marshall Valuation Service Cost Manuals. According to the computations performed by Petitioner's expert, the Subject apartment building was estimated to carry a base cost new of \$585,956. After estimated depreciation, the depreciated cost of the Subject Apartment building was estimated at \$234,382. Site improvements were estimated at \$3,285 for a total depreciated cost of the improvement estimated to be \$237,667. The value of the underlying land was developed, based on the land residual technique where the depreciated value of existing improvements is deducted by the sale price of recent sales to determine the portion of the sale price attributable to the underlying land. In this case, using 3 improved sales, Petitioner's expert concluded that the value of the underlying land was \$8,000. Adding this conclusion to that of the estimated depreciated cost of the improvements on the Subject resulted in a value estimate of \$245,700 (rounded). Mr. Pavka opined that the costs approach likely set the upper limit of the value range for the Subject.

V. CONCLUSIONS OF LAW

1. Default

TTR 231(1) provides that if a party has failed to plead, appear, or otherwise proceed as provided by the Tribunal's rules or orders, the Tribunal may, upon motion or its own initiative, hold that party in default. On December 5, 2012, the Tribunal entered an Order of Default in the above-captioned case, finding that Respondent had failed to file an Answer in this case as required by former TTR 245 (now TTR 229).² Respondent did not cure its default. As Respondent was the defaulting party to which it does not bear the burden of proof as to the TCV of the Subject (see MCL 205.737(3)), this Tribunal issued a Default Hearing Scheduling Order on October 28, 2013. Under the Tax Tribunal's rules, a "default hearing" is a hearing at which the respondent is precluded from presenting any testimony, submitting any evidence, and examining the other party's witnesses unless, in the Tribunal's discretion, it allows otherwise. TTR 231(2). A default hearing, pursuant to TTR 231, was held on December 3, 2013. Petitioner appeared through its counsel and offered the testimony of its expert witness together with documentary evidence in support of its value claim. Respondent, City of Hillsdale, was not present at the hearing, offered

² See TTR 229(1) providing that the failure to file either an answer or a responsive motion within 28 day may result in the holding of respondent in default and the conduction of a default hearing as provided in TTR 231.

no motion to set aside the default, proofs that it had a meritorious defense to Petitioner's appeal, evidence as to the market value of the Subject, or that its default in this matter was other than willful.

2. *Burden of proof*

Although Respondent is in default and this case is being heard as a default hearing, Petitioner nevertheless bears the burden of proof as to the true cash value of its property. MCL 205.737(3); *Samonek v Norvell Twp*, 208 Mich App 80, 84; 527 NW2d 24 (1994). In other words, merely because Respondent is precluded from presenting any testimony, submitting any evidence, and examining Petitioner's witnesses, Petitioner is not automatically entitled to judgment in its favor. Instead, Petitioner's obligation to establish, through the evidence it presents, its right to relief remains unaltered. In this regard, a default hearing is analogous to the situation where a respondent moves pursuant to MCR 2.504(B)(2) for involuntary dismissal at the close of a petitioner's proofs (knowing, of course, that neither party actually so moved). Therefore, this Tribunal weighs and analyzes the evidence presented in this case employing the evidentiary standard applicable to such a motion, meaning that this Tribunal must "weigh the evidence, pass upon the credibility of witnesses and select between conflicting inferences." *Marderosian v Stroh Brewery Co*, 123 Mich App 719, 724; 333 NW2d 341(1983). Under this formulation, Petitioner is not given the advantage of the most favorable interpretation of the evidence. *Id.*

The burden of proof in a tax case encompasses two concepts: (1) the burden of going forward with the evidence, and (2) the burden of persuasion, which remains with Petitioner throughout the course of the hearing. *Great Lakes Div of Nat'l Steel Corp v Ecorse*, 227 Mich App 379, 409-410; 576 NW2d 667 (1998). In order to meet its burden of going forward with the evidence (sometimes referred to as the burden of production), the evidence offered by Petitioner must be sufficient and reliable to demonstrate that the assessment at issue is in error. *Id.* at 410. Ordinarily this is done by showing the actual value of the property. If the evidence introduced by Petitioner is sufficient, albeit not necessarily conclusive, that the challenged assessment may be wrong, then the Tribunal must appraise the testimony, make a determination of true value of the property and fix the assessment. *Id.*; see also *Jones & Laughlin Steel Corp v Warren*, 193 Mich App 348, 355; 483 NW2d 416 (1992); *Country Meadows, GP v Macomb Twp*, unpublished opinion per curiam of the Court of Appeals, issued April 1, 1997 (Docket No. 182305). In the end, however, whether Petitioner is entitled to any relief depends on Petitioner meeting its burden of persuasion. The "burden of persuasion" refers to Petitioner's obligation to introduce evidence sufficient to convince this Tribunal, to a requisite degree of belief³ that its claim as to the TCV of its property is in fact true. *McKinstry v Valley Obstetrics-Gynecology Clinic, PC*, 428 Mich 167, 178-179; 405 NW2d 88 (1987).

³ In valuation cases, the petitioner's burden is "by a preponderance of the evidence." That is, that in the opinion of the Tribunal it is "more likely than not" that the true cash value of the petitioner's property is as the petitioner claims it to be. See MCL 205.737(3); see also *President Inn Properties, LLC v Grand Rapids*, 291 Mich App 625, 631; 806 NW2d 342 (2011).

In this case, this Tribunal finds that Petitioner has produced sufficient evidence to meet its burden of going forward with the evidence.⁴ See *President Inn Props LLC v Grand Rapids*, 291 Mich App 625, 631; 806 NW2d 342 (2011); *Great Lakes Div of Nat'l Steel Corp*, *supra* at 408-409. Petitioner presented independent evidence of the value of the Subject by a competent appraiser with a rational basis for his appraisal. If taken as true, the opinion of Petitioner's expert and the facts upon which he relied, create a sufficient question regarding the correctness of the assessment at issue to allow this Tribunal to make an independent determination of the value of Petitioner's property.

3. Valuation

The true cash value of property must “reflect the probable price that a willing buyer and a willing seller would arrive at through arm's length negotiation.” *Huron Ridge LP v Ypsilanti Twp*, 275 Mich App 23, 28; 737 NW2d 187 (2007), see also MCL 211.27(1). The fair market value is the measure of true cash value for taxation purposes. See *CAF Investment Co v State Tax Commission*, 392 Mich 442, 450; 221 NW2d 588, 592 (1974); see also *WPW Acquisition Co v Troy*, 250 Mich App 287, 298; 646 NW2d 487 (2002). Ultimately, the true cash value of property is a question of fact. See *Edward Rose Bldg Co v Independence Twp*, 436 Mich 620, 638; 462 NW2d 325 (1990). In deciding valuation cases, we often look to the opinions of witnesses. See TTR 255(2). To this end, our rules generally make the submission of an appraisal or documents supporting the contended value, together with supporting expert valuation testimony, a practical requirement. See TTR 237(1) and 255(2). The Tribunal has broad discretion in forming its own conclusions about the record. See *President Inn*, *supra* at 351, citing *Teledyne Continental Motors v Muskegon Twp*, 145 Mich App 749, 754; 378 NW2d 590 (1985). We can find facts and accept or reject expert testimony and theories as we see fit. *Jones & Laughlin*, 193 Mich App at 356. But regardless of the method employed, this Tribunal must determine the most accurate valuation under the individual circumstances of the case. *Meadowlanes Ltd Dividend Housing Ass'n v City of Holland*, 437 Mich, 473, 485-486, 502; 473 NW2d 473 NW2d 636 (1991).

Michigan courts recognize that there are three common approaches employed to value property: the income approach, the sales comparison approach, and the cost approach, see *Great Lakes Div. of Nat'l Steel Corp*, *supra* at 390; *Antisdale v City of Galesburg*, 420 Mich 265, 277; 362 NW2d 632 (1984). Petitioner's expert developed all three, but placed principal reliance on the sale comparison approach.

The sales comparison approach is applicable to all types of real property interests when there are sufficient recent, reliable transactions to indicate value patterns and trends in the market. While not conclusive for property types bought and sold regularly, market sales of comparable

⁴ This Tribunal notes, however, that a finding that Petitioner has met its burden of going forward with the evidence does not equate to a finding that the value of the property is less than that on the assessment roll. To the contrary, by meeting its burden of going forward with the evidence, Petitioner trips the Tax Tribunal's obligation under the Tax Tribunal Act to address the question of what value should be accorded the property. See MCL 205.735a(2). Once the burden of going forward with the evidence is met, “[t]he Tax Tribunal has a duty to make its own, independent determination of true cash value.” *President Inn Properties, LLC v City of Grand Rapids*, 291 Mich App 625; 806 NW2d 342, 352 (2011).

properties present probative evidence of the fair market value of similar property. See *Samonek v Norvell Twp*, 208 Mich App 80, 84—85; 527 NW2d 24 (1994); 84 CJS *Taxation* §411. When data is available, this is the most straight forward and simple way to explain and support an opinion of market value. Appraisal Institute, *The Appraisal of Real Estate* (Chicago: Appraisal Institute, 14th ed, 2013), p 380. After reviewing and weighing the evidence presented, this Tribunal finds that the sales comparison approach offers the most accurate method for determining the true cash value of Petitioner’s property. Petitioner argues that, given the opinion of its expert, and his analysis of the five comparable properties that he selected, any potential buyer for the Subject as of the relevant tax day would pay no more than \$225,000. This Tribunal agrees.

Petitioner’s expert was qualified by the Tribunal as an expert in real property valuation, and his appraisal was admitted into evidence thereby permitting him to offer opinion testimony. See TTR 255(2). However, being qualified as an expert is but the first part of accepting an expert’s opinion. With regard to Petitioner’s analysis, this Tribunal notes that Petitioner’s Sale 2 is most similar to the Subject with a garden level finished basement and two additional stories. Sale 2 sold on January 14, 2011 for \$250,000. Sales 4 and 5, although suffering in terms of an inferior location and condition, are supportive of the value conclusion of \$230,000 reached under this approach.

Although Petitioner’s expert did not place principal reliance on his income capitalization analysis, due to what this Tribunal infers was a lack of confidence in the data, he nevertheless used his conclusions reached under this method in his final reconciliation of value to inform his final value opinion. This Tribunal finds likewise.

The income capitalization approach is an accepted means for valuing commercial property where buyers and sellers of such property use this technique to inform their transactional decisions. See *CAF Investment Co v Saginaw Twp*, 410 Mich 428, 476; 302 NW2d 164 (1981) (LEVIN, J., concurring). This approach has been specifically accepted as a reliable method for valuing apartment complexes. See International Association of Assessing Officers, *Property Assessment Valuation* (Kansas City: International Ass’n of Assessing Officers 3rd ed, 2010), p 204. In the income capitalization approach, the present value of the future benefits of property ownership is measured. See, *The Appraisal of Real Estate, supra* at 439. The purpose of the income approach is to predict the net income an informed buyer believes the property will produce during its remaining useful life. This approach subtracts from the effective gross income (EGI) of the property, expenses exclusive of property taxes in order to arrive at a net operating income, which, when divided by the capitalization rate, results in a valuation of the property. See *Property Assessment Valuation, supra*. The capitalization rate reflects the desired yield a purchaser would seek on the capital investment. The higher the capitalization rate, the lower the values. Additionally, there are two capitalization rates used in property appraisals. A calculation of the income approach to value may be presented as follows:

Potential Gross Income A
Less Vacancy/Loss B
Rental Income (A-B) = C
Plus Other Income D

Effective Gross Income (C+D) = E

Operating Expenses- F
Exclude property taxes-[G]
Net Operating Income (F-G) = H

Effective Capitalization Rate I
Value H ÷ I

Petitioner's expert included an estimate of the property tax expense in his direct capitalization approach. In a real property tax dispute, property taxes are not included as an expense. The reason for this is that the purpose of appraisal is to estimate the value which will become the basis of the tax assessment. To use the existing taxes as an expense would be to say that the present assessment is already correct. Likewise, including an estimate of the property tax expense strikes this Tribunal as too speculative and introduces an unacceptable level of imprecision into the analysis.

Instead of being treated as an expense, property taxes are more properly handled as part of the capitalization rate. Specifically, the ratio of taxes to value should be added to the capitalization rate. This sum is then divided into the net operating expenses before property taxes to give an estimate of value. In this case, the level of assessment for commercial real property within Respondent's jurisdiction for the tax year at issue was 50 percent. For the 2012 tax year, the millage levied by Respondent was .0533732, resulting in a ratio of taxes to value of .0266876. Thus, the tax loaded capitalization rate is concluded to be 0.1287626 (0.102075 + 0.0266876). The Subject's Net Operating Income before property taxes is \$23,367. Thus, as applied to the Subject, the income approach indicates a value of \$181,473.

Taking into consideration the evidence presented at hearing and the value reached under each approach to value, this Tribunal finds, by the appropriate standard of proof, that a market value conclusion for the Subject of \$225,000 for the tax year at issue is supported. The market evidence as presented by Petitioner expert sufficiently supports Petitioner's contentions of value.

4. *Costs and Fees*

Generally speaking, litigation costs and legal expenses are not recoverable unless otherwise authorized by statute, case law, or contract. MCL 205.752(1) authorizes the Tribunal to award costs incurred by a party in pursuing an appeal in this forum. Although the Tribunal is hesitant to award costs, Rule 209(1) nevertheless provides that a party may be entitled to an award of costs, either on motion or on the Tribunal's own initiative, when provided for by the Tribunal in a decision or order. TTR 209(1). The decision to award costs is solely within the discretion of the Tribunal judge. Here, Respondent has failed to timely submit an answer and failed to appropriately respond to the Tribunal's Orders. The Tribunal finds that Respondent has failed to participate in this appeal in any manner and has failed to provide any meritorious defense to Petitioner's case. As a result, Respondent has burdened both Petitioner and this Tribunal with a case in which there was no real dispute. Therefore, awarding Petitioner costs is appropriate in this case.

VI. CONCLUSION

Respondent has failed to provide any evidence in support of the values assessed on the roll. Accordingly, it cannot be determined that Respondent's assessment accurately reflects the value of the subject property. After a careful review and weighing of the testimony and exhibits presented by Petitioner, this Tribunal finds that Petitioner has met its burden of proof and that a reduction in the assessment is warranted. For the reasons discussed above, the conclusion of this Tribunal is that the true cash, state equalized, and taxable values of the Subject are as follows:

Parcel Number: 006-123-151-03

Year	TCV	SEV	TV
2012	\$225,000	\$112,500	\$112,500

Further, this Tribunal has found that an award of cost to Petitioner is warranted. In reaching the holdings in this opinion, this Tribunal has considered all arguments for contrary holdings, and has rejected all arguments not discussed as without merit or irrelevant. To reflect the foregoing:

IT IS SO ORDERED.

IT IS ORDERED that Petitioner shall submit to the Tribunal and Respondent within 14 days of the entry of this Order a bill of costs, prepared in compliance with TTR 209(3), reflecting the costs incurred by Petitioner in this matter.

IT IS FURTHER ORDERED that Respondent may respond to the bill of costs within seven (7) days of the service of the bill of costs.

IT IS FURTHER ORDERED that the officer charged with maintaining the assessment rolls for the tax year at issue shall correct or cause the assessment rolls to be corrected to reflect the property's true cash and taxable values as finally shown in this Final Opinion and Judgment within 90 days of the entry of the Final Opinion and Judgment, the subject to the processes of equalization. See MCL 205.755. To the extent that the final level of assessment for a given year has not yet been determined and published, the assessment rolls shall be corrected once the final level is published or becomes known.

IT IS FURTHER ORDERED that the officer charged with collecting or refunding the affected taxes shall collect taxes and any applicable interest or issue a refund as required by the Final Opinion and Judgment within 28 days of the entry of the Final Opinion and Judgment. If a refund is warranted, it shall include a proportionate share of any property tax administration fees paid and of penalty and interest paid on delinquent taxes. The refund shall also separately indicate the amount of the taxes, fees, penalties, and interest being refunded. A sum determined by the Tribunal to have been unlawfully paid shall bear interest from the date of payment to the date of judgment and the judgment shall bear interest to the date of its payment. A sum determined by the Tribunal to have been underpaid shall not bear interest for any time period prior to 28 days after the issuance of this Final Opinion and Judgment. Pursuant to MCL 205.737, interest shall accrue (i) after December 31, 1995, at a rate of 6.55% for calendar year

1996, (ii) after December 31, 1996, at a rate of 6.11% for calendar year 1997, (iii) after December 31, 1997, at a rate of 6.04% for calendar year 1998, (iv) after December 31, 1998, at the rate of 6.01% for calendar year 1999, (v) after December 31, 1999, at the rate of 5.49% for calendar year 2000, (vi) after December 31, 2000, at the rate of 6.56% for calendar year 2001, (vii) after December 31, 2001, at the rate of 5.56% for calendar year 2002, (viii) after December 31, 2002 at the rate of 2.78% for calendar year 2003, (ix) after December 31, 2003, at the rate of 2.16% for calendar year 2004, (x) after December 31, 2004, at the rate of 2.07% for calendar year 2005, (xi) after December 31, 2005, at the rate of 3.66% for calendar year 2006, (xii) after December 31, 2006, at the rate of 5.42% for calendar year 2007, and (xiii) after December 31, 2007, at the rate of 5.81% for calendar year 2008 (xiv) after December 31, 2008, at the rate of 3.31% for calendar year 2009, and (xv) after December 31, 2009, at the rate of 1.23% for calendar year 2010, at the rate of 1.12% for calendar year 2011, and (xvi) after December 31, 2011, at the rate of 1.09 for calendar year 2012, (iv) after June 30, 2012, through December 31, 2013, at the rate of 4.25%, and (v) after December 31, 2013, and through June 30, 2014, at the rate of 4.25%.

This Final Opinion and Judgment resolves all pending claims in this matter and closes this case.

By: Paul V. McCord

Entered: Feb 14, 2014