



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

MINUTES OF THE MEETING OF THE STATE TAX COMMISSION

***Holiday Inn Express and Okemos Conference Center,
Okemos A & B Rooms
2187 University Park Drive, Okemos, Michigan***

***Monday, April 17, 2017
9:00 a.m.***

***PRESENT: Douglas B. Roberts, Chair STC
W. Howard Morris, Member STC
Leonard D. Kutschman, Member STC

Heather S. Frick, Executive Director
LaNiece Densteadt, Recording Secretary***

The item numbers referred to in the minutes correspond to the agenda items as numbered.

Chairman Roberts announced and welcomed the new member of the Commission, Commissioner Leonard Kutschman. Mr. Kutschman is a Michigan Master Assessing Officer, Michigan Certified General Appraiser, and a Michigan Licensed Real Estate Broker. Mr. Kutschman recently retired from the law firm of Honigman Miller Schwartz and Cohn LLP where he served as a property tax consultant. He was also a past president of the Michigan Assessors Association.

It was moved by Morris, supported by Roberts, and approved to adopt the minutes of March 3, 2017. (Item 1 on agenda)

Public Comment – Agenda Items 3-16 Only (Item 2 on agenda):

Christine Deeren appeared before the Commission regarding agenda item 12, the official order regarding the City of St. Ignace, Mackinac County. Ms. Deeren stated the following: “I am here regarding a letter we received from Ms. Frick about the assessment roll and the fact that the IRM was not appropriately placed on any of the notice of assessments. I have three separate notices for your review indicating that was not the case and the inflation rate multiplier was in fact applied to the properties it could be applied to.

I became the assessor in 2013 and transferred the hard copy roll into the BS&A database in order to send out assessment notices. I have been working on getting a master appraisal complete for the City and working on getting all the information onto the assessment roll. I had left the City of St. Ignace in December to take another job because they were unable to fill my position. I came back to the City to help them roll over for 2017 and send out personal property statements and other required documents.

Unfortunately, the City was in an override situation in the residential class in BS&A. I had to continue that override. Which meant that until I brought the whole residential class over at the same time, I could not take the properties out of override. Instead of making erroneous adjustments on my assessments, I took a multiplier that was given to me by the State. I indicated in the paper that we were going to have a tentative multiplier of 1.067, which was also noticed in the paper by Mackinac County. I notified everybody that would be the case and that allowed properties to take a rate of inflation increase where it was necessary. There were some properties where the assessed and taxable values were the same. They did not take the IRM on the notice of assessments and after equalization that will hit the taxable value.

I am here today to let the State Tax Commission know that all the records from the master appraisal have been completed, all properties within the City of St. Ignace have been inspected and the records have been entered into the database. I am hoping we can retain the assessment roll without the State taking jurisdiction.”

No other member of the public wished to speak at public comment on agenda items 3-16.

It was moved by Morris, supported by Kutschman, and unanimously approved Bulletin 2 of 2017 Electronic Filing. (Item 3 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved Bulletin 3 of 2017 Millage Requests and Rollbacks and 2017 Millage Rollback Forms 612 – Millage Reduction Fraction Computation, 613 – Complete Millage Reduction Fraction Computation, 614 – Tax Rate Request and 2166 – Millage Reduction Fraction Calculations Worksheet. (Item 4 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved Bulletin 4 of 2017 1st Quarter Certified Interest Rates. (Item 5 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the revised New Personal Property Exemption (P.A. 328 of 1998) Frequently Asked Questions. (Item 6 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the 2017 State Average Tax Rate. (Item 7 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved Form 610 – 2017 Calculations of Taxable Valuations Including Additions, Losses and Totals for Units Which Were Not Equalized as Assessed in 2016 or 2017. (Item 8 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved the 2017 Values for DNR PILT Properties. (Item 9 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the staff recommendation regarding the 2017 Cap Rates for Railroads and Carlines for State Assessed Property. (Item 10 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for Manlius Township, Allegan County as an uncertified unit and failure to hire an outside party to fix the deficiencies noted in the AMAR and follow up reviews for the 2017 assessment roll. The Commission also required an outside party be hired by the State Tax Commission to fix the deficiencies noted in the roll and complete the work for the 2018 assessment roll. (Item 11 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for the City of St. Ignace, Mackinac County for failure to correct the deficiencies noted in the 2015 AMAR Review. A complete reappraisal of the residential class was to be completed in 2016 and had not been implemented for the 2017 assessment roll, the assessed and taxable values were calculated in override and the assessor failed to apply the correct IRM and instead applied a factor. The Commission also required an outside party be hired by the State Tax Commission to fix the issues associated with the 2017 assessment roll and complete the work for the 2018 assessment roll. (Item 12 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to return the 2015 and 2016 assessment rolls for City of Menominee, Menominee County. (Item 13 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to allow Ms. Linda Lewandowski to complete the pilot AMAR training program offered by the State Tax Commission, a BS&A software course that is pre-approved by the Executive Director of the State Tax Commission by July 1, 2017 and a course on professional interaction and communication that is pre-approved by the Executive Director of the State Tax Commission no later than November 1, 2017 holding in abeyance the recommendation to proceed to the Michigan Administrative Hearings System (MAHS). Upon completion of the AMAR training program, BS&A software course and course on professional interaction and communication Ms. Lewandowski shall be ordered to appear before the Assessor Discipline Advisory Committee. Failure to complete the courses and training shall result in Ms. Lewandowski to automatically proceed to MAHS formal hearing. (Item 14 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to allow Ms. Lynn Balice to complete the pilot AMAR training program offered by the State Tax Commission no later than July 1, 2017, a BS&A software course that pre-approved by the Executive Director of the State Tax Commission no later than July 1, 2017 and an economic condition factor and land value development course no later than November 1, 2017 holding in abeyance the recommendation to proceed to the Michigan Administrative Hearings System (MAHS). Upon completion of the AMAR training program, BS&A software course and an economic condition factor and land value development course Ms. Balice shall be ordered to appear before the Assessor Discipline Advisory Committee. Failure to complete the courses and training shall result in Ms. Balice to automatically proceed to MAHS formal hearing. (Item 14 on agenda)

It was moved Morris, supported by Kutschman, and unanimously approved to adopt the official order to allow Ms. Kathryn Hoover to complete the pilot AMAR training program offered by the State Tax Commission by July 1, 2017, a BS&A software course that pre-approved by the Executive Director of the State Tax Commission no later than July 1, 2017 and to complete a course on personal property exemptions that is pre-approved by the Executive Director of the State Tax Commission no later than November 1, 2017 holding in abeyance the recommendation to proceed to the Michigan Administrative Hearings System (MAHS). Upon completion of the AMAR training program, BS&A software course and course on personal

property exemptions Ms. Hoover shall be ordered to appear before the Assessor Discipline Advisory Committee. Failure to complete the courses and training shall result in Ms. Hoover to automatically proceed to MAHS formal hearing. (Item 14 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the staff recommendation on the Charitable Non-Profit Housing Organization Exemptions for the following: (Item 15 on agenda)

These exemptions will either expire on **December 30, 2020 for a period of three (3 years) or December 30, 2022 for a period of five (5 years)**, or until one of the following events occur:

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.

County	Local Unit	Parcel Number	Years Approved
Kent	City of Grand Rapids	41-13-26-434-005	3 years
Roscommon	Gerrish Township	004-260-025-0000	5 years
Monroe	Village of South Rockwood	48-040-079-00	5 years
Midland	City of Midland	14-23-60-008	5 years
Washtenaw	Ypsilanti Township	K-11-14-305-006	3 years

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the staff recommendation on the Re-certifications and New Certifications of Computerized Tax Rolls for the following: (Item 16 on agenda)

These certifications will expire on **May 1, 2020**.

Recertifications:

Antrim County

- Village of Bellaire
- Village of Central Lake
- Village of Elk Rapids
- Village of Ellsworth
- Village of Mancelona
- Banks Township
- Central Lake Township
- Chestonia Township
- Custer Township
- Echo Township
- Elk Rapids Township
- Forest Home Township
- Helena Township
- Jordan Township
- Kearney Township
- Mancelona Township

Milton Township
Star Township
Torch Lake Township
Warner Township

Calhoun County

City of Battle Creek

Genesee County

Grand Blanc Township
City of Mt. Morris

Jackson County

Columbia Township
Pulaski Township

Kent County

Ada Township
Caledonia Township
Vergennes Township

Mason County

Pere Marquette Township

Monroe County

London Township
City of Petersburg

Newaygo County

Ensley Township

Otsego County

Charlton Township

Ottawa County

Robinson Township
City of Ferrysburg

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the staff recommendations on the Special Items Exemptions Agenda. (Item 17 on agenda) ([See attached link for file identification.](#))

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the staff recommendations on the Exemptions Agenda. (Item 18 on agenda) ([See attached link for file identification.](#))

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the MCL 211.154 **Concurrences**. (Item 19 on agenda) ([See attached link for file identification.](#))

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt staff recommendations on MCL 211.154 petitions on the **Special Items Agenda**. (Item 20 on agenda) ([See attached link for file identification.](#))

It was moved by Kutschman, supported by Morris, and unanimously approved the following MCL 211.154 petitions as a **concurrence**, initially noticed as a non-concurrence. (Item 21 on agenda)

City of Benton Harbor, Berrien County

154-16-0778 DAWSON MFG CO 11-54-9999-1013-00-6
PERSONAL PROPERTY

2016 AV from \$ 512,080 to \$ 0 TV from \$ 512,080 to \$ 0

154-16-0792 PRIMARY TECHNOLOGY LLC 11-54-9999-1150-00-3
PERSONAL PROPERTY

2016 AV from \$ 1,324,870 to \$ 1,246,500 TV from \$ 1,324,870 to \$ 1,246,500

Lyon Township, Oakland County

154-16-0872 MCCARBIDE TOOL CO. K-99-00-004-016
PERSONAL PROPERTY

2014 AV from \$ 470,620 to \$ 678,780 TV from \$ 470,620 to \$ 678,780

2015 AV from \$ 641,660 to \$ 675,360 TV from \$ 641,660 to \$ 675,360

2016 AV from \$ 569,340 to \$ 699,370 TV from \$ 569,340 to \$ 699,370

City of Pontiac, Oakland County

154-17-0020 ROSIE A. TURNER 64-14-27-176-022
REAL PROPERTY

2016 AV from \$ 0 to \$ 780 TV from \$ 0 to \$ 780

154-17-0023 FMCM CONSTRUCTION 64-14-33-460-027
REAL PROPERTY

2016 AV from \$ 0 to \$ 1,550 TV from \$ 0 to \$ 1,550

City of Troy, Oakland County

154-16-0839 ELBA INC 88-99-00-268-540
PERSONAL PROPERTY

2014 AV from \$ 35,190 to \$ 239,680 TV from \$ 35,190 to \$ 239,680

2015 AV from \$ 43,990 to \$ 244,950 TV from \$ 43,990 to \$ 244,950

2016 AV from \$ 80,060 to \$ 119,400 TV from \$ 80,060 to \$ 119,400

City of Ann Arbor, Washtenaw County

154-16-0816 KELLERMEYER BERGENSONS SVCS. 09-90-00-081-047
PERSONAL PROPERTY

2014 AV from \$ 0 to \$ 19,200 TV from \$ 0 to \$ 19,200

154-16-0845 DAKO NORTH AMERICA INC 09-90-00-080-939
PERSONAL PROPERTY

2014 AV from \$ 0 to \$ 3,300 TV from \$ 0 to \$ 3,300

154-16-0846 DUO SECURITY 09-90-00-080-311
PERSONAL PROPERTY

2014 AV from \$ 12,400 to \$ 49,000 TV from \$ 12,400 to \$ 49,000
2015 AV from \$ 100,000 to \$ 146,400 TV from \$ 100,000 to \$ 146,400

154-16-0847 TEKWISSEN LLC 09-90-00-080-866
PERSONAL PROPERTY

2014 AV from \$ 0 to \$ 6,900 TV from \$ 0 to \$ 6,900

154-16-0867 GODIVA CHOCOLATIER INC. 09-90-00-025-740
PERSONAL PROPERTY

2014 AV from \$ 51,100 to \$ 58,400 TV from \$ 51,100 to \$ 58,400
2015 AV from \$ 53,200 to \$ 59,900 TV from \$ 53,200 to \$ 59,900

154-16-0868 HEALTHCARE SOLUTIONS 09-90-00-080-460
PERSONAL PROPERTY

2014 AV from \$ 10,000 to \$ 83,400 TV from \$ 10,000 to \$ 83,400
2015 AV from \$ 11,000 to \$ 151,700 TV from \$ 11,000 to \$ 151,700

It was moved by Kutschman, supported by Morris, and unanimously approved to **amend** the following MCL 211.154 petitions. (Item 21 on agenda)

City of Troy, Oakland County

154-16-0842 GRID 4 COMMUNICATIONS 88-99-00-332-800
PERSONAL PROPERTY

2014 AV from \$ 351,560 to \$ 493,420 TV from \$ 351,560 to \$ 493,420
2015 AV from \$ 439,450 to \$ 481,920 TV from \$ 439,450 to \$ 481,920
2016 AV from \$ 300,000 to \$ 499,240 TV from \$ 300,000 to \$ 499,240

It was moved by Kutschman, supported by Morris, and unanimously approved to **deny** the following MCL 211.154 petition. (Item 21 on agenda)

City of Madison Heights, Oakland County

154-16-0866 MRI CONSULTANTS LLC
PERSONAL PROPERTY

44-99-13-007-290

2014 AV from \$ 146,420 to \$ 75,120 TV from \$ 146,420 to \$ 75,120

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt all other MCL 211.154 petitions. ([See attached link for file identification.](#)) (Item 21 on agenda)

Public Comment (Item 22 on agenda): No member of the public wished to comment.

It was moved by Roberts, supported by Morris, to go into closed session to discuss an item of pending litigation. Roll Call Vote: Chairperson Roberts – Yes, Commissioner Morris – Yes, Commissioner Kutschman – Yes. The motion was unanimously approved.

It was moved by Roberts, supported by Morris, and unanimously approved to return to open session. Roll Call Vote: Chairperson Roberts – Yes, Commissioner Morris – Yes, Commissioner Kutschman – Yes. The motion was unanimously approved.

It was moved by Roberts, supported by Kutschman, and unanimously approved to not appeal the *Granger Waste Management Company v. State Tax Commission* Circuit Court Opinion to the Court of Appeals based upon the recommendation of counsel.

The next Commission meeting will be held May 8, 2017, at the Okemos Conference Center in the Okemos A & B Rooms, 2187 University Park Drive, Okemos.

It was moved by Roberts, supported by Morris, and unanimously approved to adjourn the meeting of the State Tax Commission at 10:00 a.m.

DATE TYPED: **April 18, 2017**

DATE APPROVED: **May 8, 2017**

Douglas B. Roberts, Chair
State Tax Commission

W. Howard Morris, Member
State Tax Commission

Leonard D. Kutschman, Member
State Tax Commission