



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***

***Tuesday, June 6, 2017
9:00 a.m.***

***PRESENT: W. Howard Morris, Member STC
Leonard D. Kutschman, Member STC

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

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

It was moved by Kutschman, supported by Morris, and approved to adopt the minutes of May 22, 2017. (Item 1 on agenda)

Public Comment – Agenda Items 4-25 Only (Item 2 on agenda): No member of the public wished to comment.

STATE ASSESSED PROPERTY APPEALS (Item 3 on agenda)

Spartan Net Co.

Brian Holland appeared on behalf of Spartan Net Company. Mr. Holland indicated that Spartan Net Co. should not be state assessed and does not qualify as an eligible state assessed entity. Mr. Holland testified that since the services provided are included in the rent of the buildings as part of the assessment of the real property on the local unit's ad valorem tax roll, the state assessment is a duplicative property tax. Mr. Holland also questioned whether the assets had been correctly reported and assessed. Darcy Marusich, Property Services Division staff, presented testimony that the property qualified as state assessed under the statutory definitions for assessment and there was no supporting documentation provided that would warrant a change in the assessment.

It was moved by Kutschman, supported by Morris, and approved staff's recommendation that the assessment for Spartan Net Co. remain unchanged.

Rocket Fiber, LLC

Mark Hilpert appeared on behalf of Rocket Fiber, LLC. Mr. Hilpert indicated that Rocket Fiber, LLC was being incorrectly assessed at both the State and local level. An assessment in the amount of \$6,836,000 for the company's personal property was also added to the 2017 assessment roll for the City of Detroit creating a duplicate assessment. Darcy Marusich, Property Services Division staff provided testimony that staff had determined the company qualifies as a state assessed entity and recommended that the assessment remain on the State Assessed Roll. Further, staff recommended that the Commission issue an order to have the assessment of \$6,836,000 removed from the City of Detroit 2017 assessment roll.

It was moved by Kutschman, supported by Morris, and approved staff's recommendation that Rocket Fiber, LLC's assessment remain on the State Assessed Roll and that an order be issued requiring the City of Detroit to remove the personal property parcel's assessment from the City of Detroit's 2017 Assessment Roll.

Everstream GLC Holdings

Tao Pei appeared on behalf of Everstream GLC Holdings. Mr. Pei indicated that GLC Holdings recently acquired Lynx Network Group. Mr. Pei indicated that parcel 99-00-00-000-131 was assessed at \$18,784,194 but was incorrectly calculated for the 2017 tax year based upon the sale of property owned at 1781 Holloway Drive, Delhi Charter Township, Ingham County to Holloway Drive Properties, LLC. Darcy Marusich, Property Services Division staff, testified that she had not received any supporting documentation at the time of the appeal to warrant a change in the assessment.

It was moved by Kutschman, supported by Morris, and approved staff's recommendation that the assessment for Everstream GLC Holdings remain unchanged. Staff will continue to review the information presented to determine if it is necessary to file a petition under MCL 211.154.

Cabot Corporation

Kathy Indurante of Indurante & Associates Inc. called to appeal on behalf of Cabot Corporation Rail but did not appear before the Commission.

Braskem America, Inc.

Kathy Indurante of Indurante & Associates Inc. called to appeal on behalf of Braskem America, Inc. Rail but did not appear before the Commission.

American Railcar Industries, Inc.

Appeal was withdrawn by American Railcar Industries, Inc.

It was moved by Kutschman, supported by Morris, and approved to adopt the Final 2017 State Assessed Roll with the following values: (Item 4 on agenda)

Railroad Companies

| | |
|---------------------------|------------------|
| Final True Cash Value | \$ 2,456,959,772 |
| Final Assessed Cash Value | \$ 1,228,479,886 |
| Final Capped Value | \$ 680,720,188 |
| Final Taxable Value | \$ 680,137,843 |

Telephone and Telegraph Companies

| | |
|---------------------------|------------------|
| Final True Cash Value | \$ 2,301,807,470 |
| Final Assessed Cash Value | \$ 1,150,903,735 |
| Final Capped Value | \$ 1,352,534,056 |
| Final Taxable Value | \$ 1,150,903,735 |

Car Loaning Companies

| | |
|---------------------------|----------------|
| Final True Cash Value | \$ 273,873,480 |
| Final Assessed Cash Value | \$ 136,936,740 |
| Final Capped Value | \$ 136,936,740 |
| Final Taxable Value | \$ 136,936,740 |

Total Utility Roll

| | |
|---------------------------|------------------|
| Final True Cash Value | \$ 5,032,640,722 |
| Final Assessed Cash Value | \$ 2,516,320,361 |
| Final Capped Value | \$ 2,170,190,984 |
| Final Taxable Value | \$ 1,967,978,318 |

The Commission was provided with an update on the Assessor's Manual and a recommendation regarding Volume III. Staff are working to distribute Volumes 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. It was indicated that Volume III was created to provide assessors and other interested individuals specific guidance on assessing in Michigan and is not intended as a guide on "how to assess" but rather a resource.

It was moved by Kutschman, supported by Morris, and approved to adopt the staff recommendation to rescind the current version of Volume III of the Assessor's Manual and authorized the release of the 2017 Volume III. The Commission also approved to allow staff to make any necessary updates to Volume III to reference statutory changes or to correct errors and omissions. (Item 5 on agenda)

It was moved by Kutschman, supported by Morris, and approved to adopt the official order to assume jurisdiction and then return the 2017 Assessment Roll for the City of Escanaba, Delta County as an uncertified unit. (Item 6 on agenda)

It was moved by Kutschman, supported by Morris, and approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for Clinton Township, Lenawee County as an uncertified unit and require Clinton Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2018 assessment roll. (Item 7 on agenda)

It was moved by Kutschman, supported by Morris, and approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for Franklin Township, Lenawee County as an uncertified unit and require Franklin Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2018 assessment roll. (Item 8 on agenda)

It was moved by Kutschman, supported by Morris, and approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for Macon Township, Lenawee County as an uncertified unit and require Macon Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2018 assessment roll. (Item 9 on agenda)

It was moved by Kutschman, supported by Morris, and approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for Palmyra Township, Lenawee County as an uncertified unit and require Palmyra Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2018 assessment roll. (Item 10 on agenda)

It was moved by Kutschman, supported by Morris, and approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for Tecumseh Township, Lenawee County as an uncertified unit and require Tecumseh Township to hire an outside party 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 Kutschman, supported by Morris, and approved to adopt the official order to assume jurisdiction of the 2017 Assessment Roll for Woodstock Township, Lenawee County as an uncertified unit and require Woodstock Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2018 assessment roll. (Item 12 on agenda)

It was moved by Kutschman, supported by Morris, and approved Bulletin 5 of 2017 Qualified Errors. (Item 13 on agenda)

It was moved by Kutschman, supported by Morris, and approved the revised Assessor Guide to Eligible Manufacturing Personal Property Tax Exemption and ESA. (Item 14 on agenda)

It was moved by Kutschman, supported by Morris, and approved Bulletin 6 of 2017 Poverty Exemptions. The Commission also approved to revise their guidance regarding Subsection (1) in the bulletin indicating that the township supervisor does not have voting status and, instead, merely has the authority to recommend a specific course of action by the board of review. (Item 15 on agenda)

It was moved by Kutschman, supported by Morris, and approved Bulletin 7 of 2017 Transfer of Qualified Agricultural Property and Form 3676 – Affidavit Attesting Qualified Agricultural Property Shall Remain Qualified Agricultural Property. (Item 16 on agenda)

It was moved by Kutschman, supported by Morris, and approved Bulletin 8 of 2017 Transitional Qualified Forest Property Exemption. (Item 17 on agenda)

It was moved by Kutschman, supported by Morris, and approved Bulletin 9 of 2017 Sales Ratio Studies and Form 2793 – 24 and 12 Month Sales Ratio Study for Determining the 2018 Starting Base. (Item 18 on agenda)

It was moved by Kutschman, supported by Morris, and approved Bulletin 10 of 2017 County Multipliers. (Item 19 on agenda)

It was moved by Kutschman, supported by Morris, and approved Bulletin 11 of 2017 Interest Rates on Michigan Tax Tribunal Judgments. (Item 20 on agenda)

It was moved by Kutschman, supported by Morris, and approved the staff recommendation to rescind the following bulletins and remove these bulletins from the Commission’s website that have been identified as either pertaining to assessment methods no longer practiced, guidance provided more thoroughly in later bulletins, or consisting solely of the transmissions of Public Acts or Attorney General Opinions: (Item 21 on agenda)

| Year | Bulletin Number | Bulletin Title |
|-------------|------------------------|--|
| 1982 | 1 | Taxes – 1981 Legislation |
| 1982 | 8 | Real Estate Transfer Tax |
| 1982 | 25 | Personal Property Expensed |
| 1982 | 27 | Tribunal Actions |
| 1983 | 18 | Air and Water Pollution Facilities |
| 1985 | 2 | Public Acts |
| 1985 | 3 | Cost Base Modifiers |
| 1986 | 5 | Cost Base Modifiers |
| 1987 | 6 | Request for Special Assessment Report |
| 1987 | 9 | Computerized Appraisal Schedules |
| 1988 | 14 | Status of Soil Surveys |
| 1989 | 4 | IFT Certificates / CFT Certificates |
| 1989 | 5 | Public Records: Inspection and Furnishing Copies |
| 1989 | 14 | IFT Exemption Certificate Applications |
| 1992 | 6 | Fast Food Restaurants |
| 1992 | 9 | Computer Equipment and Assessable Software |
| 1994 | 11 | Public Act 80 of 1994 |
| 1997 | 15 | Property Transfer Affidavit Land Division Form |
| 2006 | 13 | Changes in the 2007 Personal Property Statement |

It was moved by Kutschman, supported by Morris, and approved to adopt the list of OPRA Qualified Local Governmental Units. (Item 22 on agenda)

It was moved by Kutschman, supported by Morris, and approved to adopt the staff recommendation on the Charitable Non-Profit Housing Organization Exemptions for the following: (Item 23 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 |
|---------------|--------------------|----------------------|-----------------------|
| Monroe | City of Monroe | 19-00274-097 | 5 years |
| Washtenaw | Ypsilanti Township | K-11-11-480-018 | 3 years |
| Washtenaw | Ypsilanti Township | K-11-03-161-128 | 3 years |
| Monroe | Monroe Township | 58-12-020-042-02 | 5 years |
| Monroe | Monroe Township | 58-12-020-042-01 | 5 years |
| Delta | City of Escanaba | 051-010-2929-312-009 | 3 years |

It was moved by Kutschman, supported by Morris, and approved to adopt the staff recommendation on the New Certifications of Computerized Assessment Rolls for the following: (Item 24 on agenda)

These certifications will expire on 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

It was moved by Kutschman, supported by Morris, and approved to adopt the staff recommendation on the Re-certifications and New Certifications of Computerized Tax Rolls for the following: (Item 25 on agenda)

These certifications will expire on **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

Recertifications:

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

It was moved by Kutschman, supported by Morris, and approved to adopt the staff recommendations on the Special Items Exemptions Agenda. (Item 26 on agenda) ([See attached link for file identification.](#))

It was moved by Kutschman, supported by Morris, and approved to adopt the staff recommendations on the Exemptions Agenda. The Commission also approved to postpone Industrial Facility Exemption Application 2017-045 Delta Business Center, LLC to their August 29, 2017 meeting. (Item 27 on agenda) ([See attached link for file identification.](#))

It was moved by Kutschman, supported by Morris, and approved to adopt the MCL 211.154 **Concurrences**. (Item 28 on agenda) ([See attached link for file identification](#))

It was moved by Kutschman, supported by Morris, and approved to adopt staff recommendations on MCL 211.154 petitions on the **Special Items Agenda**. (Item 29 on agenda) ([See attached link for file identification](#))

It was moved by Kutschman, supported by Morris, and approved the following MCL 211.154 petitions as a **concurrence**, initially noticed as a non-concurrence. (Item 30 on agenda)

City of Benton Harbor, Berrien County

154-16-0628 KENNETH C FERRON II 11-54-5060-0107-00-2
REAL PROPERTY

2016 AV from \$ 0 to \$ 15,100 TV from \$ 0 to \$ 8,826

City of St. Clair Shores, Macomb County

154-17-0081 GEICO STAFF COUNSEL 09-27-52-281-136
PERSONAL PROPERTY

2015 AV from \$ 2,200 to \$ 10,500 TV from \$ 2,200 to \$ 10,500

2016 AV from \$ 2,600 to \$ 9,200 TV from \$ 2,600 to \$ 9,200

2017 AV from \$ 2,600 to \$ 15,800 TV from \$ 2,600 to \$ 15,800

Pittsfield Township, Washtenaw County

154-17-0083 LINGLE EQUIPMENT L-99-30-016-164
PERSONAL PROPERTY

2017 AV from \$ 10,000 to \$ 0 TV from \$ 10,000 to \$ 0

It was moved by Kutschman, supported by Morris, and approved to **postpone** the following MCL 211.154 petitions **until August 29, 2017**. (Item 30 on agenda)

City of Benton Harbor, Berrien County

154-16-0620 RICHARD G CARPENTER 11-53-0950-0014-00-2
REAL PROPERTY

2016 AV from \$ 0 to \$ 14,300 TV from \$ 0 to \$ 14,242

It was moved by Kutschman, supported by Morris, and approved to **postpone** the following MCL 211.54 petitions **until September 18, 2017**. (Item 30 on agenda)

City of Warren, Macomb County

154-16-0865 HEWLETT PACKARD FINANCIAL SERVICES 99-06-932-289
PERSONAL PROPERTY

2014 AV from \$ 698,401 to \$ 10,574,200 TV from \$ 698,401 to \$ 10,574,200

2015 AV from \$ 801,630 to \$ 7,967,400 TV from \$ 801,630 to \$ 7,967,400

2016 AV from \$ 586,781 to \$ 5,440,083 TV from \$ 586,781 to \$ 5,440,083

It was moved by Kutschman, supported by Morris, and approved to adopt all other MCL 211.154 petitions. ([See attached link for file identification.](#)) (Item 30 on agenda)

Public Comment (Item 31 on agenda): No member of the public wished to comment.

It was moved by Kutschman, supported by Morris, and approved staff's recommendation to correct 2017 PILT Roll for DNR #33883 to a taxable value of \$82,500 due to an error in the valuation of the parcel. (Add on to agenda)

It was moved by Kutschman, supported by Morris, and approved to move the August 22, 2017 STC Meeting to August 29, 2017. (Add on to agenda)

The next Commission meeting will be held August 29, 2017, at the Okemos Conference Center in the Okemos A & B Rooms, 2187 University Park Drive, Okemos.

It was moved by Morris, supported by Kutschman, and approved to adjourn the meeting of the State Tax Commission at 10:20 a.m.

DATE TYPED: **June 7, 2017**

DATE APPROVED: **August 29, 2017**

Douglas B. Roberts, Chair
State Tax Commission

W. Howard Morris, Member
State Tax Commission

Leonard D. Kutschman, Member
State Tax Commission