



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, August 29, 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 Denstead, Recording Secretary***

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

It was moved by Morris, supported by Kutschman, and approved to adopt the minutes of June 6, 2017. (Item 1 on agenda)

Public Comment – Agenda Items 3-22 Only (Item 2 on agenda):

Dave Hieber appeared before the Commission on behalf of Oakland County regarding agenda items 6, Approval of Bulletin 14 of 2017 Assessor Certification, and 16, the staff recommendation regarding the AMAR Form and Selection of Counties to Review in 2018. Mr. Hieber stated the following: On item 6, Oakland County has always valued education. A majority of our staff are certified and those that are not certified generally work in the land descriptions area and have not pursued certification or are new employees who have not yet had the opportunity to complete the assessor certification classes. We encourage certification and obviously the continued education that goes along with it. Specifically, in the assessor certification bulletin, I think there is a positive change reducing the number of continuing education hours for MCATs from the twenty to the four. This is a significant savings to the County with the fees that go out from the classes and the loss of staff time. I think that is an excellent change. However, I did some research on other licenses and found that the assessor certification, is the only one that I could find, and there could be others, that is on a single year cycle. That renewal cycle is something I would ask the Commission to consider in the future, not for today necessarily, but in the future. This would help out with not only the cycle but provide additional time to complete the required continuing education hours. That could be a cost savings to the State as well by issuing licenses every two or three years versus annually. I would also like the Commission to approve some form of re-licensure because as of right now, if you do not have your hours done by October 31<sup>st</sup> there is no way to rectify that.

Somebody who made a simple clerical error thinking they had twenty hours and then only had eighteen hours, granted that is a mistake the assessor should be responsible for, but other licenses had some way to correct this error by either taking additional courses, paying extra fees, or a combination of both. I also think if the offerings could be at the county level you could consider that for an approval rather than just some of the associations like MAA or some of the other affiliates. Although MAA does an excellent job, I think it could be done at the county level as well. Finally, I would ask if you would consider reducing the twenty hours back to the sixteen hours of continuing education, which it was prior to last year's renewal cycle. I think that would be helpful. In the bigger context, I feel education is very important, however, I also feel that the way assessors are completing their continuing education, and our staff specifically, is that we are chasing hours and not looking at the value education would help in employee a, versus employee b as we must stay open for business and not everyone can leave the office at the same time. We are just sending people to classes that are not the best fit to have them advance in assessment administration.

On the AMAR, number 16, I want to thank the State for allowing input. Oakland County did have some input on the revised AMAR changes. The State took some of them, but did not take all of them, but that is fair and appropriate. I do want to caution that some of the informational items on their such as the Coefficient of Dispersion (COD) and Price Related Differential (PRD) are measures of central tendency and that it is not going to be a one size fits all. Different communities can have good assessing with a higher COD, such as a challenging community, like we do in Pontiac which would have different property types, versus the City of Berkley, which is much more homogenous. I would expect the COD to be higher in Pontiac than it would be in Berkley. I just want to caution that before we use these that you take a look at these differences and see if it makes sense or the person that reviews them understands these differences.

Kirk Harrier appeared before the Commission regarding agenda item 6, Approval of Bulletin 14 of 2017 Assessor Certification. Mr. Harrier stated the following: The comment I would like to make and I am asking for the Commission's assistance on that I earned a State Assessors Board Level 3 certification many years ago under the old certification and have kept up that certification over the years. However, over the last eleven years I have not been involved directly in assessment administration or overseeing an assessment roll and have been in city administration. I would like to keep the certification that I have earned but it is just not feasible for me to keep up with the twenty hours of continuing education required for annual certification in my current position. I think a simple solution would be to have an active or inactive status and that way if at some point in time an individual wants to get back into the assessing field there could be certain requirements such as a re-entrance test or completing the educational requirements. As it is right now, I do not have the twenty hours of certification because I just cannot devote that amount of time away from my current position. Therefore, I am going to lose the level three or advanced certification. For those of you that remember what it took to get that certification back then it was quite difficult and it was quite a personal sacrifice. I proudly display this certification right next to my master's degree in my office. I am proud of it and I believe in the educational requirements. I just think there needs to be a process for those individuals, like myself, that can be recognized. If you are certifying an assessment roll, I agree you need to have specific certifications and training so that taxpayers are protected but for someone who earned that degree I don't think it is fair that it can just be thrown away. Similar to if you earn a law degree you have earned that juris doctor you keep it and if you are going to practice law you have to take a bar. If there is anything you could do, I personally would greatly appreciate it and I would imagine others would be in the same position.

No other member of the public wished to speak at public comment on agenda items 3-22.

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the Certification Advisory Committee's recommendation granting a special waiver for those units whose certification level requirements have increased due to the SEV of wind turbines located in the local unit. A special waiver will be granted to Arcada Township, Bethany Township and Pine River Township in Gratiot County due to the effect of the wind turbine values. The Commission approved the Certification Level Guidelines for Townships, Cities and Counties for 2018. The Commission approved that County certification levels will be based on the highest 2017 certification level requirement of the local units within each County. ([Counties](#)) ([Townships and Cities](#)) (Item 3 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved Bulletin 12 of 2017 2<sup>nd</sup> Quarter Certified Interest Rates. (Item 4 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved Bulletin 13 of 2017 County Multipliers for 2014 Assessor's Manual. (Item 5 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved Bulletin 14 of 2017 Assessor Certification with the following revisions: (i) MMAO, MAAO, and MCAO certified assessors will be required to complete 16 hours of continuing education and (ii) pre-approval will be granted for Appraisal Institute (AI) education courses related to qualifying assessing topics for continuing education credit beginning with the 2019 renewal cycle. (Item 6 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved the revised Form 5076 – Affidavit to Claim Small Business Tax Exemption (MCL 211.9o). (Item 7 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved the revised Form 3677 – Notice of Intent to Rescind the Qualified Agricultural Property Exemption. (Item 8 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved the revised Obsolete Property Rehabilitation Act Frequently Asked Questions. (Item 9 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved the revised Industrial Facilities Exemption Frequently Asked Questions. (Item 10 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to grant the request and to accept the Carline credit expense from Reagent Chemical for Parcel #97-368 for the 2017 tax year. (Item 11 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to grant the request and to accept the Carline credit expense from Rail Connection LLC for Parcel #97-845 for the 2017 tax year. (Item 12 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to deny the Carline credit request from Blue Cube Operations LLC for Parcel #97-850 for the 2017 tax year. (Item 13 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to grant the request and to accept the Telephone credit expense from Casair Inc. for Parcel #99-00-00-00-000-123 for the 2017 tax year. (Item 14 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved staff's recommendation to correct 2017 PILT Roll for DNR #33878 to a taxable value of \$115,500 due to an error in the valuation of the parcel. (Item 15 on agenda)

The Commission received staff's recommendation regarding the AMAR Form and Selection of Counties to Review in 2018. The Commission will discuss and act on this matter at their September 18, 2017 meeting. (Item 16 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved staff's recommendation on the revised policy for the Michigan Master Assessing Officer (MMAO) Certification Program Summary. The revised policy clarifies the waiver of current MMAO educational requirements based on the specific completion of previous projects and education requiring that individuals certified as an assessing officer in Michigan must be certified as a Michigan Advanced Assessing Officer and meet the waiver requirements to submit an application for waiver. (Item 17 on agenda)

The State Tax Commission recognized the achievements of the following recipients who were awarded their Michigan Master Assessing Officer (MMAO) Certificate. These students successfully completed the new MMAO class that began in October 2016. (Item 18 on agenda)

Alicia M. Bernabei	Anthony Ciavaglia
Catherine A. Cousineau	Christopher W. Gaumer
Michael Gonzales	Paula A. Grivins-Jastifer
Nathan D. Hager	Jeff M. Miller
Bryan J. Paris	Elizabeth Schwartz
Jacob C. Thurston	

Chairman Roberts stated the following: My personal congratulations, the number one issue of this Commission is to have fair and equitable assessing throughout the state. It is a constant strive and these people are very important to make that happen. Thank you and congratulations.

Commissioner Morris and Kutschman also offered their congratulations.

The Commission reviewed the staff recommendation regarding the complaints dated May 16, 2017 and May 19, 2017 filed against assessor Linda Lewandowski that had proceeded to investigatory review pursuant to the State Tax Commission's Complaint Process Regarding Assessment Administration Practices approved by the Commission on December 16, 2015. Upon review of responses provided by the assessor, staff determined that no further action was necessary and recommended the Commission dismiss the complaint. It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the staff's recommendation to take no further action and dismiss the complaint against Ms. Linda Lewandowski. (Item 19 on agenda)

The Commission reviewed the staff recommendation regarding the local unit reappraisal of the City of Detroit. The City of Detroit has been working for the past two years to complete a reappraisal of the residential class. At their December 13, 2016 meeting, the Commission unanimously approved to retain authority over the reappraisal and approved the City of Detroit to implement the work completed to date on the residential class for the 2017 assessing roll, with the understanding that the City would develop a work plan for the Commission for continued improvement of the residential reappraisal and completion of the work on the commercial and industrial reappraisal.

The City has continued to move forward in their work to improve the residential reappraisal and to complete work on the commercial and industrial reappraisals. During a recent Steering Committee meeting, the City informed staff that they are continuing work to conduct field visits on residential properties whose data characteristics were confirmed using remote data verification methods with the intent to maintain and improve the residential assessments. The work on the commercial and industrial properties outside of the Commercial Business District and Midtown areas of the City is progressing as planned. The City has hired a number of reappraisal firms, two fee appraisers and has recently issued an RFP for a project manager. The reappraisal work for the CBD and Midtown areas should be complete for implementation in 2019.

It was moved by Kutschman, supported by Morris, and unanimously approved staff’s recommendation regarding the City of Detroit and approved the following: (Item 20 on agenda)

1. The State Tax Commission will immediately relinquish control over the reappraisal for the City of Detroit. The reappraisal will now follow standard reappraisal process.
2. The State Tax Commission approved the changes to the Corrective Action Plan for the City to provide for the implementation of the commercial and industrial reappraisals in 2019.
3. The State Tax Commission will conduct an AMAR review on the City in 2020 in order to ensure completion of the reappraisal work.

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 21 on agenda)

These exemptions will expire on **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.

<b>County</b>	<b>Local Unit</b>	<b>Parcel Number</b>	<b>Years Approved</b>
Genesee	Flint Township	07-07-551-024	5 years
Muskegon	City of Muskegon	24-505-500-0010-00	5 years
Gratiot	City of Ithaca	52-00-052-70	5 years

The Commission received a proposed 2018 meeting schedule for their review. (Item 22 on agenda)

Aaron Fales appeared on behalf of Delta Business Center, LLC and provided additional information for the Commission's review regarding Industrial Facilities Exemption application for Delta Business Center, LLC. It was moved by Morris, supported by Kutschman, and approved to adopt the staff recommendations on the Special Items Exemptions Agenda. (Item 23 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 24 on agenda) ([See attached link for file identification.](#))

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the MCL 211.154 **Concurrences**. (Item 25 on agenda) ([See attached link for file identification](#))

John Gropp, Assessor for City of Benton Harbor, Berrien County appeared before the Commission to provide information regarding his failure to adequately respond to the Commission's and staff's requests. 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 26 on agenda) ([See attached link for file identification](#))

It was moved by Morris, supported by Kutschman, and unanimously approved the following MCL 211.154 petitions as a **concurrence**, initially noticed as a non-concurrence. (Item 27 on agenda)

**City of Clare, Clare County**

**154-17-0221** DONALD D. MACDONALD & SALLY J. BARNES 051-340-003-00  
REAL PROPERTY  
2017 AV from \$ 0 to \$ 28,700 TV from \$ 0 to \$ 25,508

**Davison Township, Genesee County**

**154-17-0132** JOSEPH G. MADIGAN 25-05-21-582-009  
REAL PROPERTY  
2017 AV from \$ 0 to \$ 89,100 TV from \$ 0 to \$ 79,915

**Mundy Township, Genesee County**

**154-17-0183** WGS GLOBAL SERVICES 15-81-019-013  
PERSONAL PROPERTY  
2017 AV from \$ 35,700 to \$ 103,400 TV from \$35,700 to \$ 103,400

**City of East Lansing, Ingham County**

**154-17-0190** TOSHIBA GLOBAL COMMERCE SOLUTIONS 33-20-90-44-418-005  
PERSONAL PROPERTY  
2017 AV from \$ 200 to \$ 0 TV from \$ 200 to \$ 0

**Hartland Township, Livingston County**

**154-17-0242** WILLIAM G. & LINDA J. PAIGE 4708-06-200-042  
REAL PROPERTY

2016 AV from \$ 0 to \$ 109,400 TV from \$ 0 to \$ 78,485  
2017 AV from \$ 0 to \$ 187,400 TV from \$ 0 to \$ 79,191

**Clinton Township, Macomb County**

**154-17-0271** MGM DENTAL PC 16-11-47-203-990  
PERSONAL PROPERTY

2015 AV from \$ 26,400 to \$ 42,500 TV from \$ 26,400 to \$ 42,500  
2016 AV from \$ 24,500 to \$ 39,200 TV from \$ 24,500 to \$ 39,200

**154-17-0272** THE ELYSIUM EXPERIENCE 16-11-48-202-605  
PERSONAL PROPERTY

2016 AV from \$ 21,900 to \$ 45,000 TV from \$ 21,900 to \$ 45,000

**Ravenna Township, Muskegon County**

**154-17-0227** CONSUMERS ENERGY CO. 61-43-900-551-0008-00  
PERSONAL-UTILITY PROPERTY

2017 AV from \$ 0 to \$ 702,100 TV from \$ 0 to \$ 702,100

**City of Wixom, Oakland County**

**154-17-0104** BKG RYAN LLC 96-22-04-326-005  
REAL PROPERTY

2017 AV from \$ 529,930 to \$ 1,589,710 TV from \$ 364,370 to \$ 1,424,150

**154-17-0105** TREMEC CORPORATION 96-IN-16-100-169  
REAL-IFT PROPERTY

2017 AV from \$ 1,059,780 to \$ 0 TV from \$ 1,059,780 to \$ 0

**City of Riverview, Wayne County**

**154-17-0229** LARRY F. & ANNIE J. VERNIER TRUST 51-012-02-0914-000  
REAL PROPERTY

2016 AV from \$ 39,400 to \$ 39,400 TV from \$ 0 to \$ 33,855

It was moved by Morris, supported by Kutschman, and unanimously approved to **withdraw** the following MCL 211.54 petitions. (Item 27 on agenda)

**City of Howell, Livingston County**

**154-17-0172** SPATHIS CHIROPRACTIC  
PERSONAL PROPERTY

4717-99-002-192

2017 AV from \$ 0 to \$ 17,500 TV from \$ 0 to \$ 17,500

It was moved by Morris, supported by Roberts, and approved to **deny** the following MCL 211.154 petition. Commissioner Kutschman voted no. (Item 27 on agenda)

**City of Hamtramck, Wayne County**

**154-17-0262** OUR LADY QUEEN OF APOSTLES/  
REAL PROPERTY

82-41-008-02-0199-000

2015 AV from \$ 0 to \$ 875,300 TV from \$ 0 to \$ 875,300

2016 AV from \$ 0 to \$ 875,300 TV from \$ 0 to \$ 875,300

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt all other MCL 211.154 petitions. ([See attached link for file identification.](#)) (Item 27 on agenda)

Public Comment (Item 28 on agenda):

Matthew Schmidt appeared before the Commission on behalf of MAA regarding assessor certification. Mr. Schmidt stated the following: The MAA Executive Board formed an internal committee to follow up on a letter that was sent from an assessor, Geraldine Schmidt, who is my mother, to the State Tax Commission regarding the assessor certification renewal and the treatment of retired assessors. She worked for twenty-five years as a MMAO level assessor and has held that certification over twenty-two years. She retired eighteen years ago and has maintained her MMAO certification for the past eighteen years, because according to her letter, it was extremely difficult to obtain. She is eighty years old and has no intention of returning to the field of assessment administration but she does feel it is not fair to take away her certification from someone who has had it for that number of years. She suggested in her letter that the State Tax Commission adopt an MMAO retired designation where her certification would not be taken away completely if she decided to establish retired status. The MAA looked into this and formed a committee and on May 19<sup>th</sup> wrote the STC a letter specifically asking the STC to allow for the escrowing of certification for certified assessors who have decided to retire from the field of assessment administration. The MAA supports to have these individuals pay for their certification fee to keep their retired status. The MAA also suggests that those individuals with escrowed certification continue to be required to do the certification hours in the year prior to the reinstatement letter by the statutory deadline and then make a written request to the STC for reinstatement by a deadline that is yet to be determined. The Committee feels that this policy change will help retain those who have experienced assessment administration if they ever decide to re-enter the workforce and will not make those who have retired to have to choose whether to completely give up a designation that they worked extremely hard to obtain. On June 14<sup>th</sup> the MAA received a letter from the STC's Executive Director Heather Frick that mentioned the issue was to be taken up at the STC Education and Certification Committee at their June meeting. My understanding is that issue was brought up during that meeting and the outcome was that, although no changes to the proposed bulletin that you have in your packet, addressed those changes, we do understand there is a process that you have to go through to make these changes and we just wanted to make sure that this point was put forward to the STC and that is why I am here today. Two clarification points, the STC does have an existing form which allows certified assessors to request their certification



to be placed in escrow if they are unable to complete their annual continuing education requirements or pay their annual certification fee but for only unforeseen circumstances. The request would be to adopt a similar form that would address this particular situation. I also wanted to mention that the IAAO Professional Designation Sub-Committee will be considering similar policy changes at their October 2017 meeting, and according to their representative, will better reflect the modern realities surrounding the concept of retirement.

John Gropp, Assessor for City of Benton Harbor, appeared before the Commission regarding the City of Benton Harbor's reappraisal. Mr. Gropp stated the following: We received a letter regarding the reevaluation team we hired, Tyler Technologies. Executive Director, Heather Frick, stated that the Commission had not received a response to that request of who the Michigan certified assessing officer from Tyler Technology was that is overseeing the reappraisal process for the City of Benton Harbor as of this date.

The next Commission meeting will be held September 18, 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 11:30 a.m.

**DATE TYPED:** August 30, 2017

**DATE APPROVED:** September 18, 2017

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**Douglas B. Roberts, Chair**  
**State Tax Commission**

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**W. Howard Morris, Member**  
**State Tax Commission**

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**Leonard D. Kutschman, Member**  
**State Tax Commission**