



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, September 18, 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 August 29, 2017. (Item 1 on agenda)

Public Comment – Agenda Items 3-14 Only (Item 2 on agenda): No member of the public wished to comment.

It was moved by Kutschman, supported by Morris, and unanimously approved Bulletin 15 of 2017 Random Week for Qualified Business. (Item 3 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved the revised Forms 606 – Assessment Roll Changes Worksheet and 607 – 2018 Report of Assessment Roll Changes and Classification. (Item 4 on agenda and add on)

It was moved by Morris, supported by Kutschman, and unanimously approved the updated Personal Property Form 632 – 2018 Personal Property Statement, along with additional Forms 633 – 2018 Electric Distribution Cooperative Personal Property Statement, 2699 – 2018 Statement of “Qualified Personal Property” by a “Qualified Business” (as of 12-31-17), 2807 – 2018 Statement of “Qualified Personal Property” by a “Qualified Business” (For Additional Reporting), 2698 – 2018 Idle Equipment, Obsolete Equipment & Surplus Equipment Report, 3589 – 2018 Cable Television and Public Utility Personal Property Statement, 3595 – 2018 Itemized Listing of Daily Rental Property (as of 12-31-17), 3612 – 2018 Itemized Listing of Daily Rental Property (as of 12-31-17) (For Additional Reporting), 3966 – 2018 Taxpayer Report of Personal Property “Move-Ins” of Used Equipment (as of 12-31-17) Occurring

During 2017, 4452 – 2018 Cellular (Wireless) Site Equipment Personal Property Report and 4798 – Automotive Manufacturing Equipment Personal Property Report. (Item 5 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to allow Ms. Vicki Cushman to complete the October 2017 Michigan Advanced Assessing Officer Program offered by the State Tax Commission and hold in abeyance the recommendation to proceed to the Michigan Administrative Hearings System (MAHS). Upon completion of the MAAO Program, Ms. Cushman shall be ordered to appear before the Assessor Discipline Advisory Committee. Failure to complete the MAAO course or to not remain in good standing shall result in Ms. Cushman to automatically proceed to MAHS formal hearing. (Item 6 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved the Assessor Discipline Advisory Committee's recommendation and adopt the official order to refer Ms. Barbara Falk to proceed to the Michigan Administrative Hearings System (MAHS) for a formal hearing regarding her certification in assessment administration. (Item 6 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved the Assessor Discipline Advisory Committee's recommendation and adopt the official order to refer Ms. Barbara VanGelderren to proceed to the Michigan Administrative Hearings System (MAHS) for a formal hearing regarding her certification in assessment administration. (Item 6 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved the Assessor Discipline Advisory Committee's recommendation and adopt the official order to refer Ms. Christina Deeren to proceed to the Michigan Administrative Hearings System (MAHS) for a formal hearing regarding her certification in assessment administration. (Item 6 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to grant the disabled veteran's exemptions for the 2017 year in the City of Benton Harbor, Berrien County for parcels 11-54-2600-0010-00-7350-07, 11-54-7570-0001-01-0, 11-52-0830-0002-01-0 and 11-51-3000-0015-00-2 and order the City of Benton to process the exemptions for the four qualifying parcels and cancel any 2017 taxes associated with the parcels. The Commission also ordered the City of Benton Harbor to ensure that all Board of Review members are given proper notice of the Board of Review meeting dates and that alternates to the Board of Review are appointed. (Item 7 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt staff's recommendation for all 2017 classification appeals. ([See attached link for file identification.](#)) (Item 8 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt staff's recommendation and approve the AMAR Form, with the recommendation to move question seven in the AMAR Review to the local unit background information, and the selection of Counties to review in 2018. (Item 9 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved the 2018 State Tax Commission meeting schedule. (Item 10 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously 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 11 on agenda)

| Year | Bulletin Number | Bulletin Title |
|-------------|------------------------|---|
| 1982 | 23 | Cost Multipliers – Surplus Machinery and Equipment Abandoned Plant or Process |
| 1995 | 8 | Your 1995 Property Taxes and Proposal A |
| 1998 | 3 | Application Fees for Industrial Facility Exemption Certificates |
| 2000 | 9 | Obsolete Property Rehabilitation Act |
| 2000 | 11 | Change to Definition of “Industrial Property” Contained in Public Act 198 of 1974 |
| 2002 | 12 | Use of Electronic Media and Paper Copy Records |
| 2002 | 18 | Alternative Energy Personal Property |
| 2009 | 4 | Right of Way Easements |
| 2016 | 19 | The Transitional Qualified Forest Exemption and Specific Tax |

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 12 on agenda)

These certifications will expire on **May 1, 2021**.

New Certifications:

Grand Traverse County

- Blair Township
- Garfield Township
- Long Lake Township
- Union Township

Livingston County

- Cohoctah Township
- Deerfield Township
- Village of Fowlerville
- Hartland Township
- City of Howell
- Osceola Township
- Village of Pinckney
- Putnam Township

Mason County

- City of Scottville

Montcalm County

- Day Township

Newaygo County

Denver Township

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the staff recommendation on the New Certifications of Computerized Assessment Rolls for the following: (Item 13 on agenda)

These certifications will expire on May 1, 2021.

New Certifications:

Genesee County

Atlas Township
Fenton Township

Isabella County

City of Mt. Pleasant

Kent County

Algoma Township

Ottawa County

Georgetown Township
Grand Haven Charter Township

Roscommon County

Lake Township

Wayne County

Brownstown Township

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 14 on agenda)

These exemptions will 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 |
|---------------|--------------------|----------------------|-----------------------|
| Washtenaw | Ypsilanti Township | K-11-39-321-011 | 3 years |
| Washtenaw | Ypsilanti Township | K-11-11-384-020 | 3 years |
| Washtenaw | Ypsilanti Township | K-11-10-386-023 | 3 years |

| | | | |
|----------------|-------------------------|--------------------|---------|
| Grand Traverse | Village of Kingsley | 2842-060-007-00 | 3 years |
| Washtenaw | Ypsilanti Township | 09-09-31-214-022 | 3 years |
| Alpena | City of Alpena | 092-307-000-181-00 | 5 years |
| Sanilac | City of Sandusky | 320-032-400-440-00 | 5 years |
| St. Clair | City of Port Huron | 74-06-743-0956-000 | 5 years |
| St. Clair | City of Port Huron | 74-06-743-0953-000 | 5 years |
| St. Clair | City of Port Huron | 74-06-743-0955-000 | 5 years |
| Alcona | City of Harrisville | 120-140-000-020-00 | 3 years |
| Alcona | City of Harrisville | 120-110-012-230-00 | 5 years |
| Kent | City of Grand Rapids | 41-14-18-407-002 | 3 years |
| Kent | City of Grand Rapids | 41-13-24-103-008 | 3 years |
| Mason | Pere Marquette Township | 10-480-000-018-00 | 5 years |
| Wayne | City of Detroit | 13016248 | 3 years |
| Lenawee | City of Adrian | XA0-480-2008-00 | 3 years |
| Lenawee | City of Adrian | XA0-004-5001-00 | 3 years |
| Midland | City of Coleman | 170-006-000-485-00 | 5 years |
| Midland | City of Coleman | 170-006-000-480-00 | 5 years |
| Midland | City of Coleman | 170-006-000-480-00 | 5 years |

It was moved by Morris, supported by Kutschman, and approved to adopt the staff recommendations on the Special Items Exemptions Agenda. (Item 15 on agenda) ([See attached link for file identification.](#))

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the staff recommendations on the Exemptions Agenda. (Item 16 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 17 on agenda) ([See attached link for file identification](#))

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt staff recommendations on MCL 211.154 petitions on the **Special Items Agenda**. (Item 18 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 19 on agenda)

City of Jonesville, Hillsdale County

154-16-0882 BABCOCK GROUP LLC 30-21-600-000-001
REAL PROPERTY

2014 AV from \$ 0 to \$ 238,394 TV from \$ 0 to \$ 238,394
2015 AV from \$ 0 to \$ 253,704 TV from \$ 0 to \$ 242,208
2016 AV from \$ 0 to \$ 281,904 TV from \$ 0 to \$ 242,934

City of Jonesville, Hillsdale County

154-16-0883 BABCOCK GROUP LLC 30-21-600-000-002
REAL PROPERTY

2014 AV from \$ 0 to \$ 20,596 TV from \$ 0 to \$ 20,596
2015 AV from \$ 0 to \$ 20,596 TV from \$ 0 to \$ 20,596
2016 AV from \$ 0 to \$ 20,596 TV from \$ 0 to \$ 20,596

Delhi Township, Ingham County

154-17-0306 XG SCIENCES, INC. 33-25-05-90-942-056
PERSONAL PROPERTY

2017 AV from \$ 0 to \$ 545,500 TV from \$ 0 to \$ 545,500

City of Midland, Midland County

154-16-0581 CAPITAL CITY CRANE RENTAL 19-03-03-469
PERSONAL PROPERTY

2015 AV from \$ 0 to \$ 79,600 TV from \$ 0 to \$ 79,600

City of North Muskegon, Muskegon County

154-17-0329 SANDRA J. MILES 61-23-585-014-0006-00
REAL PROPERTY

2017 AV from \$ 0 to \$ 77,100 TV from \$ 0 to \$ 61,510

Richfield Township, Roscommon County

154-17-0303 KENNETH & CINDY BECKER 72-010-425-018-1000
REAL PROPERTY

2017 AV from \$ 0 to \$ 64,500 TV from \$ 0 to \$ 52,749

City of Grosse Pointe Woods, Wayne County

154-17-0288 BRIAN HICKS 82-40-001-05-0121-000
REAL PROPERTY

2017 AV from \$ 0 to \$ 132,400 TV from \$ 0 to \$ 110,634

It was moved by Kutschman, supported by Morris, and unanimously approved to **withdraw** the following MCL 211.54 petition. (Item 19 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
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 unanimously approved to **amend** the following MCL 211.154 petition. (Item 19 on agenda)

City of Warren, Macomb County

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

****This petition was also a concurrence.**

2015 AV from \$ 801,630 to \$ 12,976,165 TV from \$ 801,630 to \$ 12,976,165

It was moved by Kutschman, supported by Morris, and unanimously approved to **postpone** the following MCL 211.154 petition **until October 30, 2017**.

Forsyth Township, Marquette County

154-17-0196 KERRY & DEBORAH SORENSEN 52-05-019-012-00
REAL PROPERTY

2015 AV from \$ 324,150 to \$ 636,800 TV from \$ 273,019 to \$ 615,669
2016 AV from \$ 332,000 to \$ 589,560 TV from \$ 273,838 to \$ 589,560

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 19 on agenda)

Public Comment (Item 20 on agenda):

Mike O'Connor appeared before the Commission regarding a DDA matter. Mr. O'Connor stated the City of Gladstone has allegedly fraudulently received more than \$1,500,000 by failing to follow the Tax Incremental Financing and Development Plan by overbilling the capture entities. Mr. O'Connor asked the Commission to take immediate action by allowing the Delta County Prosecuting Attorney authority to investigate and take any action necessary.

The next Commission meeting will be held October 30, 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 9:45 a.m.

DATE TYPED: **September 19, 2017**

DATE APPROVED: **October 30, 2017**

Douglas B. Roberts, Chair
State Tax Commission

W. Howard Morris, Member
State Tax Commission

Leonard D. Kutschman, Member
State Tax Commission