



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, February 13, 2018
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.

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the minutes of December 12, 2017. (Item 1 on agenda)

Public Comment – Agenda Items 3-24 Only (Item 2 on agenda):

No member of the public wished to speak at public comment on agenda items 3-24.

It was moved by Kutschman, supported by Morris, and approved to adopt the 2017 State Tax Commission Annual Report submitted by Executive Director Frick. (Item 3 on agenda)

It was moved by Kutschman, supported by Morris, and approved to adopt staff's recommendation to add a Depreciation Chapter to the 2017 Volume III of the Assessor's Manual. (Item 4 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved the official order to revoke Mr. Wayne Kinne's Certificate in Assessment Administration. (Item 5 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved the official order to revoke Ms. Deborah Dunham's Certificate in Assessment Administration. (Item 6 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved the official order to revoke Mr. Michael Foust's Certificate in Assessment Administration. (Item 7 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 allow Ms. Laura Erhart to complete a BS&A software course on Land Value and Economic Condition Factors within six months of this order, the State Tax Commission's Audit of Minimum Assessing Requirement (AMAR) training and hold in abeyance the recommendation to proceed to the Michigan Administrative Hearings System (MAHS). Upon completion of the Land Value and Economic Condition Factors software course and AMAR training, Ms. Erhart shall be ordered and allowed to attend any future meetings before the Assessor Discipline Advisory Committee by telephone. Failure to complete the Land Value and Economic Condition Factors software course and Audit of Minimum Assessing Requirement (AMAR) training shall result in Ms. Erhart to automatically proceed to MAHS formal hearing. (Item 8 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 allow Ms. Sarah Kady to complete the State Tax Commission's Audit of Minimum Assessing Requirement (AMAR) training, BS&A software course, the State Tax Commission's Michigan Advanced Assessing Officer Land Value Determinations and Economic Condition Factors Online/Lecture course and hold in abeyance the recommendation to proceed to the Michigan Administrative Hearings System (MAHS). Upon completion of the State Tax Commission's Audit of Minimum Assessing Requirement (AMAR) training, BS&A software course and the State Tax Commission's Michigan Advanced Assessing Officer Land Value Determinations and Economic Condition Factors Online/Lecture course, Ms. Kady shall be ordered to appear before the Assessor Discipline Advisory Committee. Failure to complete the State Tax Commission's Audit of Minimum Assessing Requirement (AMAR) training, BS&A software course and the State Tax Commission's Michigan Advanced Assessing Officer Land Value Determinations and Economic Condition Factors Online/Lecture course shall result in Ms. Kady to automatically proceed to MAHS formal hearing. (Item 8 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order and the signed consent agreement entered into by the Assessor Discipline Advisory Committee and Ms. Kathryn Hoover to refer Ms. Hoover to proceed to the Michigan Administrative Hearings System (MAHS) for a formal hearing regarding her certification in assessment administration. (Item 8 on agenda)

The Commission reviewed the staff recommendation regarding the complaint filed against assessor Sally Akerley 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 Morris, supported by Kutschman, and unanimously approved to adopt the staff's recommendation to take no further action and dismiss the complaint against Ms. Sally Akerly. (Item 9 on agenda)

The Commission reviewed the staff recommendation regarding the complaint filed against assessor H. Wayne Beldo 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 Morris, supported by Kutschman, and unanimously approved to adopt the staff's recommendation to take no further action and dismiss the complaint against Mr. H. Wayne Beldo. (Item 9 on agenda)

The Commission reviewed the staff recommendation regarding the complaint filed against assessor Ruth Chapman 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 Morris, supported by Kutschman, and unanimously approved to adopt the staff's recommendation to take no further action and dismiss the complaint against Ms. Ruth Chapman. (Item 9 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to grant the request for an extension to Tecumseh Township, Lenawee County to complete the reappraisal of the residential class for the 2019 assessment roll. (Item 10 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the revised MCL 211.7b: Disabled Veteran's Exemption Frequently Asked Questions. (Item 11 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved the revisions of Form 5076 – Small Business Property Tax Exemption Claim Under MCL 211.9o, Form 632 – 2018 Personal Property Statement, Bulletins 2, 5, 17 and 24 of 2017, Assessor Guide to Small Business Taxpayer Exemption, Assessor Guide to Eligible Manufacturing Personal Property Tax Exemption and ESA and Boards of Review Questions and Answers due to enactment of Public Acts 261-264 of 2017. (Item 12 on agenda)

It was moved by Morris supported by Kutschman, and unanimously approved the 2018 Millage Rollback Forms 610 – 2018 Calculation of Taxable Valuations Including Additions, Losses and Totals for Units Which Were Not Equalized as Assessed in 2017 or 2018, 612 – 2018 Millage Reduction Fraction Computation, 613 – 2018 Complete Millage Reduction Fraction Computation, 614 – 2018 Tax Rate Request, 2166 – 2018 Millage Reduction Fraction Calculations Worksheet and 5190 – 2018 Allocation Rates. (Item 13 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved the Revised Equalized Valuation Forms 602 (L-4018R) – Analysis for Equalized Valuation – Personal Property, 603 (L-4018P) – Analysis for Equalized Valuation – Real Property, 607 (L-4022) – Report of Assessment Roll Changes and Classification, 2164 (L-4023) – Analysis for Equalized Valuations, 4504 (L-4015a) – Appraisal Study Listing, 4618 (L-4015) – Sales Study List and 5571 (L-4014a) – Preliminary Appraisal Study Listing. (Item 14 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved Bulletin 1 of 2018 4th Quarter Certified Interest Rates. (Item 15 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved Bulletin 2 of 2018 Omitted or Incorrectly Reported Property. (Item 16 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the 2018 State Average Tax Rate. (Item 17 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved all of staff's recommendation regarding the State Assessed Property Valuation Process including and not limited to the

handling of net reductions in CIP for Railroads, annual report table changes, rounding of assessed value and thirteen additional changes to improve the procedures to the State Assessed Roll and associated State Average Tax Rate. (Item 18 on agenda)

On January 17, 2018 the Michigan Tax Tribunal entered an order requiring response from the State Tax Commission in Docket No. 17-000250. The appeal related to real property located in Otsego Township, Allegan County. The order places the Stipulation in abeyance and states “the STC shall review the same to determine whether the proposed settlement is proper” and directs the Commission to notify the Tribunal “of its acceptance or denial of the Stipulation within 21 days of the entry of the order.” It was moved by Kutschman, supported by Morris, and unanimously approved staff’s recommendation to respond to the Michigan Tax Tribunal indicating the Commission will take action once all the information has been received and complete, but at this time the Commission cannot take any action. (Item 19 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved the adoption of Computer Assisted Mass Appraisal CAMA Data Standards and held in abeyance any decision on the formation of a separate CAMA Data Standards Committee until their August 21, 2018 meeting. (Item 20 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved rescinding their prior guidance dated May 13, 2013 as it relates to the treatment of residential solar panels, and have determined that solar panels on a parcel classified as residential real property shall be assessed as a component of the real property. (Item 21 on agenda)

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 22 on agenda)

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

Recertification’s:

Allegan County

City of Holland

Berrien County

City of Bridgman
Bainbridge Township
Baroda Township
Lincoln Charter Township
New Buffalo Township
Niles Charter Township
Watervliet Township
Weesaw Township

Genesee County

City of Fenton

Kent County

City of Wyoming

Monroe County

Dundee Township

Ottawa County

City of Coopersville

City of Grand Haven

City of Holland

Spring Lake 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 23 on agenda)

These certifications will expire on May 1, 2021.

New Certifications:

Clinton County

City of Lansing

Eaton County

City of Lansing

Ingham County

City of Lansing

Oakland County

City of Royal Oak

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 24 on agenda)

These exemptions will expire on **December 30, 2021 for a period of three (3 years)** or **December 30, 2023 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
Cass	City of Dowagiac	14-160-220-005-00	5 Years
Cass	City of Dowagiac	14-160-220-006-00	5 Years
Cass	City of Dowagiac	14-160-220-009-00	5 Years
Cass	City of Dowagiac	14-160-220-010-00	5 Years
Cass	City of Dowagiac	14-160-220-011-00	5 Years
St. Clair	City of Port Huron	74-06-470-0016-000	3 Years
Schoolcraft	Germfask Township	77-002-033-010-00	3 Years
Washtenaw	Ypsilanti Township	K-11-02-373-013	3 Years
Saginaw	City of Saginaw	09-0681-00000	3 Years

Saginaw	City of Saginaw	20-1185-00000	3 Years
Saginaw	City of Saginaw	10-0117-00700	3 Years
Saginaw	City of Saginaw	18-0298-00000	3 Years
Saginaw	City of Saginaw	13-1277-00000	3 Years
Saginaw	City of Saginaw	04-0144-00000	3 Years
Saginaw	City of Saginaw	08-0210-00000	3 Years

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the staff recommendations on the Special Items Exemptions Agenda. (Item 25 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 26 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 petitions on the **Concurrence Agenda**. (Item 27 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 28 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 29 on agenda)

City of Pinconning, Bay County

154-17-0697 CRYSTAL WESSE-BURGESS & ARDINE BURGESS 09-180-P05-013-012-00
REAL PROPERTY

2017 AV from \$ 0 to \$ 13,300 TV from \$ 0 to \$ 12,900

Lake Township, Huron County

154-17-0700 JOSEPH & SHIRLEY FIORITTO 3213-016-322-54
REAL PROPERTY

2015 AV from \$ 72,800 to \$ 85,800 TV from \$ 58,588 to \$ 75,318
2016 AV from \$ 72,600 to \$ 85,600 TV from \$ 58,763 to \$ 75,543
2017 AV from \$ 82,400 to \$ 81,100 TV from \$ 76,591 to \$ 76,222

154-17-0702 KEN-CO COOPERATIVE INC. 3213-016-307-00
REAL PROPERTY

2015 AV from \$ 159,900 to \$ 179,300 TV from \$ 148,222 to \$ 155,624
2016 AV from \$ 159,200 to \$ 178,200 TV from \$ 148,666 to \$ 156,090
2017 AV from \$ 175,500 to \$ 175,500 TV from \$ 171,567 to \$ 157,494

Meridian Township, Ingham County

154-17-0565 U.S. BANK NATIONAL ASSOC. 33-02-02-90-529-590
PERSONAL PROPERTY

2016 AV from \$ 3,900 to \$ 1,300 TV from \$ 3,900 to \$ 1,300

154-17-0566 U.S. BANK NATIONAL ASSOC. 33-02-02-90-530-157
PERSONAL PROPERTY

2016 AV from \$ 60,400 to \$ 54,300 TV from \$ 60,400 to \$ 54,300

City of Rockford, Kent County

154-17-0709 JON-PAUL HACKETT 41-10-01-102-011
REAL PROPERTY

2017 AV from \$ 0 to \$ 74,400 TV from \$ 0 to \$ 63,828

City of Centerline, Macomb County

154-17-0711 CONCERTO OF MICHIGAN INC. 01-13-00-002-935
PERSONAL PROPERTY

2016 AV from \$ 25,000 to \$ 105,800 TV from \$ 25,000 to \$ 105,800

2017 AV from \$ 25,000 to \$ 90,100 TV from \$ 25,000 to \$ 90,100

Briley Township, Montmorency County

154-17-0712 CHRIS M. WALTER 003-018-000-010-02
REAL PROPERTY

2017 AV from \$ 64,400 to \$ 64,400 TV from \$ 0 to \$ 63,768

Brandon Township, Oakland County

154-17-0598 OWEN N. TOWNSEND D-03-29-301-015
REAL PROPERTY

2016 AV from \$ 23,500 to \$ 120,470 TV from \$ 23,500 to \$ 120,470

2017 AV from \$ 27,000 to \$ 124,870 TV from \$ 23,710 to \$ 121,550

Evart Township, Osceola County

154-17-0663 GLYNN & SUSAN RUSSELL 6703-600-004-00
REAL PROPERTY

2015 AV from \$ 31,800 to \$ 38,665 TV from \$ 31,597 to \$ 38,665

2016 AV from \$ 31,700 to \$ 40,563 TV from \$ 31,691 to \$ 38,781

2017 AV from \$ 33,000 to \$ 42,398 TV from \$ 31,976 to \$ 39,130

Evart Township, Osceola County

154-17-0669 ANTHONY & TERRI FRITZ 6703-600-001-00
REAL PROPERTY

2015 AV from \$ 17,000 to \$ 19,243 TV from \$ 17,000 to \$ 19,243
2016 AV from \$ 16,900 to \$ 19,837 TV from \$ 16,900 to \$ 19,301
2017 AV from \$ 16,900 to \$ 20,060 TV from \$ 16,900 to \$ 19,475

154-17-0679 SANDRA KALLAS & SOPHIA ELLIOTT 6703-006-047-00
REAL PROPERTY

2015 AV from \$ 24,900 to \$ 27,158 TV from \$ 19,198 to \$ 23,143
2016 AV from \$ 26,100 to \$ 28,339 TV from \$ 19,255 to \$ 23,212
2017 AV from \$ 27,700 to \$ 30,109 TV from \$ 19,428 to \$ 23,421

154-17-0686 CHARLES & JENNIFER SKOTYNSKY 6703-600-002-00
REAL PROPERTY

2015 AV from \$ 36,500 to \$ 45,163 TV from \$ 36,068 to \$ 45,163
2016 AV from \$ 36,300 to \$ 47,517 TV from \$ 36,176 to \$ 45,299
2017 AV from \$ 38,000 to \$ 49,932 TV from \$ 36,501 to \$ 45,706

154-17-0688 TIMOTHY THEODORE 6703-450-018-00
REAL PROPERTY

2016 AV from \$ 12,000 to \$ 16,392 TV from \$ 5,289 to \$ 9,681
2017 AV from \$ 15,000 to \$ 19,677 TV from \$ 5,336 to \$ 9,768

154-17-0689 TIMOTHY & LISA WALLBAUM 6703-460-004-50
REAL PROPERTY

2015 AV from \$ 15,500 to \$ 28,189 TV from \$ 15,443 to \$ 28,189
2016 AV from \$ 15,400 to \$ 31,781 TV from \$ 15,400 to \$ 28,274
2017 AV from \$ 19,600 to \$ 36,971 TV from \$ 15,538 to \$ 28,528

Osceola Township, Osceola County

154-17-0727 WIRTH FARMS LLC 6712-022-006-00
REAL PROPERTY

2015 AV from \$ 511,900 to \$ 817,220 TV from \$ 481,685 to \$ 774,911
2016 AV from \$ 505,700 to \$ 812,317 TV from \$ 483,130 to \$ 777,236
2017 AV from \$ 489,300 to \$ 989,541 TV from \$ 473,790 to \$ 911,532

City of Grosse Pte Park, Wayne County

154-17-0696 RAHEL TADESSE 39-007-05-0045-000
REAL PROPERTY

2017 AV from \$ 0 to \$ 65,073 TV from \$ 0 to \$ 65,073

It was moved by Kutschman, supported by Morris, and unanimously approved to **amend** the following MCL 211.154 petitions. (Item 29 on agenda)

City of Battle Creek, Calhoun County

154-17-0698 MITSUBISHI UFJ LEASE & FINANCE USA P017-00-138-0
PERSONAL PROPERTY

****This was also a Concurrence.**

2015 AV from \$ 0 to \$ 1,515,323 TV from \$ 0 to \$ 1,515,323
2016 AV from \$ 0 to \$ 3,945,892 TV from \$ 0 to \$ 3,945,892
2017 AV from \$ 0 to \$ 3,405,301 TV from \$ 0 to \$ 3,405,301

Evart Township, Osceola County

154-17-0656 DAVID & DIANE BRANTLEY 6703-001-009-00
REAL PROPERTY

2015 AV from \$ 95,300 to \$ 99,884 TV from \$ 94,284 to \$ 98,869
2016 AV from \$ 111,700 to \$ 121,560 TV from \$ 94,566 to \$ 99,165
2017 AV from \$ 114,200 to \$ 119,124 TV from \$ 95,417 to \$ 100,058

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 29 on agenda)

Public Comment (Item 30 on agenda):

Scott Vandemergel appeared before the Commission on behalf of Wayne County Equalization. Mr. Vandemergel stated the following: I wanted to thank you for your support in favor of the CAMA Data Standards. It will make assessing and equalization much easier for everyone, in our role of equalization in the most populous county with the largest parcel count and the capacity that we have with the certification of the City of Detroit with the largest assessment roll. We have it both ways. In both regards we definitely have our challenges with lack of standardization, so having things where everyone talks in the same language is just imperative. It is long overdue, and it is something that is definitely going to contribute towards better assessing and equalization. I wanted to thank you for your wisdom and your consideration for that. The other matter of whether you form a separate committee sounds like a matter for another day. Certainly, the standards are long overdue. For a field that values fairness and equity, this was not the case before. I think that something was almost remiss, and it wasn't this way. Just to give you an example for sale terms, without the CAMA Standards, now I think the proposal was something like 10 or 12 sale terms, the City of Detroit when we looked at their database had something like 100 sale terms, like arm's length sale it could be ARMS, ARM'S, AL and good sale GS it could be anything. The quality and the quantity of the studies from the equalization standpoint we have seen benefits already. We have gotten through two thirds from the City of Detroit, specifically that database, and about two thirds or so of the local units in Wayne County for the equalization standpoint. Anything that could continue to be done I would be really hopeful that you would continue to take a really close look at. From your comments, I believe you are already on board with that motion. Thank you.

No other member of the public wished to speak at public comment.

It was moved by Kutschman, supported by Morris, and unanimously approved to direct Mackinac County to complete a line 7 adjustment to allow the 2018 assessment roll to be equalized as assessed. (Add on to agenda)

The next Commission meeting will be held April 9, 2018, 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 11:50 a.m.

DATE TYPED: February 14, 2018

DATE APPROVED: April 9, 2018

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

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

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