



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

MINUTES OF THE MEETING OF THE STATE TAX COMMISSION

***Okemos Conference Center, Okemos A & B Rooms
2187 University Park Drive, Okemos, Michigan***

***Monday, October 22, 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 August 21, 2018. (Item 1 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to amend the September 18, 2017 STC Meeting Minutes to state the following “Mike O’Connor appeared before the Commission.” (Item 2 on agenda)

Public Comment – Agenda Items 3-38 Only (Item 2 on agenda):

Jaime Barra appeared before the Commission regarding agenda item 16, Recommendation of the Assessor Discipline Advisory Committee. Mr. Barra stated the following: You have seen me before on a couple of issues with essentially my failure to act on Tax Commission orders and completing our records for the City of Memphis related to ECF’s and Land Value Maps. At the Discipline Advisory Committee Meeting a couple of months ago, I actually took the time to do what Heather Frick had suggested in the letter and that was to go back and reevaluate all the past orders and what I was doing. I was a bit blown away by it because I had been blocking it out and battling and justifying my reasons over the past couple of years where I thought the Tax Commission was wrong and I justified those, and I was wrong. As I looked at those letters I realized how many opportunities the Tax Commission has given me repeatedly. It was like seeing it for the first time and I was pretty blown away by it. I wanted to apologize to the Tax Commission members here for the time they have taken with my matters as well as the assessors with the Discipline Advisory Committee and specifically Heather Frick and Kelli Sobel. I see it very differently now than I had been looking at this for the past couple of years. Very much like the issues that confront the Tax

Commission today I do agree that change is needed. I may not agree completely with their methods, but I agree we need help. I have come to ask you to be a representative for myself with the issue before you today. Just to clarify a few things today with the filing of the consent judgment and I had given an alternative and the Discipline Committee agreed with it. I am going to take the class for the level 3 as a refresher and help me pick up on the things I may have been missing. As I look at the orders before the Commission today the action is to, if I understand it correctly, sends me to the Michigan Administrative Hearing first and then that issue would be held in abeyance. Do I still need to go before them and I guess I am asking for a point of clarification?

Executive Director Heather Frick stated the following: The order would hold that in abeyance, so if adopted by this body, it would not proceed forward and permit you to take the educational opportunities first.

Mr. Barra stated the following: So, I don't have to go there and not get beat up and then have that held in abeyance. Okay thank you and I appreciate that. I misread that and wanted to get clarification. Just as a point to maybe understanding and the urgency that I speak on this issue and I do agree that we need changes in assessing. I do agree with the direction of the Tax Commission to work to accomplish that. The last thing that Heather asked me to review at the last Assessor Discipline Advisory meeting is what would I do differently. My answer to that I would not procrastinate, and I would get on it right away and get everything done and try to make sure that I turn in everything as soon as possible instead of waiting until I am overwhelmed. The irony and the reason I tell you this that I went back to the office with a vigor and try to get on it right away and my computer was ransomed for bitcoin and ended up calling the IT server. They had to come in and it had gotten in through the portal that I can log in and do the work on. It is one of the challenges that we have in assessment administration, especially these smaller units and the resources and the ability to overcome the obstacles. I am not telling you this because I am making an excuse and I have been working on getting that back. The last couple of weeks I finally have software where I can look at the sales information.

I brought with me some of the information just, so you can see the volume of information I had to acquire. I have access to this through another community that I work in. The cost for the software is \$5,000 a year. It is not really open to use this but going through the exercise of looking up and really trying to nail down Land Values I realize how little there is in just a county unit. I had to go much broader than that to find communities that fit the small-town appeal that we have. I want to emphasize the importance of resources and hopefully in your plan and the changes you are considering going forward that those resources are the biggest thing and sales are probably the biggest item that we can use help with from people who are qualified that can actually vet the sales and distribute these. Southeast Michigan have talked about this for 20 years. Michigan Assessors have talked about putting together databases to share sales information and open it to assessors, so we can have this and hopefully those assessors within those areas will be providing comments and feedback, so we would have more information. The smaller communities really would benefit from it and we are almost at a loss to go forward to create land value maps and ECF maps because they require sales. Even when you go to alternative methodologies to create these we still need sales information and when you get into older communities where average houses are 1920 and 1930, cost or residual technique doesn't work because the cost approach isn't really working. I just wanted to say that I appreciate your support and I am hoping you will consider resources as

something you can help more with assessing. I think it would be the biggest issue of where the shortcomings are for this community. I appreciate your patience with me and I won't let you down.

Mark Maki appeared before the Commission as the assessor for West Branch, Turin, Limestone and Grand Island Townships and the City of Munising regarding agenda item 16, Recommendations of the Assessor Discipline Advisory Committee. Mr. Maki stated the following: On November 17, 2017, I signed a consent agreement and that agreement said that I had to agree and acknowledge to participate in an AMAR Training class and the consent agreement states that the entire agreement between the assessor and Disciplinary Advisory Committee and Mr. Maki and it addresses all the discipline matters before the Committee. I did attend the class on May 7 and 8, 2018 and I did get a phone conference call on July 30, 2018 regarding that training class. At that time, I also indicated to the Committee that I believed that I had made all the corrections to the assessment rolls which at that time was eight assessment rolls although the follow up audit was not complete. Additionally, I then received another proposed consent agreement which I did not accept. On September 18, 2018 I sent an alternate proposal in. Apparently, based on the knowledge that my attorney has said that the State Tax Commission does not have that document and that is included in the packet and that is my take on the consent agreement. Also, I have copies of letters from the various townships, many of them indicating that all items had been corrected. There was a couple of issues on a couple of townships, one was a legend map that the map consultant had failed to provide, and the second issue was an ECF study on a certain class of mobile homes in the township that I had omitted, other than that all the items essentially had been corrected. I am a little confused as to why I am here being recommended to go to the next step because essentially the November 22, 2017 consent agreement states that was the entire agreement and addresses all the discipline matters. I complied with that agreement and furtherance of an approved plans with the State Tax Commission and I have completed and corrected all the assessment rolls that I have. I also have less assessment rolls now as I realized the efforts involved in keeping these up and have reduced the number of units that I have.

Patrick Couch appeared before the Commission as the Assessor of Otsego Township and the City of Galesburg regarding agenda item 17, Official Order to Revoke Patrick Couch's Certification in Assessment Administration. Mr. Couch stated the following: I am here today on the recommendation to revoke my license. I would like to thank the Commission for allowing me to speak and my position as the assessor in Otsego Township and the City of Galesburg. I am the only one in my department and have no assistance and no one to ask for help. There isn't anyone that I can ask at the City or the Township that can help me with my job. The County Equalization Director is helpful but, in the past, I have been told that it isn't the Equalization Director's job to answer my questions. When I became the assessor there was an assessor's training manual with every step of the process explained. This manual was essential to me, it answered my questions and helped me with my job. When the State Tax Commission did away with the State Assessors Board they also did away with this training manual. If you are having a problem, you could contact the State Tax Commission and they would help you through the process. Somewhere along the line this changed and at every meeting between me and the State Tax Commission I have stated I was struggling with my land analysis and ECFs and asked for assistance. I have asked every instructor that I have come in contact with if I could obtain classroom materials on land values or ECF's. I was told at the MAA educational event in Bellaire in 2016 that the classroom material is only available to those who take the class and the instructors are prevented from discussing the material or the class itself and that the class material is copy written and the instructors have signed a non-

disclosure agreement. I have asked the State Educational Director for the class material and have been referred to three videos that total 11 minutes and 17 seconds. I was told these three educational videos are equivalent to the five-day class. Having recently taken the level 3 class, I can say for myself that these videos are not equivalent to the class. I can think of no reason why the material would not be readily available upon request. It is my belief that if this material had been made available to me it would have significantly increased my performance on the first round of the AMAR. Every year I have exceeded the twenty-hour continuing education requirement. If I had an area that I thought I needed to brush up on I took that class. I have taken several one-day classes on ECFs and land values but really thought I should have the five-day class. I have been trying for three years to find the five-day class that I could take. In those three years I have missed the deadline for registration due to being busy during my peak months of January through April and the class being scheduled in early spring. I asked if the State Tax Commission staff could notify me of any Land Value and ECF class. I was told that they could not and that it would be in the early part of the year. This year I found the class and took it this Fall, and I don't know if I passed or not it has been three weeks and I am still waiting for the results. In 2016 Otsego Township and the City of Galesburg contracted with BS&A to work on our Land Values and ECF's for 2016, 2017 and 2018. I attended the State Tax Commission PILOT program and did get some information on land analysis and ECF's. I was excited to take this class and the instructors gave a seminar on basics of assessing, which I was hoping for ECFs and land values training. It was this material that I learned when I became a level one assessor. I spoke with the other assessors after class and we all wondered why we were going over the basics. The next day I attended a private session with the two instructors, I came to the meeting with the idea that I needed to reduce my ECF neighborhoods and told the instructors that I would be working with Dan Kirwin to do just that. They both agreed that it was a great idea. At first, we were going to work on it there in Allegan County with the two instructors, but they decided that it would be best if I made the changes that Dan Kirwin had. We spent the rest of the day comparing ECFs to other ECFs and grouping them together. This was my chance to get an understanding of land values and ECF's and I was deflated that I didn't get the understanding that I had hoped. After the class, I immediately called Dan Kirwin at BS&A and had plans to have him come to my office. In 2016, we worked on land values and ECFs and created three or four folders with files required by the State Tax Commission. At the AMAR follow up in June of 2017 I brought the back ups of these folders and tried my best explaining each of these files, but it became apparent that I didn't have all the files. I was given a week or two to find these files and I looked for these files. I set up another session with Dan Kirwin and I had Dan check his USB drive for our backup of our materials that we had worked on. We couldn't find the files so Dan and I recreated the files and submitted them to Kelli Sobel and she stated that I had obviously not created these missing files. I called Dan Kirwin and he sent an email to the Township and the City Attorney and the attorney submitted to the Commission on October 30, 2017. This email contained the attachments of the land values and ECFs. I have turned over the 2017 land values and ECFs to Kelli Sobel on August 30, 2017 and the State Tax Commission on October 30, 2017 and December 12, 2017. I have passed the 2017 AMAR for the City of Galesburg and the 2018 AMAR for Otsego Township. I have hired two different assessors to help on both valuations and ECFs and I passed the AMAR with the help of those two assessors. I took the most recent offering of the land value and ECF class and I am waiting to find out the results.

Seth Koches appeared before the Commission as the attorney for Otsego Township and City of Galesburg regarding agenda item 17, Official Order to Revoke Patrick Couch's Certification in Assessment Administration. Mr. Koches stated the following: We represented Patrick at the

Michigan Administrative Hearing System and then again here today. Patrick has been an assessor for about 24 years and he has never had any issues that has brought him before a Disciplinary Committee and there hasn't even been a complaint filed against him. During the hearing before the ALJ the petitioner admitted that an educational program regarding ECFs and land values was needed because of the large numbers of issues that were identified statewide during the AMAR Reviews. This is not an excuse, but it does shine a spotlight on an area that seems to be difficult statewide and I think what is important to take away from this is that Patrick recognized he had issues in this area and went out and got the help he needed by first going to the State Tax Commission and then to BS&A Software to receive additional training. Now obviously Patrick made mistakes and we are not denying that, but he did make them in good faith. The ALJ even said that during the hearing that the respondent did not intentionally neglect his duties in preparation of the rolls. Since this occurred Patrick took additional measures to ensure that the errors do not occur again and as Patrick just stated he passed his AMAR reviews in 2017 and 2018. Both municipalities are comfortable with Patrick and they have worked with him for many years and they want him back and my statement is supported by the letter that Patrick submitted to the Commission today. Please do not destroy Patrick Couch's career because he tried, and he acted in good faith to the best of his ability to calculate the land values and ECFs and unfortunately errors happen in every profession. Something I have learned as an attorney is that any mistake I have made I have become better for it, especially when I put the time into what happened, what I did wrong and what I can do to rectify it. I think Patrick is on that same path here.

I think most reasonable minds would agree that destroying someone's career for an error he made in good faith is inequitable. Revocation of a license should be reserved for the worst actors, for example, someone who acts intentionally or with malice or deceit or with criminal intent. It would be hard for me to sit here and advocate not to revoke his license if Patrick acted in such a way. Again, Patrick made mistakes but the ALJ even said it wasn't intentional and said in good faith he tried to do his job. Since then he has taken corrective measures to be sure this wouldn't happen again. Rule 115 states that certification may be suspended or revoked for malfeasance, misfeasance and nonfeasance and it doesn't say shall. There is a big difference between may and shall as we all know. Malfeasance the definition is evil doing or some sort of ill conduct, the ALJ did not find Patrick responsible for malfeasance. Misfeasance is the improper performance of some act which ought to be performed, the ALJ did not find Patrick responsible for that either. Nonfeasance is nonperformance of some act which ought to be performed, this is what Patrick was found responsible of. Clearly of the three malfeasance is the most egregious and one who is found guilty of malfeasance should be punished accordingly including up to revocation of their license. Again, the harshest penalties should be reserved for the worst offenders. The STC staff prepared an order revoking Patrick Couch's license but the STC can amend that order to issue a disciplinary measure that includes a punishment such as suspension and continued oversight even compel Patrick to receive additional training in these areas to ensure these issues do not happen again. It is a reasonable sanction that whatever sanction is proportioned to the violations, in this case there has been no falsification or plagiarism of an examination or an appraisal report. Patrick Couch in good faith attempted to do his job and although he fell short there was no malice involved. Patrick further demonstrated good faith efforts to educate himself and sought guidance to improve his assessing practices. Again, the most severe sanctions and revocation should be reserved for the most serious violation. Suspending Patrick Couch's certification and allowing him more time to demonstrate that he has acquired the knowledge and skill to comply with the Assessor's Manual and General Property Tax Act would be appropriate. Today, Patrick has already demonstrated

significant progress towards that goal. As a condition of lifting any suspension the STC could require Patrick to attend additional trainings and then demonstrate his knowledge by testing or passing some sort of test or do detailed interviews by STC staff. We ask that the STC enter an order to that effect and not revoke Patrick's license. In fact, before we came into this meeting here today Patrick stated he would be willing to step down as the assessor for Otsego Township or the City of Galesburg if he is allowed under some condition to keep his certification that would allow him to seek employment elsewhere that maybe has more supervision and less of a leadership role. He has been doing this for 24 years and this is his career. We understand that mistakes are made but we are asking that you don't revoke his license, so he can have the opportunity to find employment elsewhere even if it is not at the City of Galesburg or Otsego Township.

Thomas Curry appeared before the Commission as the Supervisor regarding agenda item 24, Official Order to Assume Jurisdiction of 2018 Roll for Limestone Township, Alger County. Mr. Curry stated the following: There has been order for the STC to take over our tax roll based on past factors. We are confused because all our issues have been corrected and they requested on our last review our ECF studies and Commercial land value maps. We got a letter stating our residential maps were not up to par. They didn't ask for them, so they didn't get them. Our land value maps are completed and ready to go and were provided just recently from what I understand. Everything has been completed and there is no reason to take over our roll because it has been completed. The ECF studies errors are less than 2 percent and there was one neighborhood that was wrong but everything else was applied as it was supposed to be. I am asking not to take over our roll because there is no need for it because it is a lot of expense for our Township to get the same results we have right now.

Paul Arnold appeared before the Commission as the Assessor regarding agenda items 25 and 27, Official Orders to Assume Jurisdiction of the 2018 Rolls for Frankenlust Township and Williams Township, Bay County. Mr. Arnold stated the following: I would like to address the State Tax Commission on behalf of these two townships. Both townships have been charged with a deficiency of not having the Commercial ECF matching the analysis provided. This charge also led to an informal meeting with the Assessor Disciplinary Advisory Committee last Monday. It was stated at that Advisory Committee Meeting that the analysis done was "good" work. The problem came in the fact that I did not use the results of the analysis to factor the commercial class; instead I used a numerical factor that would yield a value that would fall between 49-50% of the Equalization value for that class. I was informed at that meeting there is a technique which I had never heard before in my 30 some years of assessing and classes that had been taken, there is a technique by which land values in the analysis could be factored, changing the ECF to produce a value falling within Equalization values. I applied that technique and mathematically replicated the ECF that was applied to the 2018 Commercial class. An amended commercial ECF for both townships is attached to the packet. It is my understanding that the STC has jurisdiction to determine whether a local assessing district, assessor or board of review is in substantial compliance with the requirements of the GPTA. It is also my opinion that this being the only deficiency and one that has seemingly been corrected would qualify for being in substantial compliance. My request would be to not to assume the roll for the fact to correct this one deficiency, which I believe has been corrected. However, that determination is for you to make.

Cynthia Wotila of McCurdy, Wotila & Porteous appeared before the Commission on behalf of the City of Reed City regarding agenda item 34, Official Order to Assume Jurisdiction of the 2018 Roll for City of Reed City, Osceola County. Ms. Wotila stated the following: I am here to appeal to the equity of the State Tax Commission and request that you not assume the jurisdiction of Reed City's assessment roll and allow them to amend their corrective action plan for the reasons outlined in my letter in greater detail. There were a series of unfortunate mistakes and misunderstandings which brings us here today. I would like to first point out the inaccuracies and the errors in the proposed order itself. First, the draft order refers to the Township and this is not a township it is a City. Second, it says the City does not have a public inspection policy in place and the Department's August 17th notice following the AMAR Review specifically identifies that it does have a public inspection policy. As to the incorrectly completed 4035a forms it is true that not all were signed but by letter dated September 14, 2017 sent by Roy Kissinger to the Tax Commission he indicated this would be corrected for the December, March and July Board of Review meetings that was in fact done in December 2017, March and July of 2018. But to my knowledge there was no follow up from the Department as to whether this issue has been corrected. For the improper ECF's the September 14th letter from Roy Kissinger to the Commission also indicated there were no Commercial or Industrial sales in 2017 to establish an ECF and he advised the Commission that he would in the future be using out of county sales to determine those ECF factors. He has done that going forward. On the proposed order those four deficiencies have been corrected since the initial audit. The remaining problem is the record card accuracy and that I elaborate on the misunderstanding. Essentially, the plan to correct that deficiency was to commence a reappraisal in 2018, this year, and be completed by December 31, 2019 and put into effect on the 2020 assessment roll. We are still in 2018 and the City has started the process of obtaining an appraiser to do a complete reappraisal of the City-wide properties. We have one individual who believes he can complete it by the date listed in our corrective action plan. Unfortunately, as we were soliciting firms to do the reappraisal it became evident that the City was thinking a mass reappraisal and the Commission was expecting a parcel by parcel remeasuring reappraisal. That was an unfortunate misunderstanding. That became evident when we started interviewing firms. Understandably, Kelli Sobel was skeptical that we could comply with our corrective action plan because of the time involved in doing a ground up reappraisal is obviously greater than a mass reappraisal. The City is now aware of that and they are willing to comply with their original corrective action plan to do a ground up reappraisal if necessary. From all the firms we have spoken to, we would need additional time to do that. In the alternative we would ask that our corrective action plan be amended to allow a mass reappraisal with particular attention to the deficiencies noted in the audit. From the feedback we have gotten from the different firms that could be done within the time frame our original corrective action plan proposed. In my letter I have a little chart that notes that every other municipality that is here today facing assumption of jurisdiction of their assessment roll, if you look at this chart one of these things are not like the other. Every other municipality they had their audit in one year, their corrective action plan was due a couple of years later, they had a follow up review and an opportunity to correct any deficiencies, a second review, some of them had a third review and then ultimately there is the proposed order. In our case we haven't even met the first deadline of our corrective action plan. So, we are still in compliance with our proposed plan and we haven't met the final deadline of our corrective action plan. We have gotten no notice from the Tax Commission of a follow up review and the policies indicate the municipality would be notified when a follow up review would be scheduled. In closing, should the City have been more diligent, absolutely, but we would ask that we be granted the equity to amend our corrective action plan to either adjust to a mass appraisal or be allowed more time. In any case, we submit we are in actual

compliance with our corrective action plan which would be substantial compliance with the statute and therefore we would request no order to assume jurisdiction be permitted at this time.

It was moved by Morris, supported by Kutschman, and unanimously approved Bulletin 13 of 2018 3rd Quarter Certified Interest Rates. (Item 4 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved Bulletin 14 of 2018 Electronic Filing. (Item 5 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved Bulletin 15 of 2018 Inflation Rate Multiplier for 2019. (Item 6 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved Bulletin 16 of 2018 Procedural Changes for 2019. (Item 7 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved Bulletin 17 of 2018 Property Tax and Equalization Calendar for 2019. (Item 8 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved Bulletin 18 of 2018 Property Tax Appeal Procedures for 2019. (Item 9 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved the 2019 Nuclear Plant Composite Factors. (Item 10 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to allow the reconsideration of classification appeals 18-001, 18-002, 18-010, 18-013, 18-014, 18-015, 18-016, 18-017, 18-018, 18-019, and 18-020 but retained the prior determination of Residential Real. The Commission approved to allow the reconsideration of classification appeal 18-005 and change the classification of parcel 150-001-200-010-98 to Agricultural Real. The Commission also allowed the reconsideration of classification appeals 18-021 and 18-022 but retained the prior determination of Agricultural Real. (Item 11 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved Form 3991 – 2019 Gas Turbine and Diesel Electric Generator Report. (Item 12 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved the Wind Turbine Reporting Form 4565 - 2019 Wind Energy System Report. (Item 13 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the 2019 System Economic Factors for Electric Distribution Cooperatives. (Item 14 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the 2019 Pipeline Economic Factors. (Item 15 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to allow Mr. Jaime Barra to complete the Michigan Advanced Assessing Officer program and hold in abeyance the recommendation to proceed to the Michigan Administrative Hearing System

(MAHS). Upon completion of the Michigan Advanced Assessing Officer program, Mr. Barra shall be ordered to appear before the Assessor Discipline Advisory Committee. Failure to complete the Michigan Advanced Assessing Officer Program and any deficiencies in an AMAR Review or Follow-Up AMAR Review in any local unit for which Mr. Barra is the assessor of record will waive all rights to further informal resolution will result in Mr. Barra to automatically proceed to MAHS formal hearing. (Item 16 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 Mr. John Botto III to proceed to the Michigan Administrative Hearing System (MAHS) for a formal hearing regarding his certification in assessment administration. (Item 16 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. Kimberly Bruner to proceed to the Michigan Administrative Hearing System (MAHS) for a formal hearing regarding her certification in assessment administration. (Item 16 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 Mr. Randy Hartman to proceed to the Michigan Administrative Hearing System (MAHS) for a formal hearing regarding his certification in assessment administration. (Item 16 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to postpone the Assessor Discipline Advisory Committee's recommendation to refer Mr. Mark Maki to proceed to the Michigan Administrative Hearing System (MAHS) for a formal hearing regarding his certification in assessment administration. This agenda item was postponed to the Commission's November 20, 2018 meeting. (Item 16 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to postpone the official order to revoke Mr. Patrick Couch's certification. This agenda item was postponed to the Commission's November 20, 2018 meeting. (Item 17 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction and then return the 2018 Assessment Roll for the City of Ludington, Mason County as an uncertified unit. (Item 18 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction and then return the 2018 Assessment Roll for Bushnell Township, Montcalm County as an uncertified unit. (Item 19 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction and then return the 2018 Assessment Roll for Montcalm Township, Montcalm County as an uncertified unit. (Item 20 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction and then return the 2018 Assessment Roll for Pine Township, Montcalm County as an uncertified unit. (Item 21 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction of the 2018 Assessment Roll for Fairplains Township, Montcalm County and require a review of the assessing practices of Fairplains Township be conducted before the roll can be certified and returned to the Township. (Item 22 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to overturn Arbela Township, Tuscola County 2018 July Board of Review actions granting a Disabled Veteran's Exemption for a prior year and require the Township to take the necessary steps to ensure the assessment roll is corrected and new tax bills are issued for parcel 79003-009-200-0250-00. (Item 23 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2018 Assessment Roll for Limestone Township, Alger County for failure to correct all of the deficiencies after a second follow-up AMAR Review and ordered Limestone Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2019 assessment roll. (Item 24 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction of the 2018 Assessment Roll for Frankenlust Township, Bay County for failure to correct all of the deficiencies after a second follow-up AMAR Review and ordered Frankenlust Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2019 assessment roll. (Item 25 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2018 Assessment Roll for Mt. Forest Township, Bay County for failure to correct all the deficiencies after a second follow-up AMAR Review and ordered Mt. Forest Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2019 assessment roll. (Item 26 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction of the 2018 Assessment Roll for Williams Township, Bay County for failure to correct all the deficiencies after a second follow-up AMAR Review and ordered Williams Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2019 assessment roll. (Item 27 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction of the 2018 Assessment Roll for New Buffalo Township, Berrien County for failure to correct all the deficiencies after a second follow-up AMAR Review and ordered New Buffalo Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2019 assessment roll. (Item 28 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2018 Assessment Roll for Sodus Township, Berrien County for failure to correct all the deficiencies after a second follow-up AMAR Review and ordered Sodus Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2019 assessment roll. (Item 29 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction of the 2018 Assessment Roll for DeTour Township, Chippewa County for failure to correct all the deficiencies after a third follow-up AMAR Review and ordered DeTour Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2019 assessment roll. (Item 30 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2018 Assessment Roll for Drummond Township, Chippewa County for failure to correct all the deficiencies after a third follow-up AMAR Review and ordered Drummond Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2019 assessment roll. (Item 31 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction of the 2018 Assessment Roll for Raber Township, Chippewa County for failure to correct all the deficiencies after a third follow-up AMAR Review and ordered Raber Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2019 assessment roll. (Item 32 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2018 Assessment Roll for Escanaba Township, Delta County for failure to correct all the deficiencies after a second follow-up AMAR Review and ordered Escanaba Township to hire an outside party to fix the deficiencies noted in the roll and complete the work for the 2019 assessment roll. (Item 33 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to postpone assuming jurisdiction of the 2018 Assessment Roll for the City of Reed City, Osceola County. The Commission directed the City provide additional information regarding their progress on their reappraisal, when it would be complete and who would be hired to complete the work. This agenda item was postponed to the Commission's November 20, 2018 meeting. (Item 34 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the staff recommendation on the Re-certifications and New Certifications of Computerized Tax Rolls for the following: (Item 35 on agenda)

These certifications will expire on **May 1, 2022**.

New Certifications:

Macomb County

City of Center Line

Mecosta County

Aetna Township

Big Rapids Township

Deerfield Township

Sheridan Township

Recertification:

Menominee County

Menominee Township

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the staff recommendation on the New Certifications of Computerized Assessment Rolls for the following: (Item 36 on agenda)

These certifications will expire on May 1, 2022.

New Certifications:

Leelanau County

Glen Arbor Township

Mecosta County

City of Big Rapids

Muskegon County

Whitehall Township

Oakland County

City of Novi

City of Southfield

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the staff recommendation on the Charitable Non-Profit Housing Organization Exemptions for the following: (Item 37 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
Washtenaw	Ypsilanti Township	K-11-01-204-034	3 Years
Washtenaw	Ypsilanti Township	K-11-01-205-014	3 Years
Washtenaw	Ypsilanti Township	K-11-10-210-006	3 Years
Washtenaw	Ypsilanti Township	K-11-01-204-016	3 Years
Leelanau	Village of Suttons Bay	45-043-766-085-50	5 Years
Leelanau	Kasson Township	45-007-002-035-00	5 Years
Saint Clair	Kimball Township	74-25-715-0030-000	3 Years
Saint Clair	City of Port Huron	74-06-301-0003-000	5 Years

The Commission received an update from Executive Director Heather Frick on the Business Process Review Initiative (BPRI) for Continuous Improvement Regarding the State Equalization Project Update and that due to delays beyond staff control, these initiatives cannot be implemented for the 2019 cycle. Staff will continue to update the Commission on the progress of these initiatives, present a revised timeline for proposed implementation once the contractual matters are resolved and will proceed forward with the directives for continuous improvement pursuant to the BPRI and in support of further improving the quality of assessment administration in Michigan. (Item 38 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the staff recommendation on the **Special Items Exemptions Agenda** except for certificate numbers 2012-258 and 2017-182. It was moved by Roberts, supported by Morris, and approved to grant Industrial Facilities Exemption Certificates for Generate Freemont Digester LLC – Certificate Numbers 2012-258 and 2017-182. (Item 39 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 40 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 41 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 MCL 211.154 petitions on the **Special Items Agenda**, postponed MCL 211.154 petition 154-17-0925 until the November 20, 2018 Meeting and accept the withdraw of MCL 211.154 petitions 154-17-0957, 154-17-0931, 154-17-0932, 154-17-0933, 154-17-0934, 154-17-0935, 154-17-0936, 154-17-0951, 154-17-0952, 154-17-0953, 154-17-0954, 154-17-0955 and 154-17-0956. (Item 42 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 43 on agenda)

Bangor Township, Bay County

154-18-0394 MATTHEW J. LUCZAK TRUSTEE 010-G03-000-045-00
REAL PROPERTY

2018 AV from \$ 12,500 to \$ 118,650 TV from \$ 12,500 to \$ 118,650

City of Benton Harbor, Berrien County

154-18-0420 MARCIA ANN HAYNES 11-52-2400-0022-02-0
REAL PROPERTY

2016 AV from \$ 10,400 to \$ 1,200 TV from \$ 10,400 to \$ 1,200

2017 AV from \$ 10,300 to \$ 1,200 TV from \$ 10,300 to \$ 1,200

Delta Township, Eaton County

154-18-0446 JAMES & JANET WEST 040-046-000-630-00
REAL PROPERTY

2018 AV from \$ 0 to \$ 86,200 TV from \$ 0 to \$ 78,840

Bear Creek Township, Emmet County

154-18-0375 JAMES & JEAN VERNOR 24-01-19-01-201-016
REAL PROPERTY

2018 AV from \$ 0 to \$ 146,800 TV from \$ 0 to \$ 141,204

Mundy Township, Genesee County

154-18-0445 JOHNSON & JOHNSON FINANCE 15-80-602-019
PERSONAL PROPERTY

2018 AV from \$ 0 to \$ 21,500 TV from \$ 0 to \$ 21,500

154-18-0453 JOHN & SARAH EVANS 25-15-36-200-037
REAL PROPERTY

2018 AV from \$ 0 to \$ 114,000 TV from \$ 0 to \$ 92,167

Meridian Township, Ingham County

154-18-0412 REMITTANCE PROCESSING SERVICES 33-02-02-90-530-397
PERSONAL PROPERTY

2018 AV from \$ 0 to \$ 300 TV from \$ 0 to \$ 300

Grass Lake Township, Jackson County

154-18-0397 TODD MCDONALD & FRANK MCDONALD 38-000-15-19-128-011-03
REAL PROPERTY

2017 AV from \$ 95,100 to \$ 94,000 TV from \$ 95,100 to \$ 94,000

2018 AV from \$ 110,800 to \$ 109,300 TV from \$ 102,097 to \$ 100,565

City of Grand Rapids, Kent County

154-18-0316 PLAINFIELD MARKET LLC 41-01-51-114-950
PERSONAL PROPERTY

2017 AV from \$ 16,000 to \$ 40,300 TV from \$ 16,000 to \$ 40,300

2018 AV from \$ 144,300 to \$ 34,900 TV from \$ 144,300 to \$ 34,900

City of Rochester, Oakland County

154-18-0364 LEONI CABLE INC. 68-99-00-003-035
PERSONAL PROPERTY

2018 AV from \$ 5,500 to \$ 10,850 TV from \$ 5,500 to \$ 10,850

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt all other MCL 211.154 petitions. (Item 43 on agenda) ([See attached link for file identification](#))

Public Comment (Item 44 on agenda): No member of the public wished to comment.

It was moved by Morris, supported by Kutschman, and unanimously approved Forms 4070 – Hydroelectric Report – Real Property and 4094 – Steam Electric Report. (Add on to agenda)

It was moved by Roberts, supported by Kutschman, and unanimously approved to recognize April Griffin with a resolution honoring her on her retirement after 33 years of service to the State of Michigan and thanking her for her dedicated service and work in the MCL 211.154 process. (Add on to agenda)

The next Commission meeting will be held November 20, 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 12:32 p.m.

DATE TYPED: **October 23, 2018**

DATE APPROVED: **November 20, 2018**

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

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

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