



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
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, May 13, 2019
9:00 a.m.***

***PRESENT: Nick A. Khouri, Chair STC
W. Howard Morris, Member STC
Leonard D. Kutschman, Member STC

David A. Buick, Acting Executive Director
LaNiece Densteadt, Recording Secretary***

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

Chairman Khouri stated the following: I would like to say congratulations to some of Treasury staff from the changes that have taken place since the last time we met. Heather Frick who has played many roles in the years that I was in Treasury has received a well-deserved promotion and has now taken on much broader responsibilities. The State Tax Commission will still be under her umbrella, but she has a much broader scope of things. Congratulations on your promotion. David Buick who is on my left and we have worked on many things together will now be Acting Executive Director of the State Tax Commission. Congratulations to him also.

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the minutes of April 8, 2019. (Item 1 on agenda)

Public Comment – Agenda Items 5-14 Only (Item 2 on agenda):

Edith Hunter appeared before the Commission on behalf of Seville Township regarding agenda item 7, Official Order Regarding Seville Township, Gratiot County. Ms. Hunter stated the following: The Township failed the AMAR in 2014. I didn't take over until July of 2016. Shortly after that time I experienced several medical issues of which I am still battling. I understand this has been ongoing but as mentioned this was prior to me and the Township Board. We also had an entire new Township Board in November of 2016. We are working very hard on it. It is not just the reappraisal, it is legal description problems, principal residence exemption problems and split problems. Almost every time a house closes, I am having to fix a legal description because it is bad. It appears that a lot of our records haven't been updated in 20 or 30

years. I am working hard on it. I apologize for it not being done and I did not plan on having medical issues as none of us do. I would respectfully ask for the opportunity to finish it. I do have help and we are out six days a week. We are down to around 200 parcels left for the reappraisal. I didn't hear back from the gentleman that was helping me to find out how many he got done over the weekend.

Ben Hunter and Howard Whaley appeared before the Commission on behalf of Washington Township regarding agenda item 8, Official Order Regarding Washington Township, Gratiot County. Mr. Whaley stated the following: I am the trustee with Washington Township and Ben Hunter is our assessor and has taken over the rolls as of last spring. I understand the reassessment of the Township needed to be completed by January 1st and it was not done. I will accept responsibility for that. We are providing much more oversight for Ben. I understand that it is not the assessor's responsibility to make sure it gets done it is the Township Boards. It is done, field work and data entry are done and emailed to the State in a file format and it has been emailed to the County. As I understand it, the State Tax Commission was going to assume jurisdiction of the roll. I request that you hold off on that to give the County the opportunity to review it and give the State the opportunity to review it. If there are any corrections, we will make those corrections. This is kind of a learning curve for us and for me. Basically, our request is that you not take jurisdiction and let us try and do our job better.

It was moved by Morris, supported by Kutschman, to approve the 2019 Preliminary Equalized Valuations for each separately equalized classification of property in each of the 83 Michigan counties. The preliminary 2019 total state equalized valuations for each class are as follows: (Item 3 on agenda)

Agricultural	\$ 24,127,707,286
Commercial	\$ 66,044,428,409
Industrial	\$ 19,610,294,569
Residential	\$ 319,596,513,032
Timber-Cutover	\$ 215,084,613
Developmental	\$ 79,982,763
Total Real Property	\$ 429,674,010,672
Total Personal Property	\$ 29,241,372,608
Total Real and Personal	\$ 458,915,383,280

It was moved by Kutschman, supported by Morris, and approved to receive the tentative 2019 State Assessed Roll, to approve publication of the notices, and set June 3, 2019 as the date for appeals and to require appeals be made in person. (Item 4 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved Bulletin 5 of 2019 Interest Rates on Michigan Tax Tribunal Judgments. (Item 5 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved Bulletin 6 of 2019 County Multipliers for 2014 Assessor's Manual. (Item 6 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction of the 2019 Assessment Roll for Seville Township, Gratiot County due to the length of time that has passed since the initial review and the failure to correct all the deficiencies noted in the AMAR Review. The Commission ordered Seville Township, Gratiot County to hire an outside party approved by the Commission to complete the reappraisal for the 2020 assessment roll and to provide monthly reports to the Commission on the status of the reappraisal beginning on June 1, 2019. (Item 7 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction of the 2019 Assessment Roll for Washington Township, Gratiot County for failure to correct all the deficiencies noted in the AMAR Review and the planned reappraisal not being complete for the 2019 Assessment Roll. The Commission ordered Washington Township, Gratiot County to hire an outside party approved by the Commission to complete the reappraisal for the 2020 assessment roll and to provide monthly reports to the Commission on the status of the reappraisal beginning on June 1, 2019. (Item 8 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2019 Assessment Roll for Allis Township, Presque Isle County due to the recurring deficiencies noted in the AMAR Reviews. The Commission ordered Allis Township, Presque Isle County to hire an outside party approved by the Commission to fix the deficiencies noted in the roll and to complete the work for the 2020 assessment roll. (Item 9 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order to assume jurisdiction of the 2019 Assessment Roll for Metz Township, Presque Isle County due to the recurring deficiencies noted in the AMAR Reviews. The Commission ordered Metz Township, Presque Isle County to hire an outside party approved by the Commission to fix the deficiencies noted in the roll and to complete the work for the 2020 assessment roll. (Item 10 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2019 Assessment Roll for the City of Onaway, Presque Isle County due to the recurring deficiencies noted in the AMAR Reviews. The Commission ordered the City of Onaway, Presque Isle County to hire an outside party approved by the Commission to fix the deficiencies noted in the roll and to complete the work for the 2020 assessment roll. (Item 11 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order to assume jurisdiction of the 2019 Assessment Roll for Pulawski Township, Presque Isle County due to the recurring deficiencies noted in the AMAR Reviews. The Commission ordered Pulawski Township, Presque Isle County to hire an outside party approved by the Commission to fix the deficiencies noted in the roll and to complete the work for the 2020 assessment roll. (Item 12 on agenda)

It was moved by Kutschman, supported by Morris, and unanimously approved to adopt the official order adopting the signed Stipulation and Dismissal Without Prejudice filed with the Michigan Office of Administrative Hearings and Rules (MOAHR) to allow Mr. Mark Maki to fully participate in and successfully complete the Michigan Certified Assessing Officer (MCAO) program, which includes timely submission of all assignments, attending all classroom sessions and passing the exams. Failure to fully participate in and successfully complete the MCAO program, Mr. Maki will immediately surrender his assessor's certificate to the State Tax Commission. Effective July 31, 2019, Mr. Maki will resign or retire from all local units of government and cease acting as an assessor, except for Chassell Township, Houghton County and the City of Munising, Alger County. Mr. Maki will not seek out any additional local units or act as an assessor of record except for the local units identified in the agreement. Failure to comply with the terms of the agreement, Mr. Maki will immediately surrender his assessor's certificate to the State Tax Commission. If all the terms and conditions are satisfied in full through December 31, 2021, the restrictions on Mr. Maki's practice as an assessor will terminate as of January 1, 2022. (Item 13 on agenda)

It was moved by Morris, supported by Kutschman, and unanimously approved to adopt the official order adopting the signed Stipulation and Dismissal Without Prejudice filed with the Michigan Office of Administrative Hearings and Rules (MOAHR) to allow Ms. Kimberly Bruner to fully participate in and successfully complete the MAAO Self-Paced Land Value Determinations and ECF class, which includes timely submission of all assignments, attending all classroom sessions and passing the exam. Ms. Bruner will fully participate in additional training provided by State Tax Commission staff regarding land value adjustments in order to properly document and/or remove all land adjustments without reason contained in her local unit databases. Failure to comply with the terms of the agreement, will result in Kim Bruner's immediate surrender of her assessor's certificate to the State Tax Commission. (Item 14 on agenda)

It was moved by Kutschman, supported by Morris, and approved the staff's recommendation to adopt the official order containing Findings of Fact and Conclusions of Law as required by the Wayne County Circuit Court remand. The Official Order denies the request by the City of River Rouge for a change of assessment in MCL 211.154 Petitions 154-14-1140, 154-15-0991 and 154-15-0992 for the 2012, 2013, 2014 and 2015 tax years, for the reason that the City of River Rouge has failed to present competent, material, and substantial evidence that DTE and EES Coke have obtained commercial or productive value recovered by any of the facilities (as defined in MCL 324.5901) contained in the disputed Air Pollution Control Personal Property Exemption Certificates for the 2012 – 2015 tax years stated in the 154 Petitions filed by the City of River Rouge. Chairman Khouri recused himself from the matter. (Item 15 on agenda)

It was moved by Morris, supported by Kutschman, 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 petitions on the **Concurrence Agenda**. (Item 17 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**. (Item 18 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 MCL 211.154 petitions on the **Non-Concurrence Agenda**. (Item 19 on agenda) ([See attached link for file identification](#))

Public Comment (Item 20 on agenda):

Patricia Mallory appeared before the Commission on behalf of the Seville Township Board. Ms. Mallory stated the following: Basically, I am here to plead my case about the Seville Township tax roll. Our entire board retired in 2016 before the elections so we are a completely new Board. I had attended meetings on a regular basis, so I decided to run as a trustee because time wasn't really a factor to go for anything that required more time. We have had to bring the Township up to 2019 there were many boxes that had to be electronically scanned and everything. We have done a lot of things in a little over two years. We have been burdened with quite a few things from the clerk not filling out our paperwork to have our fire and rescue to put on our ballot, so we had to pay that out of our general fund because that was neglected to be filed in time for the election. We just paid some payroll taxes from the past Board and that was about \$17,000 worth of taxes with penalty and interest. We are also dealing with the DEQ right now because we have some sewage that has been discovered that has been leaking into our river. We have a Citizens Committee that we have gotten on board within the last month and we have made headway with the Michigan Health Department, DEQ and Michigan Real Waters Association. We have really done things by leaps and bounds with the Board that we have. We have two teams of assessors currently as she did get a hold of somebody else. I have talked to other assessors in our county and because of the past assessor there are cards that are missing so she has had to rebuild the file from scratch. The newly elected supervisor from our election decided it was too stressful, so he resigned in December of last year. If the Commission could please reconsider and allow our assessor to complete the last 200 parcels, we will be done by the end of June. I am not going to make promises for her that she can't complete. We are hoping that we can continue with completing assessments and if we can send weekly updates on how many we have completed every week to show that we are very serious about this. We know it is a serious problem and I did not know about it while I was on the Board. The supervisor was not sharing that information, but we knew that our assessor was communicating with your office. We are just asking for a six-week time period to do it ourselves. We know we can do this we have a great Board and like I said we have done leaps and bounds to get things done and everything up to where it needs to be. We knew we were going to inherit some things and we knew it was kind of in the dinosaur age and we had to bring that up, but we didn't know about these other surprises. We would really appreciate it if you would please reconsider that and give us six more weeks.

The next Commission meeting will be held May 28, 2019, at the Okemos Conference Center in the Okemos A & B Rooms, 2187 University Park Drive, Okemos.

It was moved by Khouri, supported by Kutschman, and approved to adjourn the meeting of the State Tax Commission at 10:02 a.m.

DATE TYPED: **May 13, 2019**

DATE APPROVED: **May 28, 2019**

Nick A. Khouri, Chair
State Tax Commission

W. Howard Morris, Member
State Tax Commission

Leonard D. Kutschman, Member
State Tax Commission

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