STATE OF MICHIGAN

JAMES J. BLANCHARD, Governor

DEPARTMENT OF TREASURY

ROBERT A. BOWMAN, State Treasurer

STATE TAX COMMISSION

COMMISSION MEMBERS
THEODORE P. MANSOUR
LEROY J. NELSON
ROBERT O. VANDERMARK

4th Floor Treasury Building
Lansing, Michigan 48922 Telephone 517 373-0500

TO: ALL ASSESSING OFFICERS

FROM: STATE TAX COMMISSION

RE: **NONCONSIDERATION OF THE TRUE CASH VALUE OF NORMAL REPAIRS, REPLACEMENT, AND MAINTENANCE FOR RESIDENTIAL PROPERTY**

RESCINDED

Act No. 293 of the Public Acts of 1976, Act No. 25 of the Public Acts of 1978, and Act No. 283 of the Public Acts of 1989 provide for the nonconsideration for selected items of normal repairs, replacement, or maintenance made after December 31, 1976 for the assessed value of residential property until it is sold.

In order to implement the nonconsideration, assessing officers need to keep completed Forms L-4293 on file for each residential property that is known to them to have qualifying items of normal repairs, replacement, and maintenance since December 31, 1976 while the property is owned by the owner who repaired, replaced or maintained the property. A copy of Form L-4293 has been attached. Form L-4293 should be made available to residential property owners. The itemized repairs, replacement, and maintenance, for items (a) through (o), shall not be considered normal maintenance if they are part of a structural addition or completion. However, an addition could be added to one part of the residence while qualified nonconsideration replacements occurred in another part of the building.

Assessing officers are advised to appraise the property before and after qualifying normal repairs, replacement, and maintenance. The difference between the before and after appraisals is to be listed in the assessment roll with the designation, "MCL 211.27(2) nonconsideration value $." The assessing officer is prohibited from increasing the assessed value for qualified normal repairs but is not to subtract expenditures from the existing assessed value.

The assessor shall not increase the construction quality classification and shall not decrease the effective age for depreciation purposes nor apply an economic condition factor that differs from similar properties in similar locations because of qualified items of normal repairs, replacement, and maintenance. However, at the bottom of Form L-4293 for the estimated true cash value after repair, replacement, and maintenance the assessor should use the correct actual construction quality classification and actual effective age. The before estimated true cash value would not recognize the enhanced quality or effective age. The tax base for the property is based on the before estimate of true cash value.

The assessed value of the property shall be based on actual value for the tax year following the date of purchase by a new owner.

Michigan Department of Treasury
L-4293 (Rev. 2-90)

This form is issued under authority of Section 211.27, MCL. Filing is voluntary.

REQUEST FOR NONCONSIDERATION OF THE TRUE CASH VALUE OF NORMAL REPAIR, REPLACEMENT AND MAINTENANCE EXPENDITURES

(Section 27 of P.A. 206 of 1893, as amended)

☐ Initial Filing
☐ Supplemental Filing

SEE INSTRUCTIONS ON REVERSE

FOR YEAR ENDING December 31, 19 ____

OWNER'S NAME | CLAIM NO.

ADDRESS

ADDRESS OF PROPERTY | PARCEL CODE NO.

ENTER COST OF:

(a)	Outside painting			(a)
(b)	Repair or replace	1. Siding	1.	
		2. Roof	2.	
		3. Porches	3.	
		4. Steps	4.	
		5. Sidewalks	5.	
		6. Drives	6.	
			TOTAL	(b)
(c)	Repaint, repair or replace existing masonry			(c)
(d)	Replace awnings			(d)
(e)	Add or replace gutters or downspouts			(e)
(f)	Replace storm windows or doors			(f)
(g)	Insulation or weatherstripping			(g)
(h)	Rewiring			(h)
(i)	Replace	1. Plumbing fixtures	1.	
		2. Light fixtures	2.	
			TOTAL	(i)
(j)	Replace furnace			(j)
(k)	Interior	1. Repair plaster	1.	
	*Describe other decorating:	2. Inside painting	2.	
	_____	3. Other decorating*	3.	
	_____		TOTAL	(k)
(l)	Replace	1. Ceiling	1.	
		2. Wall	2.	
		3. Floor surface	3.	
			TOTAL	(l)
(m)	Remove partitions			(m)
(n)	Replace water heater			(n)
(o)	Replace dated interior woodwork			(o)
I	TOTAL EXPENDITURE FOR YEAR			I
II	Expenditure which was part of a structural addition			II
III	Expenditure which was not part of a structural addition (line I minus line II)			III

SIGNATURE OF PROPERTY OWNER | DATE

RESCINDED

TO BE COMPLETED BY ASSESSOR

ESTIMATED TRUE CASH VALUE AFTER REPAIR, REPLACEMENT AND MAINTENANCE	ESTIMATED TRUE CASH VALUE BEFORE REPAIR, REPLACEMENT AND MAINTENANCE	ESTIMATED TRUE CASH VALUE OF REPAIR, REPLACEMENT AND MAINTENANCE FOR NONCONSIDERATION

NOTE: Consider enhanced quality and physical condition, as is, **after** the repairs, etc., for this estimated value.

This true cash value would be the basis for the assessed value after the residence has been sold, if these appraisals are up-to-date.

NOTE: Consider the quality and physical condition, as it was, **before** the repairs, etc., for this estimated value.

This true cash value is the basis for the assessed value on the roll, if these appraisals are up-to-date.

NOTE: This estimate is the difference between the estimated **before** value subtracted from the estimated **after** value.

This true cash value is required to be entered in the assessment roll as nonconsideration value.

INSTRUCTION FOR COMPLETING FORM L-4293

(Section 27, General Property Tax Act, as amended by P.A. 283 of 1989)

1. The owner of property for which nonconsideration of the value of normal repair, replacement and maintenance expenditures is claimed shall file this form with the assessor on or before December 31 of the year of the expenditure. Note: The initial filing may include expenditures since the later of the date of purchase or December 31, 1976.

2. The assessor is required to determine that the expenditures were not for part of a structural addition, such as a garage, breezeway, family room, basement, bathroom, or completing the initial construction as opposed to replacing elements of an existing structure.

3. The owner's labor or a volunteer's labor are to be considered at a reasonable cost estimate.

4. This form is to be kept on file by the assessor for review by the board of review, the county equalization department, the State Tax Commission and the Michigan Tax Tribunal.

Legal Basis for nonconsideration:

P.A. 283 of 1989 amended Section 211.27 of Michigan Compiled Laws:

(2) The assessor, beginning December 31, 1976, shall not consider the increase in true cash value that is a result of expenditures for normal repairs, replacement, and maintenance made or completed after December 30, 1976 in determining the true cash value of property for assessment purposes until the property is sold. For the purpose of implementing this subsection, the assessor shall not increase the construction quality classification or reduce the effective age for depreciation purposes, except if the appraisal of the property was erroneous before nonconsideration of the normal repair, replacement, or maintenance, and shall not assign an economic condition factor to the property that differs from the economic condition factor assigned to similar properties as defined by appraisal procedures applied in the jurisdiction. The increase in value attributable to the items included in subdivisions (a) to (o) that is known to the assessor and excluded from true cash value shall be indicated on the assessment roll. This subsection shall apply only to residential property. The following repairs shall be considered normal maintenance if they are not part of a structural addition or completion:
and then listing 15 specific repairs, replacements or items of maintenance which are to be considered as normal maintenance.Those items, (a) through (o), are listed on form L-4293.

INSTRUCTIONS TO ASSESSORS
FOR PROCESSING FORM L-4293

1. The assessor is required to estimate the true cash value of the property both before and after the expenditures.

2. The assessor shall not increase the construction quality classification nor decrease the effective age for depreciation purposes in determining the assessed value of the residential property.

3. Originally the nonconsideration will not reduce the property assessment below the assessment for the preceding year except if the appraisal was erroneous and excessive before the expenditures.

4. The economic condition factor or an overall adjustment based on tentative equalization multipliers determined by the county or state may be applied to the normally repaired or maintained property in the same manner as to other similar properties.

5. State equalized valuation multipliers resulting from the action of the county board of commissioners and state equalization are required to be applied to all assessments.

RESCINDED

Michigan Department of Treasury
L-4260 (Rev. 1-90)

APPLICATION FOR INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE

This form is issued as provided by P.A. 198 of 1974, as amended. Section references on this form are to specific sections of the act that explain or require the data. Filing of this form is voluntary. **The application should be filed after the district is established and no later than (within) six months after the commencement of the project.** This project will not receive tax benefits until approved by the State Tax Commission.

INSTRUCTIONS: Read the instructions on page 4 before completing this application. File the original and three copies of this form and the required attachments (four complete sets) with the clerk of the local government unit.

TO BE COMPLETED BY CLERK OF LOCAL GOVERNMENT UNIT Clerk must also complete sections 17, 18 and 19, page 3.	THIS SECTION FOR USE BY THE OFFICE OF THE STATE TAX COMMISSION
Signature	Application No.
Date Received	Date Received

Applicant, do not write above this line. Begin entries at 1 below.

1a. Applicant (Company) Name (Applicant must be the occupant/operator of the facility)

b. Standard Industrial Classification Code (Sec. 2(10))

c. Company Mailing Address (No. and Street, P.O. Box, City, State, ZIP)

d. Location of Facility (No. and Street, City, State, ZIP)

e. City/Twp./Village

f. County

2. Type of Approval Requested

☐ NEW FACILITY (SEC. 2(4)) ☐ REHABILATION (SEC. 3(1))

☐ SPECULATIVE BUILDING (SEC. 3(8)) ☐ RESEARCH and DEVELOPMENT (SEC. 2(9))

3. School District Where Facility is Located

a. School Code

4. How Many Years of Exemption Requested?

5. Explain Applicant's Principal Type of Business

6a. Rehabilitation Applicants Only: General Description and Use of Existing Facility (Number of buildings, type, size, use, products manufactured, type of research or development.)

b. Explain Degree and Type of Obsolescence Affecting Existing Facility.

7. Describe Project for Which Exemption is Sought (Type of Improvements to Land, Building; Size of Addition; Personal Property Acquired - Explain New - Used, Transfered from Out-of-State, etc.) and Proposed Use of Facility

8. Cost of land improvements EXCLUDING cost of land (Sec. 2(6)a ..... $

Cost of building improvements. (List major types on attachment.) .....

Cost of machinery and equipment. (Itemize: month, day & year on attachment; see instructions on page 4, item 2) .....

Cost of furniture and fixtures. (Itemize: month, day & year on attachment; see instructions on page 4, item 2) ..... $

TOTAL PROJECT COST ..... ☐ ACTUAL ☐ ESTIMATED

Continue on Reverse Side

RESCINDED

9. List Time Schedule for Start and Finish of Construction Stages and Equipment Installation. (See Instructions, page 4, items 2 and 4.)
NOTICE AFTER DEC. 31, 1983: Section 9 (2) (c) specifies that restoration, replacement or construction commence not earlier than 6 months before this application is filed. Estimate dates when applicable.

	Begin (M/D/Y)	End (M/D/Y)
Real Property Improvements:		
Personal Property Improvements:		

10a. Are the Buildings Owned or Leased by the Operator of the Facility? ☐ OWNED ☐ LEASED

b. Is Applicant Liable for Payment of Ad Valoram Taxes on This Property? (Attach copy of lease when applicable.) ☐ YES ☐ NO

c. Are Machinery and Equipment, Furniture and Fixtures Owned or Leased by the Operator of this Facility? (Attach a copy of the lease when applicable.) ☐ OWNED ☐ LEASED

11. Will the Property for Which This Application is Filed be Included in a:

a. Downtown Development Authority District as provided by P.A. 197 of 1975, as amended? ☐ YES ☐ NO
b. Tax Increment Finance Authority District as provided by P.A. 450 of 1980, as amended? ☐ YES ☐ NO
c. Local Development Finance Authority District as provided by P.A. 281 of 1986, as amended? ☐ YES ☐ NO

12a. Enter total number of employees prior to start of project. .....

b. How many new jobs are expected to be created within 2 years of project completion? .....

c. How many existing jobs (not counting new jobs created) will be retained as a result of this project? .....

13a. Has the project caused or will it cause, a relocation of the facilities from one or more Michigan governmental units to the unit in which the project is or will be located? ☐ YES ☐ NO

b. Previous Location of Facility	c. Number of Jobs Involved in Facility Relocation

d. Attach a certified copy of the resolution passed by the governmental unit from which employment is to be transferred consenting to the transfer of employment. Date resolution was adopted .....

14. Rehabilitation applications: Complete a, b and c. Attach assessor's statement.	a. SEV of Real Property (Exclude Land)
b. SEV of Personal Property (Exclude Inventory)	c. Total SEV as of Dec. 31, 19____

15a The Facility is Located in the following Type of District Established by the Local Governing Unit:
☐ INDUSTRIAL DEVELOPMENT DISTRICT ☐ PLANT REHABILITATION DISTRICT

b. Name of Governing Unit that Established District — Attach certified copy of resolution and drawing of district.

c. Date District was Established — NOTICE AFTER DEC. 31, 1983: Section 9(2)(b) provides that a written request to establish the district MUST be filed prior to the commencement of any improvements or construction. Please furnish a copy of the request

16a. Is This Application for a Speculative Building (Sec. 3(8))?
☐ NO - Go to 15 below. ☐ YES - Complete b, c and d

b. Name of Governmental Unit Which Passed Resolution to Establish a Speculative Building.	c. Date of Resolution (Attach copy)

d. Date of Construction Commenced (See page 4, item 4) — Attach a Certified statement from the building owner and local governing unit that the building has not been occupied since completion of construction. (See page 4, item 13.)

17. Complete this section if application is for a replacement facility which will not be located on the same site or contiguous to the obsolete facility. The obsolete facility will be disposed of as follows:

Name of Person to Contact for Further Information	Phone

Mailing Address

Continue on Page 3

RESCINDED

APPLICANT'S CERTIFICATION

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.571, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

18a. Type Name of Company Officer	b. Signature
c. Title	d. Date

LOCAL GOVERNMENT ACTION

This section is to be completed by the clerk of the local governing unit before submitting application to the State Tax Commission

19. Action Taken

☐ ABATEMENT APPROVED FOR _____ Years ☐ DISAPPROVED

Ending December 30, _____
(not to exceed 12 years after project completion)

20. Name of Local Government Body	Date of Action on This Application

Attached hereto is a copy of the resolution covering the action of the above named local government body on this application. The resolution contains the finding required under Section 9(1) of P.A. 198, of 1974, as amended (financial impact on taxings units). Attach form T-1044A and/or form T-1044 if the abated SEV exceeds 5% of the total SEV of the local unit.

Also attached are copies of the notices required under Section 4(3) (public hearing for district) and Section 5(2) (hearing for applicant, assessor and taxing units prior to approval of the application) of P.A. 198 of 1974, as amended. When applicable, attached are resolutions approving the speculative building as required by Section 3(8) and certified statements that the building has not been occupied since completion of construction as required by Section 9(4) of P.A. 198 of 1974, as amended.

21. Signature of Clerk	Date	Phone

MAILING INSTRUCTIONS

REMINDER: A complete filing (including documents from page 4, Instructions) of an Application for Industrial Facilities Exemption Certificate under P.A. 198 of 1974, as amended, should include the original and 3 copies of the following:

1. Notice to the public prior to hearing to establish district.
2. Resolution establishing district.
3. Application plus attachments.
4. Notice to taxing authorities prior to hearing to approve application.
5. List of taxing authorities notified.
6. Resolution approving application.
7. Completed applications received before Oct. 31 will be processed according to Rule 57, Administrative Rules of State Tax Commission.

Mail completed application and all attachments to:

Michigan Department of Treasury
State Tax Commission
Treasury Building
Lansing, Michigan 48922

RESCINDED

INSTRUCTIONS

The original form L-4380 and all required attachments listed below, plus three copies of all (four complete sets), is to be filed with the clerk of the local unit where the facility is or will be located.

Complete and accurate answers to all items on the application form will eliminate delay and assist in the expeditious processing of the application. Incomplete applications may be returned or not processed. Certain items are applicable to speculative buildings or rehabilitation applications only and should be marked "N.A." if your application is for a new facility. If the space provided is insufficient, answers should be continued or given on separate attachments.

The following information is required on separate documents attached to form L-4380:

☐ 1. Legal description of the real property on which the facility is or will be located. Also provide property identification number if available.

☐ 2. Complete list of new machinery, equipment, furniture and fixtures which will be used in the facility. The list should include description, type, identification, date of (expected) acquisition by month/day/year, and (expected) cost. Pollution control facilities which you intend to apply for under P.A. 250 of 1965, as amended (air) and P.A. 222 of 1966 (water), are to be listed separately. Detail of machinery and equipment must match amount shown on 8 on page 1.

☐ 3a. List of existing machinery, equipment, furniture and fixtures which will be replaced or renovated.
b. List of existing machinery, equipment, furniture and fixtures which will continue to be used in the facility.

The list should include description, type, identification, year of acquisition and original cost. (Not applicable to a new facility or speculative building.)

☐ 4. Proof of date construction started (groundbreaking) such as building permit, footings inspection report, certified statement or affidavit from contractor. Personal property only applications should have attached a certified statement or affidavit as proof of the date personal property installation commenced.

☐ 5. Complete copy of lease agreement as executed, if applicable, verifying lessee has ad valorem real and personal tax liability.

☐ 6. Certified copy of the resolution adopted by the local governing unit from which employment will be transferred, if applicable. An Industrial Facilities Exemption Certificate can be issued only if the governing body of the unit from which employment is to be transferred consents by resolution to the granting of the certificate. If employment is to be transferred to the new or rehabilitated facility from more than one local government unit, each unit from which employment will be transferred must give its consent.

☐ 7. If the application is for a rehabilitation, a statement by the Assessor showing the State Equalized Valuation of the obsolete facility, separately stated for real property (EXCLUDING land) and personal property (EXCLUDING inventory) for the tax year immediately preceding the commencement of the rehabilitation.

☐ 8. A copy of the notice to the general public and the certified notice to the property owners, concerning the establishment of the district.

☐ 9. Certified copy of the resolution establishing the Industrial Development District or Plant Rehabilitation District, which includes a legal description of the district. If the district was not established prior to the commencement of construction, the local unit shall include a certified copy of the filing of the request to establish district.

☐ 10. Copy of the notice to the general public and the certified letters to the taxing authorities regarding the hearing to approve the application.

☐ 11. Certified copy of the resolution approving the application.

☐ 12. Drawing showing the perimeter of the Industrial Development District or Plant Rehabilitation District and where, within the district, the facility will be located.

☐ 13. Resolution to establish speculative building and non-occupancy statements by the owner and governmental unit.

ADDITIONAL INSTRUCTIONS

Actual date of completion must be furnished to the State Tax Commission and the Assessor within 30 days after completion of the facility.

Final cost of the facility must be furnished by the applicant to the State Tax Commission and the Assessor within 90 days after completion of the facility.

RESCINDED